


EL PASO COUNTY
COLORADO

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PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
 CRAIG DOSSEY, EXECUTIVE DIRECTOR

TO: Planning Commission
Brian Risley, Chair

FROM: Gabe Sevigny, Planner II
Daniel Torres, P.E. Engineer II
Craig Dossey, Executive Director

RE: Project File #: ID-19-005
Project Name: Falcon Field Metropolitan District
Parcel Nos.: 43070-00-001 and 43072-00-015

APPLICANT:	REPRESENTATIVE:
Falcon Field, LLC ATTN: P.J. Anderson 31 North Tejon, Suite 516 Colorado Springs, CO 80903	White Bear Ankele Tanaka & Waldron, P.C. 2154 E. Commons Avenue, Ste 2000 Centennial, CO 80122

Commissioner District: 2

Planning Commission Hearing Date:	02/04/2020
Board of County Commissioners Hearing Date:	02/25/2020

EXECUTIVE SUMMARY

A request by Falcon Field, LLC, for approval of a Colorado Revised Statutes Title 32 Special District service plan for the Falcon Field Metropolitan District. The proposed District is located at the southeast corner of the Highway 24 and East Woodmen Road intersection and within Section 7, Township 13 South, Range 64 West of the 6th P.M. The properties within the boundaries of the proposed District are included within the Falcon/Peyton Small Area Master Plan (2006). The applicant is proposing the following: a maximum debt authorization of \$20 million, a debt service mill levy of 30 mills, an operations and maintenance mill levy of 5 mills, and 1 mill for a special purpose levy.

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The proposed maximum combined mill levy is 36 mills. The statutory purposes of the proposed District includes: 1) street improvements and safety protection; 2) design, construction, and maintenance of drainage facilities; 3) design, land acquisition, construction, and maintenance of recreation facilities; 4) mosquito control; 5) design, acquisition, construction, installation, and operation and maintenance of television relay and translation facilities; 6) covenant enforcement, 7) security services, 8) solid waste disposal, and 9) financing, design, permitting, construction, and installation of public water and sanitation systems.

Title 32 of the Colorado Revised Statutes grants extensive powers and authorities to special districts, such as the power of perpetual existence, the ability to incur debt, the ability to charge fees and adopt ad valorem mill levies, and the ability to perform covenant enforcement and design review. With that said, the applicant has decided to expressly limit the District's authorities under state statute with respect to the ability to exercise eminent domain powers by stating the following in the proposed service plan:

"The District may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the District.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the District intends to own, control or maintain by the District or other governmental entity and is for the material use or benefit of the general public. The term 'material use or benefit for the general public' shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase 'furtherance of an economic development plan' does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project."

Staff is proposing Recommended Condition of Approval No. 3 below, which requires prior approval by the Board of County Commissioners at an open and public hearing before the District is able to exercise eminent domain powers.

There is a concurrent application for a map amendment (rezone) from the RR-5 (Residential Rural) zoning district to the CR (Commercial Regional) zoning district. However, that application is still under review with El Paso County Planning and Community Development Department. The applicant's justification for seeking approval of the service plan in advance of receiving the underlying land use approvals is to meet the timeline for getting on the ballot for the May 2020 election in order to form the District in 2020. The applicant did not meet the timeline necessary to place the formation of the District on the November 2019 ballot. The applicant now desires to meet the timeline for a May 2020 election to form the District. The applicant also states in the draft service plan and the letter of intent that the formation of the District in advance of the land use approval is necessary to meet the above timelines, however,

the applicant understands the County is under no obligation to approve subsequent land use applications based on the approval/denial of this application.

If it is determined that the request complies with the El Paso County Land Development Code, the adopted El Paso County Special District Policies, and the criteria within the Colorado Revised Statutes for a Title 32 Special District Service Plan, and if a motion for approval is made, then staff recommends including the Recommended Conditions and Notations identified in Section C below.

A. PLANNING COMMISSION SUMMARY

Request Heard:

Recommendation:

Waiver Recommendation:

Vote:

Vote Rationale:

Summary of Hearing:

Legal Notice:

B. REQUEST/WAIVERS/AUTHORIZATION

Request: A request for approval of a Colorado Revised Statute Title 32 Special District service plan with a maximum debt authorization of \$20 million, a debt service mill levy of 30 mills, an operations and maintenance mill levy of 5 mills, and 1 mill for a special purpose levy with a maximum combined mill levy of 36 mills. The statutory purposes of the proposed district include: 1) street improvements and safety protection; 2) design, construction, and maintenance of drainage facilities; 3) design, land acquisition, construction, and maintenance of recreation facilities; 4) mosquito control; 5) design, acquisition, construction, installation, and operation and maintenance of television relay and translation facilities; 6) covenant enforcement, 7) security services, 8) solid waste disposal, and 9) financing, design, permitting, construction, and installation of public water and sanitation systems.

Authorization to sign: N/A

C. RECOMMENDED CONDITIONS AND NOTATIONS

It is noted that the majority of the conditions essentially paraphrase existing language in the service plan and formalize them as conditions.

CONDITIONS OF APPROVAL

1. As stated in the proposed service plan, the maximum combined mill levy shall not exceed 36 mills for any property within the District, with no more than 30 mills devoted to debt service, no more than 5 mills devoted to operations and maintenance, and 1 mill for a special purpose levy until and unless the District receive Board of County Commissioner approval to increase the maximum mill levies.

2. As stated in the attached service plan, the maximum authorized debt for the District shall be limited to \$20 million until and unless the District receive Board of County Commissioner approval to increase the maximum authorized debt.
3. The approval of the District includes the use of eminent domain powers by the District for the acquisition of property that the District intends to be owned, controlled, or maintained by the District or other public or non-profit entity and is for the material use or benefit of the general public. The District may not use the power of eminent domain without a recommendation by the Board of County Commissioners at a publicly noticed hearing that the use of eminent domain is necessary in order for the District to continue to provide service(s) within the District's boundaries and that there are no other alternatives that would not result in the need for the use of eminent domain powers.
4. As stated in the attached Service Plan, any future annexation of territory by the District (any territory more than five (5) miles from any District boundary line) shall be considered a material modification of the Service Plan and shall require prior approval by the Board of County Commissioners.
5. The District shall provide a disclosure form to future purchasers of property in a form consistent with the approved Special District Annual Report form. The developer shall provide written notation on each subsequent final plat associated with the development of the annually filed public notice and include reference to the El Paso County Planning and Community Development website where the most up-to-date notice can be found. County staff is authorized to administratively approve updates of the disclosure form to reflect current contact information and calculations.
6. The District is expressly prohibited from creating separate sub-districts except upon prior notice to the Board of County Commissioners, and subject to the Board of County Commissioners right to declare such creation to be a material modification of the service plan, pursuant to C.R.S. § 32-1-1101(1)(f)(I).
7. As stated in the attached service plan, approval of the proposed service plan hereby gives the District the express authority of covenant enforcement, including the imposition of fees for such enforcement.
8. As stated in the attached service plan, the District shall not have the authority to apply for or utilize any Conservation Trust ("Lottery") funds without the express prior consent of the Board of County Commissioners. The District shall have the authority to apply for and receive any other

grant funds, including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants.

9. Approval of this application shall not constitute relinquishment or undermining of the County's authority to require the developer to complete subdivision improvements as required by the Land Development Code and Engineering Criteria Manual and to require subdivision improvement agreements or development agreements and collateral of the developer to guarantee the construction of improvements.
10. The District shall not be authorized to issue debt until and unless approval of a rezoning, preliminary plan, and final plat have been obtained and unless such approvals are consistent with the assumed land uses and densities identified within the service plan and are consistent with the associated financial plan.
11. Any future proposed development of the subject parcels will require approval of a preliminary plan and final plat(s), and the final plat(s) must be recorded prior to land disturbance, unless approval a pre-development site grading request is granted by the Board of County Commissioners at the preliminary plan stage.

NOTATIONS

1. Approval of this service plan shall in no way be construed to infer a requirement or obligation of the Board of County Commissioners to approve any future land use requests within the boundaries of the Districts.
2. Any expansions, extensions, or construction of new facilities by the District will require prior review by the Planning and Community Development Department to determine if such actions are subject to the requirements of Appendix B of the Land Development Code, Guidelines and Regulations for Areas and Activities of State Interest (a.k.a. "1041 Regulations).

D. BACKGROUND AND STATUS OF LAND USE APPROVALS

The property was initially zoned A-4 (Agricultural) on September 21, 1965, when zoning was first established for this area of the County. Due to changes of the nomenclature, the A-4 zoning district has been renamed as the RR-5 (Residential Rural) zoning district.

The subject parcels were included in the Woodmen Hills Metropolitan District boundaries by an inclusion processed on April 29, 2019, under reception No. 219044856. Woodmen Hills Metropolitan District is committed to provide water and wastewater services but has not committed to extend service across Highway 24. The proposed Falcon Field Metropolitan District will extend services across Highway 24 and throughout the proposed development. Once

completed this infrastructure is then anticipated to be dedicated to the Woodmen Hills Metropolitan District for ownership and ongoing maintenance.

A map amendment (rezone) application is being concurrently reviewed, which proposed to rezone the property to the CR(Commercial Regional) zoning district. The map amendment (rezoning) application has not been scheduled for public hearing at this time. The application is for both parcels totaling 57.67 acres.

The current configuration of the two parcels was created April 3, 2006, which is after the modern subdivision regulations went into effect on July 17, 1972, making these parcels the result of an illegal subdivision of land. If the application for approval of a map amendment and the service plan application for the creation of the special district are approved, then the applicant will still be required to submit and receive approval of a preliminary plan and final plat to legalize the land pursuant to the subdivision requirements and the final plat must be recorded prior to approval of any site development plan.

E. APPLICABLE RESOLUTIONS:

Approval Page: 37

Disapproval Page: 38

F. STATUS OF MAJOR ISSUES

The proposed service plan is generally consistent with the Board of County Commissioners' June 2007, Special District Policies and with the requirements for use of a Single District Service Plan. Many of the County's policies are explicitly addressed in the service plan. Most of the proposed conditions excerpt and highlight language already contained in the service plan. The applicant has sufficiently addressed all issues identified by staff through the review process, except that the land use approval for a map amendment (rezone) has not yet been granted. A condition has been added that the District does not have authorization to issue debt until approval of a map amendment (rezone) is to occur.

G. APPROVAL CRITERIA

1. STATUTORY COMPLIANCE

The following is a summary of staff's analysis of the compliance of this request with the standards and criteria in Section 32-1-203(1) of the Colorado Revised Statutes.

Required findings

I. Sufficient existing and projected need

The applicant has submitted a concurrent application for approval of a map amendment (rezone) from the RR-5 (Residential Rural) zoning district to the CR (Commercial Regional) zoning district. If the concurrently reviewed application for a map amendment (rezoning) is approved, then a preliminary plan and final plat will also be required to

be submitted and approved and the final plat will need to be recorded prior to approval of a site development plan and authorization of any building permits.

There presently is no need for the district. The subject parcels require approval of the above applications prior to any development. If approvals are secured, then such development and the provision of ongoing maintenance of the associated utilities would establish sufficient need for the proposed District. Condition 10 prevents the proposed District from imposing any debt until such approvals have been obtained.

II. Existing service is inadequate for present and projected needs

The Woodmen Hills Metropolitan District is currently providing water and wastewater services to the developed areas northwest of Highway 24. The subject parcels are located within the boundaries of the Woodmen Hills Metropolitan District. However, there is no physical connection of Woodmen Hills infrastructure across Highway 24 that could be used to serve the proposed development. Therefore, the proposed Falcon Field Metropolitan District will need to extend these services across Highway 24 and into the proposed development.

Woodmen Hills Metropolitan District has committed to providing water and wastewater service but has not committed to constructing the infrastructure needed to bring the facilities into and throughout the proposed development. After construction, the water and wastewater infrastructure is anticipated to be dedicated to the Woodmen Hills Metropolitan District for ownership and ongoing maintenance based upon the inclusion agreement. The incorporated boundary of Colorado Springs is located approximately 3,500 feet to the southwest and is not directly adjacent to the subject parcels; therefore, annexation into the City is not possible at this time. There is no public entity available that is capable of constructing and maintaining the required water and wastewater infrastructure, street and safety improvements, drainage facilities, covenant control, mosquito control, and recreation facilities.

III. District is capable of providing economical and sufficient service

Pursuant to the analysis and conclusions within the District's financial plan, a summary of which is included as Exhibit D of the service plan, the District proposes to provide services within the service area in an economic and sufficient manner. Such services are speculative at this time, as a map amendment (rezone), preliminary plan, and final plat still require approvals from El Paso County. Without such approvals, the District's proposed services would not be required.

IV. Financial ability to discharge proposed indebtedness

The District's financial plan indicates that the District would have the ability to discharge the proposed indebtedness, if the concurrent map amendment (rezone) application and any future preliminary plan and final plat were to be approved for the subject parcels. The current zoning of R-5 (Residential Rural) zoning district, does not allow for commercial uses by right. The ability to discharge the proposed indebtedness relies solely on commercial uses as proposed within the Financial Plan. It is important to note that the plan relies upon a development build-out schedule beginning in 2021 and ending in 2026 with approximately 275,500 square feet of commercial use including one large box user and 12 individual pad sites. The applicant provided the following justification for the anticipated absorption rate in their development summary:

“Development in El Paso County has been primarily concentrated in the northern part of Colorado Springs metro area. Growing demand for retail development in the Northeast/East area of El Paso County combined with strong economic factors demonstrates a healthy retail market where the Project is located.

There is a growing demand for retail development in Northeast/East El Paso County. The Hoff and Leigh Retail Market Report for Q3, 2019 states that ‘despite active development on Northeast Colorado Springs, it has hardly been enough to keep up with exceptional demand. Moving into 2019, the retail vacancy rate in Northeast Colorado Springs was under 4%, the lowest of the decade.’

CBRE Colorado Research (“CBRE”) specialized in retail properties statistics and trends reported in its H1 2019 Colorado Springs Retail Marketview, a Positive Absorption Rate for retail properties sized 5,000 square feet or larger, meaning, more commercial space was leased than what was vacated/supplied in the market.

In 2019, CBRE reported that Colorado Springs will continue to see attention from national retailers who are closely following the population growth, which is currently concentrated in East El Paso County, where the Project is located. The Colorado Springs population grew 13.6% between 2010 to 2018 and is substantially higher than the U.S. metro average of just 6.8%. In addition, CBRE reported ‘Colorado Springs retail, being such a healthy and liquid market, will continue to receive investor interest from both out of state and local investors.’”

The applicant is assuming that full build-out will capitalize on the growing need of retail shopping and restaurants in this area of the County. If their assumptions are incorrect and the additional need for commercial development in this area of the County does not develop, the ability of the District to service the issued debt could be compromised.

Discretionary findings

The following findings are discretionary on the part of the Board of County Commissioners:

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

The proposed parcels are located within the boundaries of Woodmen Hills Metropolitan District. Woodmen Hills Metropolitan District has committed to serve water and wastewater services but has not committed to extend the infrastructure necessary to provide such services. The proposed Falcon Field Metropolitan District will extend services across Highway 24 and throughout the proposed development. After construction, the water and wastewater infrastructure is anticipated to be dedicated to the Woodmen Hills Metropolitan District for ownership and ongoing maintenance.

The other proposed services can be provided without the creation of the new District. The developer could construct the necessary infrastructure (roadways, sidewalks, drainage facilities, parks and 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 features (detention ponds), as well as providing 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 a special district.

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.

III. Compliance with the Master Plan

The El Paso County Policy Plan (1998) has a dual purpose; it serves as a guiding document concerning broader land use planning issues and provides a framework to tie together the more detailed sub-area elements of the County Master Plan. This discussed in detail below, however, staff can determine that with approval of a map amendment (rezone), preliminary plan, final plat, and associated site development

plans, this application could be found in general conformance. Without said approvals, this application will not be general conformance.

The El Paso County Water Master Plan (2018) has three main purposes; better understand present conditions of water supply and demand; identify efficiencies that can be achieved; and encourage best practices for water demand management through the comprehensive planning and development review processes. This plan is discussed in detail below, however, a request for finding of water sufficiency in regard to quantity, dependability, and quality is not being requested with the proposed District but would occur at the later subdivision stage.

The property is located within the Falcon/Peyton Small Area Master Plan (2008), specifically the Highway 24 Corridor planning area. This plan is discussed in detail below. Staff recommends the request generally complies with the master plan and small area plan with inclusion and compliance with the Recommended Conditions of Approval.

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, which was in effect at the time of application submittal, states that, "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 wastewater treatment service for the anticipated development to be provided by the Woodmen Hills Metropolitan District. The applicant will design, finance and construct the water and wastewater infrastructure, which will be dedicated to Woodmen Hills Metropolitan District after construction.

V. In the best interests of the area to be served

See other service provision discussions in this staff report.

2. COMPLIANCE WITH 2007 SPECIAL DISTRICT POLICIES

(The County's Special District Policies, dated June 25, 2007, are included as an attachment. The following is a summary of the analysis of those policies as they apply to this request.)

I. Conformity with statutory standards

(See Statutory Compliance discussion above)

II. Conformity with County Master Plan and Polices

(See the Discretionary Findings discussion above and below)

III. Content in conformance with statutes

To the knowledge of staff, the process followed to this point has been consistent with the requirements of Colorado statutory law.

IV. Applicants responsible for meeting timelines

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

V. Limiting proliferation of districts

Approval of this service plan will allow for the creation of one (1) new Title 32 Special District. The creation of the proposed District will not result in service provision redundancy in the area. The only other service provider in the area is the Woodmen Hills Metropolitan District, which has committed to provide water and wastewater services to the Falcon Field development. The applicant is not proposing for the District to provide water and wastewater services, but instead is requesting authority to finance, construct, and install the physical infrastructure needed to extend the water and wastewater services of the Woodmen Hills Metropolitan District under Highway 24 into the Falcon Field development. The infrastructure is then anticipated to be dedicated to Woodmen Hills Metropolitan District for ongoing ownership and maintenance. The applicant is proposed to have covenant enforcement authority, which would be geographically limited to only those properties located within this District's boundaries.

VI. Coordination with other elected officials and departments

The applicant has fully coordinated with all applicable departments and has provided sufficient lead time to allow for a technical review of the proposed service plan.

VII. Address potential for annexation

The boundaries of the proposed District are not within proximity to any municipality. However, it is included within the boundaries of the Woodmen Hills Metropolitan District. The Falcon Field Metropolitan District is being proposed because the existing rate and mill levy payers within the WHMD should not be burdened with the cost of paying off the debt needed to develop the two subject parcels, as noted in the inclusion agreement.

VIII. Development Analysis

A development analysis has been provided consistent with the adopted Board of County Commissioners policies. A summary of the development analysis is included in Section IV of the service plan.

Please see the discussion of the District's financial plan in the Required Findings section of this report, specifically subsection IV Financial Ability to Discharge Proposed Indebtedness, above as it relates to the assumptions for development.

IX. Mill Levy Caps

The applicant is requesting approval of a maximum combined mill levy cap of 36 mills, including 30 mills for debt service, 5 mills for operations and maintenance, and 1 mill for a special purpose levy. The maximum combined mill levy, adopted with the Board of County Commissioners policies, is 60 (sixty) mills. The proposed District's combined mill levy cap of 36 mills is consistent with those policies.

X. Master Districts

The applicant is proposing one single district and not a master district. Therefore, this policy is not applicable.

XI. Multiple Districts

The applicant is proposing one single district and not multiple districts. Therefore, this policy is not applicable.

XII. Skeletal Service Plans

This is a complete service plan. Therefore, this policy is not applicable.

XIII. Authorization of Debt and Issuance of Bonds

The proposed maximum amount of indebtedness for the District is \$20 million. The period of maturity for any issued debt, not including developer funding agreements, is limited to no more than thirty (30) years without prior approval from the Board of County Commissioners.

3. Policy Plan Compliance

El Paso County Policy Plan

The El Paso County Policy Plan (1998) has a dual purpose; it serves as a guiding document concerning broader land use planning issues and provides a framework to tie together the more detailed sub-area elements of the County Master Plan. Relevant policies are as follows:

Goal 14.1

Recognize and promote the essential role of special financing districts in the provision and maintenance of public facilities and services in unincorporated areas.

The BOCC has adopted policies and procedures to provide a framework for the evaluation of applications for new, amended and

updated special district service plans as authorized by Title 32 of the Colorado Revised Statutes. The applicant has submitted a draft service plan in support of the formation of a special district in accordance with these provisions.

Policy 14.1.3

Discourage the use of special districts as a vehicle to fund substantial amounts of required infrastructure in predominantly undeveloped areas and require the conservative phasing of infrastructure construction during the initial phases of development.

The service plan proposes a maximum indebtedness of \$20 million. The proposed public improvement costs are estimated at \$13.1 million. Land to be included in the proposed District is proposed to have a big box store and 12 individual pad sites for commercial use. The phasing of the subject parcels includes extensions of water and wastewater services to the south and east of Highway 24. This surrounding area is developed, however, much of the development within the area is limited to well and onsite wastewater treatment facilities.

Policy 14.1.4

Encourage special districts to comprehensively plan for the resources and facilities they will need to accommodate potential future growth.

The intended purpose of the District is to finance and construct water and wastewater lines and facilities, roadway and street improvements, and drainage and stormwater facilities, provide television relay and translation, mosquito control, and covenant enforcement, all of which support future development within the proposed service area.

The subject parcels require approvals of a map amendment (rezone), preliminary plan, final plat, and site development plan(s), prior to development of any structures. If approved, this potential future commercial growth will require water and wastewater services, water quality, access, and ongoing maintenance of facilities.

Policy 14.1.5

Encourage the careful preparation and review of special district service plans in order to ensure that development and financial assumptions are reasonable, all plausible alternatives have been considered, services and boundaries are well-defined, and contingencies have been anticipated.

Staff has reviewed the service plan with supporting development analysis financial assumption summaries and find that they are generally reasonable in the event of the applicant obtaining the necessary approvals for a map amendment (rezone), preliminary plan, and final plat. The assumptions are based on existing and anticipated additional commercial development. It should be noted that while future market conditions may introduce new and/or differing commercial establishments, future unforeseen market conditions could create conditions that may significantly or adversely affect the proposed District's ability to discharge debt.

4. El Paso County Water Master Plan

The El Paso County Water Master Plan (2018) has three main purposes; better understand present conditions of water supply and demand; identify efficiencies that can be achieved; and encourage best practices for water demand management through the comprehensive planning and development review processes. Relevant goals and policies are as follows:

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

Goal 1.2 – *Integrate water and land use planning*

Goal 6.0.11- *Continue to limit urban level development to those areas served by centralized services.*

A request for finding of water sufficiency in regard to quantity, dependability, and quality is not being requested with the proposed District, but would occur at the later subdivision stage. The applicant is proposing the subject development will be served by Woodmen Hills Metropolitan District. The application for a preliminary plan may include this request, but if not included with a preliminary plan, then it must accompany a final plat request. Woodmen Hills Metropolitan District has committed to serve the subject development with water and wastewater services. The proposed district is intended to expand the services of Woodmen Hills Metropolitan District to the south and east of Highway 24, meeting the goals of the Water Master Plan.

5. Small Area Plan Analysis

The property is located within the Falcon/Peyton Small Area Master Plan (2008), specifically the Highway 24 Corridor planning area. Relevant goals and policies are as follows:

Table 4-5 Potential Nodes and Corridors of Activity

Areas where future development and infrastructure is expected to be concentrated in the future. The nodes signify the location of future town centers, which could be rural or urban in nature, and should include primary employers, commercial services, and public services.

Section 4.4.5.1

Allow for potential commercial development south of Highway 4 near its intersection with Woodmen Road, provided the adequate transportation improvements are made, utility extensions can be made, and adjoining existing land uses are adequately buffered.

Section 4.5.2.5

Allow for additional secondary commercial centers at designated intersections with major arterial roadways and U.S. 24, including Stapleton/Curtis, and Peyton Highway, assuming adequate facilities and services can be provided, and the functional of U.S. 24 can be maintained.

The Plan identifies the area to the southeast of the intersection of Woodmen and Highway 24 as a potential node and corridor of activity which signify the location of future town centers. The location of the proposed special district and the concurrently reviewed rezoning request to the CR (Commercial Regional) zoning is located immediately adjacent to this intersection.

The Plan further identifies the subject property specifically as a commercial node where the extension of utilities can occur. The proposed District intends to provide the necessary services south and east of Highway 24. Staff recommends that the request for a Special District can be found in general conformance with the Plan.

The applicable polices in Section 14 of the El Paso County Policy Plan (1998), as they relate to the creation of Title 32 Special Districts, are addressed separately and have generally been met. Staff recommends the request generally complies with the master plan and small area plan with inclusion and compliance with the Recommended Conditions of Approval.

6. COMPLIANCE WITH COUNTY PROCEDURES AND GUIDELINES

Staff recommends the submittal is in compliance with all adopted procedures and guidelines.

7. OTHER FACTORS

Not applicable with this request.

H. SERVICES

1. WATER

Water service will be provided by the Woodmen Hills Metropolitan District, by a proposed Intergovernmental Agreement between the two Districts to memorialize the terms of the Inclusion Agreement. The proposed District is requesting authority to finance, design, and construct water service lines into and within the Falcon Field development. The infrastructure will be dedicated to the Woodmen Hills Metropolitan District for ongoing maintenance and ownership.

2. WASTEWATER

Wastewater service will be provided by the Woodmen Hills Metropolitan District. The proposed District is requesting authority to finance, design, and construct wastewater service lines into and within the Falcon Field development. The infrastructure will be dedicated to the Woodmen Hills Metropolitan District for ongoing maintenance and ownership.

3. TRANSPORTATION

Approval of the proposed service plan would authorize the District to finance, design, and construct arterial, collector and local level street improvements and any bridges, fences, trails, lighting, landscaping, and traffic and safety controls and devices. The applicant's intent and the County's requirement is to construct any street improvements to applicable County standards. The applicant is proposing to dedicate such facilities to the County for ongoing ownership and maintenance. All improvements constructed by the District located outside of the dedicated right-of-way shall be maintained by the District. The County Road Impact Fee applies to this development, any future request for a preliminary plan and final plat will require plat notes indicating the said fee applies.

4. DRAINAGE

Approval of the proposed service plan would authorize the District to finance, design, construct, and maintain drainage facilities, including detention ponds, culverts, pipes, channels, and swales. All on-site and off-site drainage facilities are to be owned and maintained by the Falcon Field District, but all plans and designs must first be submitted to Woodmen Hills Metropolitan District for technical review and comment. Drainage and bridge fees will apply and will be assessed at the final plat stage, any fees will be required to be paid at time of recording.

5. PARKS AND RECREATION

As stated in the proposed service plan, the District shall not have the authority to apply for or utilize Conservation Trust ("Lottery") funds without the express

prior approval of the Board of County Commissioners, but shall have the authority to apply for and receive any other grant funds, such as Great Outdoors Colorado (GOCO) discretionary grants.

6. FIRE PROTECTION

The Falcon Fire Protection District will serve the development. The fire district was sent a referral and have no objections or concerns with the request.

7. COMMUNITY FACILITIES

No other community facilities are proposed with this service plan.

8. OTHER FACILITIES OR SERVICES

Colorado Springs Utilities (CSU) will provide natural gas service and Mountain View Electric Association (MVEA) will provide electrical service to the anticipated development within the service area of the proposed District.

I. RELATIONSHIPS TO OTHER DISTRICTS OR MUNICIPALITIES

The District anticipates entering into an Intergovernmental Agreement with Woodmen Hills Metropolitan District to memorialize the terms of the Inclusion Agreement, including the imposition of the Special Purpose Mill Levy to be imposed by the proposed District.

J. SCHOOL DISTRICT IMPACTS OR CONCERNS

Falcon School District No. 49 was sent a request for comment for the proposed service plan. No comments have been received to date.

K. PUBLIC COMMENT AND NOTICE

There are no posting or mailing requirements for hearings before the Planning Commission on Colorado Revised Statutes Title 32 Special District service plans. However, there are notice requirements for hearings before the Board of County Commissioners. The applicant was required to notify all taxing jurisdictions within three (3) miles of the District's boundaries as required by state statute prior to the Board of County Commissioners hearing. In addition, published notice was provided by County staff in the Shopper Press.

L. OUTSTANDING CONCERNS

There are no outstanding issues.

M. ATTACHMENTS

Vicinity Map
Letter of Intent
Proposed Service Plan and Attachments
Colorado Springs Market Study
Inclusion Agreement
2007 El Paso County Special District Polices

El Paso County Parcel Information

File Name: ID-19-005

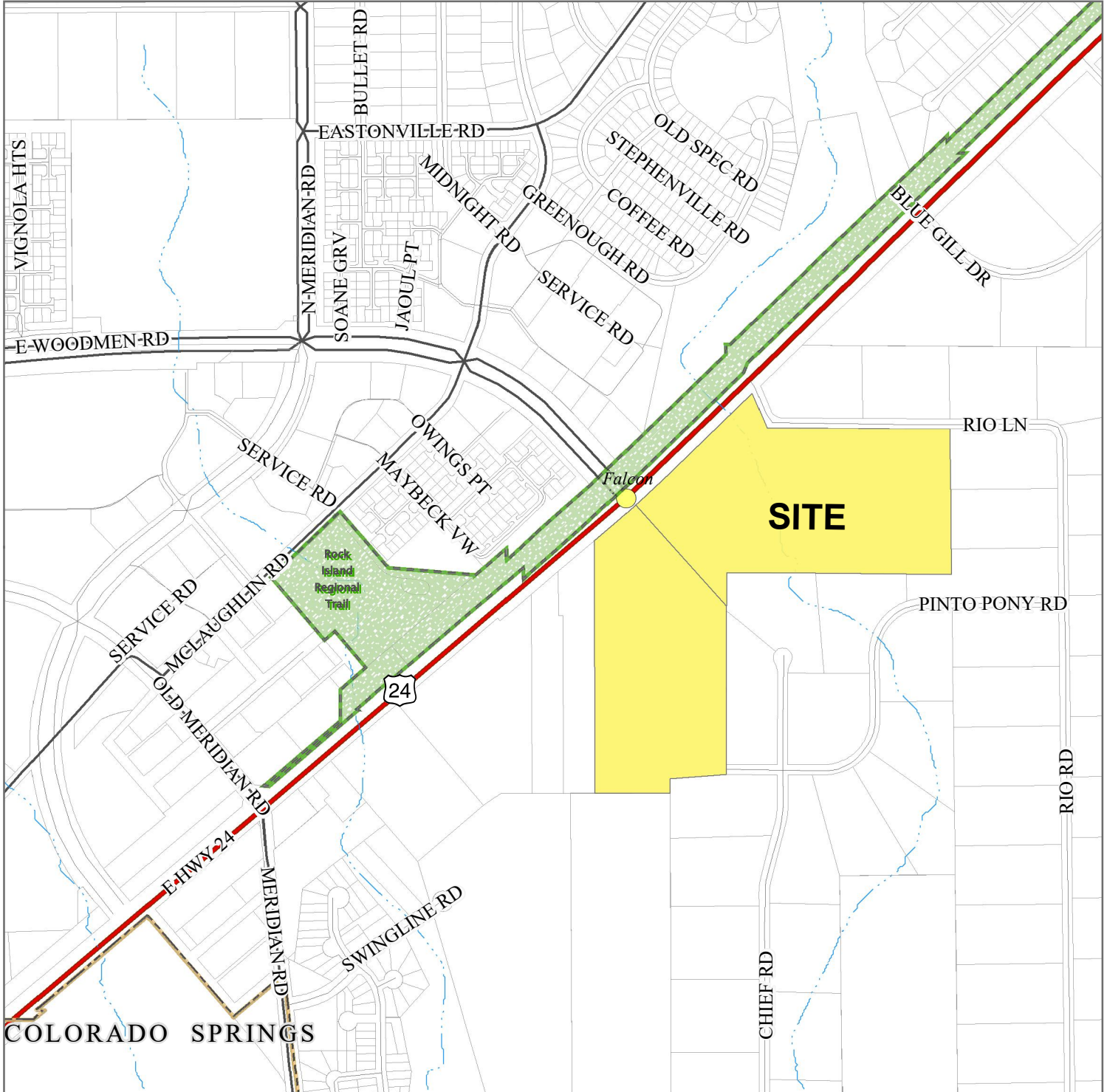
Zone Map No. --

PARCEL	NAME
4307200015	FALCON FIELD LLC
4307000001	FALCON FIELD LLC

Date: January 14, 2020

ADDRESS	CITY	STATE
3230 ELECTRA DR N	COLORADO SPRINGS	CO
3230 ELECTRA DR N	COLORADO SPRINGS	CO

ZIP	ZIPLUS
80906	1087
80906	1087



Please report any parcel discrepancies to:
 El Paso County Assessor
 1675 W. Garden of the Gods Rd.
 Colorado Springs, CO 80907
 520-6600



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January 17, 2020

VIA E-MAIL

Planning and Community Development
El Paso County, Colorado
Attention: Gabe Sevigny
2880 International Circle, Suite 110
Colorado Springs, CO 80910
gabesevigny@elpasoco.com

Board of County Commissioners
El Paso County, Colorado
Attention: Kristy Smart, Clerk to Board
200 South Cascade Ave., Suite 150
Colorado Springs, CO 80903
kristysmart@elpasoco.com

Re: Letter of Intent for Proposed Falcon Field Metropolitan District

Dear Mr. Sevigny and Board of County Commissioners:

This Letter of Intent is being submitted on behalf of Falcon Field, LLC (the “**Applicant**”), for the organization of the Falcon Field Metropolitan District (the “**District**”) located wholly within the County of El Paso, Colorado (the “**County**”).

Please accept this Letter of Intent as our formal submittal of the Service Plan for the District (the “**Service Plan**”) to be considered by the Planning and Community Development Department and by the Board of County Commissioners of El Paso County (the “**BOCC**”). As part of this Service Plan submittal, checks have been provided to the Planning and Community Development Department in the amount of \$6,787.00, and to the BOCC in the amount of \$500.00 for the associated submittal fees. Enclosed with this Letter of Intent, are electronic copies of the proposed Service Plan, a proposed County Resolution approving the Service Plan and the DLG-60 Form required by Title 32.

I. General Overview of Proposed Metropolitan District

The District shall be organized pursuant to and in accordance with the provisions in Title 32 of the Colorado Revised Statutes, Chapter Nine of the El Paso County Land Development Code and the El Paso County Special District policies.

The District’s boundaries consists of fifty-eight (58) acres, encompassing the Falcon Field development (the “**Project**”) located wholly within the County’s boundaries. The Project will consist of 274,000 square feet of commercial use, including one large box user, anticipated to be a home improvement store, and twelve pad sites anticipated to be a mix of retail shopping and restaurants. The estimated absorption is planned to begin in 2021 and end in 2026.

The proposed Service Plan, as submitted, materially adheres to the County’s model service plan. The District is authorized to finance and construct the public improvements located within and/or serving the Project, as prescribed limitations of the model service plan and within the authorized provisions of Title 32. The District anticipates financing and constructing certain public improvements related to water, sanitation, drainage, street, safety protection, parks and recreation, mosquito control, and television relay and translation. In addition, the District anticipates providing ongoing operation and maintenance of certain public improvements within the Project, subject to the Inclusion Agreement with Woodmen Hills Metropolitan District (“**WHMD**”), as described in more detail below, not otherwise dedicated to the County, or to third party entities. The estimated costs associated with the construction of the public improvements necessary for the development of the Project is \$13,110,000.

The financial provisions proposed in the Service Plan are within the parameters of the model service plan and are similar to those utilized by other metropolitan districts within the area. The District’s proposed debt mill levy cap shall be 30 mills and the proposed operations and maintenance mill levy cap shall be 5 mills, as adjusted by the Gallagher adjustment, which are consistent with the mill levies prescribed in the El Paso County Special District Policies. In addition, pursuant to the Inclusion Agreement, the District shall impose a Special Purpose Mill Levy at a rate not to exceed 1 mill, as adjusted by the Gallagher adjustment, and remit the revenues received to WHMD, to allocate towards its Park and Recreation Fund. The proposed combined debt capacity limit is \$20,000,000.

II. Overlap Consent of Woodmen Hills Metropolitan District

In anticipation of the submittal of this Service Plan, the District’s boundaries were included into the Woodmen Hills Metropolitan District (“**WHMD**”) boundaries, pursuant to an Order for Inclusion processed in accordance with Sections 32-1-401 *et seq.*, C.R.S., and is subject to the terms and conditions set forth in the Inclusion and Service Agreement, entered into by WHMD and the Applicant, on March 29, 2019 (the “**Inclusion Agreement**”).

Upon formation of the District, the District will be within WHMD’s boundaries and therefore is deemed an “Overlapping District” pursuant to Section 32-1-107, C.R.S. As evidenced in the Inclusion Agreement and in accordance with Section 32-1-107(3)(b)(IV), C.R.S., the District received WHMD’s consent as an overlapping special district authorized to provide the same services as the District, pursuant to the terms set forth in the Inclusion Agreement.

As contemplated in this Service Plan and set forth in the Inclusion Agreement, it is anticipated that the District will finance and construct, certain off-site and on-site, sanitary and water facilities to serve both the District and WHMD, in exchange for WHMD providing the sanitary and water services to the District Boundaries. In addition, the District is authorized to finance and construct parks and recreation facilities, but shall not provide parks and recreation services, such services will be provided by WHMD. Pursuant to the terms of the Inclusion Agreement, it is further anticipated, that the water and sewer facilities financed and constructed by the District will be conveyed to WHMD for operations and maintenance.

III. Request to Process Service Plan Application Prior to Subsequent Land Use Approvals

The Applicant requests for this Service Plan application to be processed prior to final action on underlying land use approvals, pursuant to the El Paso County Special District Policies Section III.I (“**Special District Policies**”). Specifically, the Applicant is working with the Planning and Community Development Department to rezone the property. The Applicant aims to still gain approval of the underlying land use approvals in conjunction with or shortly after the Service Plan approval.

However, in order for the District to meet the May 2020 election deadlines, the Service Plan must be approved by the end of March, and, at this time, it is necessary to move the Service Plan forward prior to final action on the land use approvals, to ensure the organizational and election deadlines are met. As provided in Section III. I of the Special District Policies, the Applicant understands that sufficient conditions may be placed on the service plan to address potential subsequent denial or modification of the land use applications, and that the County is under no obligation to approve the subsequent land use applications.

IV. May 2020 Election Deadlines

In addition to the approval of the Service Plan, it is essential to meet the May 2020 election deadlines to accomplish the organization of the District. In order to meet the statutory deadlines associated with the organization and election in May 2020, the District will need to have the Service Plan approved by the BOCC by the end of March, and respectfully request the hearing for the Planning Commission to be held on February 4, 2020.

We appreciate the County’s attention to this matter and are available to be of assistance in any way required. Should you or the BOCC have any questions, please do not hesitate to contact me. In the meantime, we look forward to working with you on the formation of the District.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON


George M. Rowley

Enclosures

cc: Lori Seago Esq., County Attorney
P.J. Anderson, Falcon Field, LLC
James Berger, Falcon Field, LLC
Mike Berger, Falcon Field, LLC

**FALCON FIELD
METROPOLITAN DISTRICT**

EL PASO COUNTY, COLORADO

Submitted:

May 31, 2019

Resubmitted:

January 17, 2020

**SERVICE PLAN FOR
FALCON FIELD METROPOLITAN DISTRICT**

Prepared by:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Submitted: May 31, 2019
Resubmitted: January 17, 2020

Applicants

<u>Falcon Field Metropolitan District</u> Attn: George Rowley, Esq. Allison Fogg, Esq. c/o White Bear Ankele Tanaka & Waldron 2154 E Commons Avenue, Suite 2000 Centennial, Colorado 80228 Phone: (303) 858-1800 Email: growley@wbapc.com	<u>Falcon Field LLC</u> Attn: P.J. Anderson 31 North Tejon, Suite 516 Colorado Springs, CO 80903 Email: pja5713@gmail.com Phone: 719-331-2732 Attn: Jim Berger 3230 Electra Drive Colorado Springs, CO 80906 Email: Papaberg34@aol.com
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Consultants

<u>Underwriter</u> D.A. Davidson & Co. Attn: Zach Bishop 1550 Market Street, Suite 300 Denver, Colorado 80202 Phone: (303) 764-5768 Email: ssharp@dadco.com	<u>District's Counsel</u> White Bear Ankele Tanaka & Waldron, P.C. Attn: George M. Rowley, Esq. Allison Fogg, Esq. 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122 Phone: (303) 858-1800 Email: growley@wbapc.com
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<u>Engineer</u> Springs Engineering, LLC 31 North Tejon, Suite 516 Colorado Springs, CO 80903	
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- EXHIBIT A** Maps and Legal Descriptions
 - A-1 Vicinity Map
 - A-2 District Boundary Map
 - A-3 Legal Description of District Boundaries

- EXHIBIT B** Development Summary

- EXHIBIT C** Estimated Infrastructure Capital Costs

- EXHIBIT D** Financial Plan Summary

- EXHIBIT E** Annual Report and Disclosure Form

I. EXECUTIVE SUMMARY

The following is a summary of general information regarding the proposed District provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

Proposed District:	Falcon Field Metropolitan District (the “District”)
Property Owner:	Falcon Field LLC
Developer:	Falcon Field LLC
Description of Development:	The proposed Falcon Field Development consists of approximately fifty-eight (58) acres, located wholly within El Paso County, and will consist of a mix of 275,500 square feet of commercial uses.
Proposed Improvements Financed:	Water, streets, traffic and safety controls, parks and recreation, drainage, including storm water drainage, sanitary sewer, and related grading, and television relay and translation.
District Location:	Southeast of the intersection of Woodmen Road and Highway 24.
Proposed Ongoing Services:	It is anticipated that any Public Improvements not conveyed to the County, Woodman Hills Metropolitan District, other appropriate jurisdiction or an owners’ association will be owned, operated and maintained by the District. Specifically, the District anticipates providing storm drainage/detention ponds, and covenant control for the Project and properties included within the District’s boundaries.
Infrastructure Capital Costs:	Approximately \$13,110,000
Maximum Debt Authorization:	\$ 20,000,000
Proposed Debt Mill Levy:	30 Mills, subject to the Gallagher Adjustment
Proposed O & M Mill Levy:	5 Mills, subject to the Gallagher Adjustment
Proposed Special Purpose Mill Levy:	1 Mill, subject to the Gallagher Adjustment
Proposed Maximum Mill Levies:	36 Mills, subject to the Gallagher Adjustment
Proposed Fees:	All fees, rates, tolls, penalties, or charges as authorized in Section 32-1-1001(1)(j)(I), C.R.S. Capital facility fee/development fee and operations, maintenance and administrative fees may be imposed by the Districts. The developer may also impose a project improvement fee on retail sales within the District and pledge those funds to the District.

II. DEFINITIONS

The following terms are specifically defined for use in this Service Plan, for specific definitions of terms not listed below please also refer to the El Paso County Special District Policies, the El Paso County Land Development Code and Colorado Revised Statutes, as may be applicable.

Additional Inclusion Areas: means real property located within a 5 mile radius of the combined area described in **Exhibit A-3**, and as depicted in **Exhibit A-2**, that may be included upon petition of the property owners thereof.

Annual Report and Disclosure Statement: means the statement of the same name required to be filed annually with the Board of County Commissioners pursuant to Resolution 06- 472 as may be amended.

Board: means the board of directors of the District.

Board of County Commissioners: means the Board of County Commissioners of El Paso County.

Conventional Representative District: means a Title 32 special district, which is structured to allow all residents and property owners to participate in elections for the Board of Directors, as otherwise allowed by Statute.

County: means El Paso County, Colorado

Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy without such promise being subject to annual appropriation.

Developer Funding Agreement: means an agreement of any kind executed between a special district and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the special district from a Developer, where such an agreement creates an obligation of any kind which may require the special district to re-pay the Developer. The term “Developer” means any person or entity (including but not limited to corporations, venture partners, proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property greater than or equal to ten percent (10%) of all real property located within the boundaries of the special district. The term “Developer Funding Agreement” shall not extend to any such obligation listed above if such obligation has been converted to Debt issued by the special district to evidence the obligation to repay such Developer Funding Agreement, including the purchase of such Debt by a Developer.

District: means the Falcon Field Metropolitan District as described in this Service Plan.

District Boundaries: means the initial boundaries of the District as described in Section III.J.1., depicted on the map in **Exhibit A-2**, and as legally described in the legal description found at **Exhibit A-3**.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such

as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Financial Plan: means the Financial Plan as provided in **Exhibit D** attached hereto and as described in Section VI that describes generally: (i) the manner in which the Public Improvements are to be financed; (ii) the manner in which the Debt is expected to be incurred; and (iii) the estimated operating revenue to be derived from property taxes for the first budget year.

Gallagher Adjustment: means an allowed adjustment to the Maximum Debt Service Mill Levy, Maximum Operational Mill Levy, or Maximum Special Mill Purpose Levy intended to offset the effect of 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 Maximums based on the ratio between market value and assessed value as of January 1 in the year in which the District's organizational election is held.

Inclusion Agreement: means the Inclusion and Service Agreement, by and between, the Woodmen Hills Metropolitan District and Falcon Field LLC, dated March 29, 2019.

Local Public Improvements: means facilities and other improvements which are or will be dedicated to the State, County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.

Material Modification: has the meaning described in Section 32-1-207, C.R.S., as it may be amended from time to time.

Maximum Combined Mill Levy: means the maximum combined ad valorem mill levy the District may certify against any property within the District for any purposes.

Maximum Debt Authorization: means the maximum principal amount of Debt that the District may have outstanding at any time, which under this Service Plan is \$ 20,000,000.

Maximum Debt Service Mill Levy: means the maximum ad valorem mill levy the District may certify against any property within the District for the purpose of servicing any Debt incurred by or on behalf of the District.

Maximum Operational Mill Levy: means the maximum ad valorem mill levy the District may certify against any property within the District for the purposes providing revenues for ongoing operation, maintenance, administration or any other allowable services and activities other than the servicing of Debt. This Maximum Operational Mill Levy is exclusive of any Maximum Special Purpose Mill Levy which might be separately authorized.

Maximum Special Purpose Mill Levy: means the maximum ad valorem mill levy which is allowed in addition to the allowable Maximum Debt Service Mill Levy and the Maximum Operational Mill Levy,

which the District is required to impose and certify against any property within the District and remit to WHMD, as more particularly described in Section VI.C.3.

Planning and Community Development Department: means the department of the County formally charged with administering the development regulations of the County.

Project: means the fifty-eight (58) acre area planned for commercial development, commonly known as Falcon Field development contained within the District's boundaries. Public Improvements: means those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

Regional Public Improvements: means facilities and other improvements which are or will be dedicated to the State, County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.

Revenue Obligations: means bonds or other obligations not subject to annual appropriation that are payable from a pledge of revenues other than *ad valorem* property taxes.

Service Area: means the property within the District Boundaries, and property included within the District from time to time, as permitted hereunder.

Service Plan: means this Service Plan for the District.

Special District Act: means Section 32-1-101, *et seq.*, of the Colorado Revised Statutes, as amended from time to time.

Special Purpose Mill Levy: means the ad valorem mill levy the District is required to impose and certify against any property within the District and remit to WHMD, as more particularly described in Section VI.C.3.

State: means the State of Colorado.

Underlying Land Use Approvals: means Board of County Commissioners approval of the applicable land use plans that form the basis for the need for the District and its proposed financing plan and/or services. Such approvals may be in the form of one or a combination of Sketch Plans, Generalized Planned Unit Development (PUD) Development Plans, site-specific PUD plans, or subdivision plans.

WHMD: means the Woodmen Hills Metropolitan District.

III. INTRODUCTION

A. Background

The District is being formed to construct, install, finance, operate and maintain certain public improvements to serve the needs of the Project.

In anticipation of the submittal of this Service Plan, the Project, consisting of the District Boundaries, was included into WHMD boundaries, pursuant to an Order for Inclusion processed in accordance with Sections 32-1-401 *et seq.*, C.R.S., and granted by the County District Court and

recorded with the County Clerk and Recorder on April 29, 2019 at Reception No. 219044856. The inclusion is subject to the terms and conditions set forth in the Inclusion and Service Agreement, entered into by WHMD and the Developer, on March 29, 2019 (the “**Inclusion Agreement**”).

Upon formation of the District, the District will be within WHMD’s boundaries and therefore is deemed an “Overlapping District” pursuant to Section 32-1-107, C.R.S. As evidenced in the Inclusion Agreement and in accordance with Section 32-1-107(3)(b)(IV), C.R.S., the District received WHMD’s consent as an overlapping special district authorized to provide the same services as the District, pursuant to the terms set forth in the Inclusion Agreement.

As contemplated in this Service Plan and set forth in the Inclusion Agreement, it is anticipated that the District will finance and construct, certain off-site and on-site, sanitary and water facilities to serve both the District and WHMD, in exchange for WHMD providing the sanitary and water services to the District Boundaries. In addition, the District is authorized to finance and construct parks and recreation facilities, but shall not provide parks and recreation services, such services will be provided by WHMD. Pursuant to the terms of the Inclusion Agreement, it is further anticipated, that the water and sewer facilities financed and constructed by the District will be conveyed to WHMD for operations and maintenance. It is anticipated that the District will maintain a number of drainage ponds and drainage channels, as well as parking and landscaping within the Project.

B. Overall Purpose and Intent

The District will be created pursuant to the Special District Act, and is being organized as a Conventional Representative District under El Paso County policies. The District is an independent unit of local government, separate and distinct from the County, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District, in its discretion, will provide a part or all of various Public Improvements necessary and appropriate for the development of a project within the unincorporated County to be known as “Falcon Field” (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 any ongoing operation and maintenance of the Public Improvements within the District not otherwise dedicated to WHMD, the County, the State or third party entities for ownership and/or ongoing operation and maintenance, including but not limited to, stormwater detention ponds and channel improvements.

C. Need For The District

There are currently no private parties or other governmental entities, located in the immediate vicinity of the District 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. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible. Due to the unique issues associated with the Project, as further described in Section III.J.4., substantial costs will be incurred related to the design and construction of channel improvements and oversized-detention ponds necessary due to the developed flows from developments uphill from the Property. In addition, the District will also finance and construct improvements to Highway 24 benefiting the larger

community. By utilizing the District to support the Public Improvements, the costs can be financed over an extended period of time on a tax-exempt basis and paid from a deductible property tax mill levy by those that directly benefit.

D. County Objectives in Forming the District

The County recognizes this District as an independent quasi-municipal entity which is duly authorized for the purposes and functions identified in the Service Plan. Future County involvement in the affairs of the District will generally be limited to functions as required by the Colorado Revised Statutes, reporting and disclosure functions, determinations as to compliance with the limits as set forth in this Service Plan or any conditions attached to its approval, as well as additional activities or relationships as may be stipulated in any intergovernmental agreements which may be entered in to between the District and the County in the future.

In approving this Service Plan the objectives of the County include an intent to allow the applicants reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicants the ability to prudently obligate future property owners for a reasonable share of the repayment costs of the Public Improvements which will benefit the properties within this District.

It is the additional objective of the County to allow for this District to provide for the identified ongoing services which either cannot or will not be provided by the County and/ or other districts.

In approving this District as a Conventional Representative District, it is also an objective of the County 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, it is the further intent of the County to accommodate and allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the District.

E. Specific Purposes -Facilities and Services

The District is authorized to provide the following facilities and services, both within and without the boundaries of the District as may be necessary:

1. Water. The design, acquisition, construction, installation and operation and maintenance of a complete water and irrigation water system, including but not limited to water rights, water quality, treatment, storage, pumping, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper treatment facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems, but excluding private on-site development.

Pursuant to the conditions set forth in the Inclusion Agreement, it is anticipated the District will provide for the financing, design, permitting, construction and installation of the off-site and on-site water Public Improvements. All water Public Improvements constructed in connection to the Inclusion Agreement are anticipated to be dedicated to WHMD.

Any water improvements not conveyed to WHMD, the County, other appropriate jurisdiction or an owners' association will be owned and maintained by the District.

While it is anticipated that the WHMD will provide the water service to end-users, it is the District's intent for the organization of the District and the development of the Project to comply with the policies set forth in the El Paso County Water Master Plan. In addition, the District does not intend to join the El Paso County Water Authority following formation.

2. Sanitation. The design, acquisition, construction, installation, relocation, operation and maintenance of sanitation improvements including, but not limited to, sanitary sewer transmission lines, wastewater systems, wastewater treatment, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to said facilities.

Pursuant to the conditions set forth in the Inclusion Agreement, it is anticipated the District will provide for the financing, design, permitting, construction and installation of the off-site and on-site sanitation and wastewater Public Improvements. All sanitation and wastewater Public Improvements constructed in connection to and pursuant to the terms of the Inclusion Agreement are anticipated to be dedicated to WHMD.

3. Street Improvements. The design, acquisition, installation, construction and operation and maintenance of improvements to existing roadways as well as new roadway improvements, including but not limited to curbs, sidewalks, bridges, underpasses, streets, medians, roundabouts, islands, paving, lighting, sleeving, grading, landscaping, and other street improvements, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities. It is anticipated that street improvements will be conveyed to the County; however, those street improvements not conveyed to the County, other appropriate jurisdiction or an owners' association will be owned and maintained by the District. It is anticipated that the District will own and maintain landscape tracts within the Project.

4. Transportation. The design, acquisition, installation, construction and operation and maintenance of a system to transport the public by bus, rail or any other means of conveyance, or any combination thereof, including but not limited to, bus stops and shelters, park and ride facilities, parking facilities, bike storage facilities, together with all necessary, incidental and appurtenant facilities, land easements, and all extensions of and improvements to said facilities. It is anticipated that transportation improvements not conveyed to the State, County, or other appropriate or owners' association will be owned and maintenance by the District.

5. Safety Protection. The design, acquisition, installation and construction of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, as well as other facilities and improvements including but not limited to, speed control devises, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, extensions of and improvements to said facilities. It is anticipated that safety protection improvements will be conveyed to the State or County; however, those safety protection improvements not conveyed to the State or County, other appropriate jurisdiction or an owners' association will be owned and maintained by the District.

6. Drainage. The design, acquisition, construction, installation, relocation and operation and maintenance of storm drainage improvements including, but not limited to, storm sewers, channels, flood and surface drainage, gutters, culverts, and other drainage facilities such as detention ponds, retaining walls, and all necessary or proper equipment and appurtenances, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems. It is anticipated that drainage improvements not conveyed to WHMD, the County, other appropriate jurisdiction or an owners' association will be owned and maintained by the District.

Pursuant to the conditions set forth in the Inclusion Agreement, it is anticipated the District will provide for the financing, design, permitting, construction and installation of the off-site and on-site drainage Public Improvements. Any drainage improvements not conveyed to WHMD, the County, other appropriate jurisdiction or an owners' association will be owned and maintained by the District. It is anticipated that the District will maintain a number of drainage ponds and drainage channels within the Project.

7. Parks and Recreation. The design, acquisition, construction, installation and operation and maintenance of public park and recreation facilities including, but not limited to, pocket parks, paths, trails, fencing, open space, common areas, play structures, community pool and recreation center, street trees, streetscapes, entry features, landscaping and irrigation, weed control, outdoor lighting, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems. It is anticipated that parks and recreation improvements will be conveyed to WHMD; however, those parks and recreation improvements not conveyed to WHMD, other appropriate jurisdiction or an owners' association will be owned and maintained by the District. It is anticipated that the District will own and maintain landscaping tracts within the Project.

Pursuant to the conditions set forth in the Inclusion Agreement, the District will not provide recreation programs or services, but may only finance and construct park and recreation facilities. It is anticipated that all park and recreation facilities constructed by the District will be dedicated to WHMD.

The District shall not have the authority to apply for or utilize any Conservation Trust ("Lottery") funds without the express prior consent of the Board of County Commissioners and WHMD. The District shall have the authority to apply for and receive any other grant funds, including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants. Such approval, although required, is not considered to be a major modification which would require the need to revise this Service Plan.

8. Mosquito Control. Provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

9. Television Relay and Translation. The design, acquisition, construction, installation, and operation and maintenance of television relay and translation facilities and programs, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to said facilities.

10. Covenant Enforcement and Design Review. Subject to the provisions of Section 32-1-1004(8), C.R.S., the District shall have the power to furnish covenant enforcement and design review services within the Service Area.

11. Security Services. Subject to the provisions of Section 32-1-1004(7), C.R.S., the District shall have the power to furnish security services within the Service Area.

12. Solid Waste Disposal. Subject to the provisions of Section 32-1-1006(6) and (7) C.R.S., the District shall have the power to furnish solid waste disposal facilities or collection and transportation of solid waste.

F. Other Powers

1. Operations and Maintenance. The District shall be authorized to operate and maintain the Public Improvements not conveyed to the County, WHMD, other governmental entities having proper jurisdiction, or an owners' association. It is anticipated that the District will maintain a number of drainage ponds and drainage channels, as well as parking and landscaping within the Project.

2. Amendments. The District shall have the power to amend this Service Plan as needed, subject to appropriate statutory procedures as set forth in Section 32-1-207, C.R.S.

3. Authority to Modify Implementation of Financing Plan and Public Infrastructure. Without amending this Service Plan, the District may defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions of property within the District.

G. Other Statutory Powers

The District may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

H. Eminent Domain

The District may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the District.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the District intends to own, control or maintain by the District or other governmental entity and is for the material use or benefit of the general public. The term "material use or benefit for the general public" shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase "furtherance of an economic development plan" does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

I. Intergovernmental Agreements (IGAs)

The District is authorized to enter into IGAs to the extent permissible by law. It is anticipated that the District and WHMD will enter into an IGA to memorialize the terms of the Inclusion

Agreement, including the imposition of the Special Purpose Mill Levy to be imposed by the District, as further described in Section VI.C.3 of this Service Plan.

J. Description of Proposed Boundaries and Service Area

1. District Boundaries. A vicinity map showing the general location of the District is included as **Exhibit A-1**. A map of the initially included properties is included at **Exhibit A-2**, with a legal description of its boundaries are found at **Exhibit A-3**.

2. Additional Inclusion Areas. At this time, Additional Inclusion Areas are not anticipated in addition to the initially included properties. However, in order to accommodate the needs of Project phasing and/or change in Development Plans, the boundaries of the District may be adjusted via inclusion or exclusion, and the District shall be authorized to include territory within the Additional Inclusion Area, upon petition of the property owner thereof, in accordance with applicable provisions of the Special District Act.

3. Extraterritorial Service Areas. The District does not anticipate providing services to areas outside of the District Boundaries and Additional Inclusion Areas. WHMD provides water, sewer and parks and recreation services to the property within the District Boundaries. While the District plans on providing for the financing and construction of the off-site water and sewer facilities, as specified in the Inclusion Agreement, the District will not be providing water, sewer or parks and recreation services.

4. Analysis of Alternatives. The Project is not presently served with the facilities proposed to be provided by the District, and neither the County nor any other special district have plans to provide such facilities within a reasonable time and on a comparable basis. There are currently no other governmental entities, including WHMD and the County, located in the immediate vicinity of the District 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. Specifically, storm-water flows from the uphill developments of Meridian Ranch, Paint Brush Hills and WHMD are collected at and detained by four detention ponds owned by WHMD, these four ponds have caused severe damage and drainage issues to occur to the Property and underneath Highway 24. Because WHMD has no mill levy and no other legal revenue to maintain the drainage improvements, it was mutually agreed in the Inclusion process, that the District would be responsible for the maintenance of all storm-water facilities located within its boundaries.

To develop the Project, it is imperative that the District be organized to assist with the financing of the Public Improvements. Substantial infrastructure costs will be incurred related to the channel improvements and oversized-detention ponds necessary to fix the drainage issues associated with the Property. In addition, the Project requires improvements to be constructed on Highway 24, including the rerouting of Rio Lane westerly through the Property. The significant costs associated with the drainage and Highway 24 improvements necessary to develop the Project are not feasible without the formation of a metropolitan district and the public financing options associated therewith. By utilizing a metropolitan district to support the costs associated with the construction of the Public Improvements, the Project remains competitive and financially viable.

5. Material Modifications/Service Plan Amendment. Material modifications of this Service Plan shall, at a minimum, trigger the need for prior approval of the Board of County

Commissioners at an advertised public hearing and may require a need for a complete resubmittal of an amended Service Plan along with a hearing before the County’s planning commission. For the purpose of this Service Plan the following changes shall be considered material modifications:

(a) Any change in the basic services provided by the District, including the addition of any types of services not authorized by this Service Plan.

(b) Any other matter which is now, or may in the future, be described as a material modification by the Special District Act.

(c) Imposition of a mill levy in excess of any of the Maximum Mill Levies as authorized in this approved Service Plan.

(d) Issuance of Debt in excess of the Maximum Debt Authorization authorized in this Service Plan

(e) Issuance of any Debt with a maturity period of greater than thirty (30) years, from the date of issuance of such Debt.

(f) Creation of any sub-districts as contemplated in the Special District Act.

(g) Inclusion into the District of any property over a five (5) mile radius from the combined area of the District Boundaries and the property described in **Exhibit A-3**, unless explicitly contemplated in this Service Plan.

IV. DEVELOPMENT ANALYSIS

A. Existing Developed Conditions

There is currently no development within the District boundaries, but there is a house, barn, and corral on the property.

B. Total Development at Project Buildout

The project area consists of approximately fifty-eight (58) acres of land. The project is anticipated to include 275,500 square feet of commercial development.

C. Development Phasing and Absorption

Absorption of the project is projected to take 5 years, beginning in 2021 and ending in 2026 and is further described in the Development Summary Table found at **Exhibit B**.

D. Status of Underlying Land Use Approvals

Rezoning of the property within the District Boundaries to CR Commercial is anticipated to occur either concurrently with or shortly after the approval of this Service Plan. It is necessary for this Service Plan to be processed prior to final action on underlying land use approvals in order for the District to meet the statutory deadlines associated with the organization and election in May 2020.

As provided in Section III.I of the El Paso County Special District Policies, the Applicant understands that sufficient conditions may be placed on the service plan to address potential subsequent denial or modification of the land use applications, and that the County is under no obligation to approve the subsequent land use applications.

V. INFRASTRUCTURE SUMMARY

Attached as **Exhibit C** is summary of the estimated costs of Public Improvements which are anticipated to be required within this District. A general description of the categories of Public Improvements is included in Section III.E. of this Service Plan. The total costs of the Public Improvement is estimated to be approximately \$13,110,000, in year 2019 dollars. It is estimated that the District will finance approximately all of this estimated amount, but the amount ultimately financed, or reimbursed, by the District will be subject to the Maximum Authorized Debt limit.

All Public Improvements will be designed and constructed in accordance with the standards of the governmental entity to which such Public Improvements will be dedicated (including, with respect to storm sewer and drainage facilities, the applicable NPDES standards), and otherwise in accordance with applicable El Paso County standards. The composition of specific Public Improvements will be determined in connection with applicable future land use and development approvals required by El Paso County rules and regulations.

VI. FINANCIAL PLAN SUMMARY

A. Financial Plan Assumptions and Debt Capacity Model

The Financial Plan, attached as **Exhibit D**, provides a summary of development assumptions, projected assessed valuation, description of revenue sources (including applicable mill levies and fees, and any other legally available revenue) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Project. The model demonstrates that the District is capable of providing sufficient and economic service within the Project, and that the District has or will have the financial ability to discharge the District's Debt on a reasonable basis. The financial model attached as **Exhibit D** is an example of the manner in which the District may finance the Public Improvements. The specific structure for financing the Public Improvements shall be determined in the discretion of the Board of Directors of the District, subject to the limitations set forth in this Service Plan. The parameters in the Financial Plan are based upon current estimates and will change based on actual development of the Project.

The Financial Plan is one projection of the issuance of Debt by the District based on certain development assumptions. It is expected that actual development (including, but not limited to product types, market values, and absorption rates) will vary from that projected and illustrated in the Financial Plan, which variations and deviations shall not constitute a material modification of this Service Plan. Notwithstanding anything in this Service Plan to the contrary, the projections set forth in this Service Plan and the Financial Plan are projections based upon current market conditions. The actual amounts, interest rates, and terms of any Debt will likely change from that reflected in the Financial Plan and each issue of Debt will be based upon the actual conditions existing at the time of issuance, subject to the limitations of the Service Plan.

B. Maximum Authorized Debt

The District is authorized to issue Debt up to \$20,000,000 million in principal amount. The Districts shall not issue Debt in excess of the Maximum Authorized Debt; provided, however, any refunding Debt shall not count against the Maximum Authorized Debt. The Maximum Authorized Debt established in this Service Plan accounts for future changes due to market changes, changes in development approvals, and inflation and is intended to provide sufficient flexibility without the need for future amendments to this Service Plan.

C. Maximum Mill Levies

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be thirty (30) mills, subject to Gallagher Adjustment. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

2. Maximum Operational Mill Levy. The Maximum Operational Mill Levy Cap shall be five (5) mills, subject to Gallagher Adjustment.

3. Maximum Special Purpose Mill Levy. The District shall impose the Special Purpose Mill Levy at a rate not to exceed one (1) mill, subject to Gallagher Adjustment, and remit the revenues received to WHMD, to allocate towards its Park and Recreation Fund. The Special Purpose Mill Levy shall not count against the Maximum Debt Service Mill Levy or the Maximum Operational Mill Levy.

It is anticipated that the District and WHMD will memorialize the District's imposition of the Special Purpose Mill Levy in an intergovernmental agreement. Such intergovernmental agreement will provide, among other things, the procedure and timing of remittance of revenues to WHMD.

4. Maximum Combined Mill Levy. The Maximum Combined Mill Levy is thirty-six (36) Mills, subject to Gallagher Adjustment.

Increases to or removal of any of the Maximum Mill Levies, excluding the Special Purpose Mill Levy, shall be subject to Board of County Commissioners approval without the need for a formal Service Plan Amendment (unless the Board otherwise requires).

D. Maximum Maturity Period for Debt

The period of maturity for issuance of any Debt (but not including Developer Funding Agreements) shall be limited to no more than thirty (30) years without express, prior approval of the Board of County Commissioners. Such approval, although required, is not considered to be a Material Modification of the Service Plan which would trigger the need to amend said Service Plan. However, the District is specifically authorized to refund or restructure existing Debt so long as the period of maturity for the refunding or restructured Debt is no greater than 30 years from the date of the issuance thereof.

E. Developer Funding Agreements

The Developer does intend to enter into Developer Funding Agreements with the District in addition to recovery of the eligible costs associated with creation of this District. It is

anticipated that in the formative years the District will have shortfalls in funding its capital costs and monthly operations and maintenance expenses. The Developer may fund these obligations for the District to promote the Project’s development subject to the Developer being repaid from future District revenues.

Developer Funding Agreements may allow for the earning of simple interest thereon, but under no circumstances shall any such agreement permit the compounding of interest. The Developer Funding Agreements may permit an interest rate that does not exceed the prime interest rate plus two points thereon.

The maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the District becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the District (including privately placed bonds). Any extension of such term is considered a Material Modification and must be approved by the Board of County Commissioners.

Required disclosure notices shall clearly identify the potential for the District to enter into obligations associated with Developer Funding Agreements.

F. Privately Placed Debt Limitation

Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor in substantially the same form as follows: We are [I am] an External Financial Advisor within the meaning of the District’s Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax- exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

G. Revenue Obligations

The District shall also be permitted to issue Revenue Obligations in such amount as the District may determine. Amounts issued as Revenue Obligations are not subject to the Maximum Debt Authorization.

VII. OVERLAPPING TAXING ENTITIES, NEIGHBORING JURISDICTIONS

A. Overlapping Taxing Entities

The directly overlapping taxing entities and their respective year 2018 mill levies areas follows:

El Paso County	7.738 mills
El Paso County Road and Bridge	0.330 mills

School District No. 49	43.044 mills
Pikes Peak Library District	4.000 mills
Falcon Fire Protection District	14.886 mills
El Paso Conservation	0.000 mills
Upper BLK Squirrel CRK Ground Water	1.082 mills
WHMD	0.000 mills

Total Existing Mill Levy: 71.080 mills

The total mill levy including the initially proposed District mill levy is 107.080 mills.

The District does not anticipate any adverse impacts to the listed entities in this Section. Because the District and WHMD overlap and have water, sewer and park and recreation powers, their relationship and coordination of such facilities and services will be governed pursuant to the conditions set forth in the Inclusion Agreement and this Service Plan.

B. Neighboring Jurisdictions

The following additional taxing and/or service providing entities include territory within three miles of the District Boundaries.

- 4-Way Ranch Metro #1
- 4-Way Ranch Metro #2
- Banning Lewis Ranch Metro #3
- Banning Lewis Ranch Metro #4
- Banning Lewis Ranch Regional Metro
- Bent Grass Metropolitan
- Black Forest Fire Protection
- Bobcat Meadows Metropolitan
- Central Colorado Conservation
- City Of Colorado Springs
- El Paso County
- El Paso County Conservation
- El Paso County Pid #2
- El Paso County School No 49
- Falcon Fire Protection
- Falcon Highlands Metropolitan
- Falcon Regional Transportation Metro
- Meridian Ranch Metro 2018 Subdistrict
- Meridian Ranch Metropolitan
- Paint Brush Hills Md- Subdistrict A
- Paint Brush Hills Metropolitan
- Peyton Fire Protection
- Peyton School No 23

Pikes Peak Library
Southeastern Colo Water Conservancy
Sterling Ranch Metro #1
Upper Blk Squirrel Crk Ground Water
Westmoor Water & Sanitation
Woodmen Hills Metropolitan
Woodmen Road Metropolitan

The District does not anticipate any adverse impacts to the listed entities in this Section.

VIII. DISSOLUTION

A. Dissolution

Upon an independent determination of the Board of County Commissioners that the purposes for which the District was created have been accomplished, the District agrees to file a petition in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

B. Administrative Dissolution

The District shall be subject to administrative dissolution by the Division of Local Government as set forth in Section 32-1-710, C.R.S.

IX. COMPLIANCE

A. An Annual Report and Disclosure Form will be required and submitted as described in C.R.S. 32-1-207(3)(d) and as further articulated by Board of County Commissioners Resolution No. 07-273.

B. Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S., relating to approvals and notices thereof.

X. MISCELLANEOUS

The following is additional information to further explain the functions of the District:

A. Special District Act

The contemplated municipal services are under the jurisdiction of the Special District Act and not the Public Utilities Commission.

B. Disclosure to Prospective Purchasers

After formation of the District, and in conjunction with final platting of any properties within the proposed District, the applicable Board of Directors of the District shall prepare a notice acceptable to the Planning and Community Development Department Staff informing all purchasers of

property within the District of the District's existence, purpose and debt, taxing, and other revenue-raising powers and limitations. Such notice obligation shall be deemed satisfied by recording the notice with this Service Plan and each final plat associated with the Project, or by such other means as the Department approves. Such notice shall be modified to address the potential for future Debt issuance which may be required to meet the obligations associated with loans incurred by the District. In conjunction with subsequent plat recordings, Planning and Community Development Department staff is authorized to administratively approve updates of the disclosure form to reflect current information.

C. Local Improvements

Prior to the financing of Local Public Improvements, and if required by County policy uniformly applied, agreements shall be in place to prevent a loss of sales tax revenue from sales of construction materials which would otherwise accrue to the County.

D. Service Plan not a Contract

The grant of authority contained in this Service Plan does not constitute the agreement or binding commitment of the District enforceable by third parties to undertake the activities described, or to undertake such activities exactly as described.

E. Land Use and Development Approvals

Approval of this Service Plan does not imply approval of the development of a specific area within the Project, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto. All such land use and development approvals shall be processed and obtained in accordance with applicable El Paso County rules, regulations and policies.

XI. CONCLUSION

It is submitted that this Service Plan for the District establishes that:

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

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

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

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

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;

- F. The facility and service standards of the proposed District are compatible with the facility and service standards of the County;
- G. The proposal is in substantial compliance with the County master plan; and
- H. The creation of the proposed District is in the best interests of the area proposed to be served.

EXHIBIT A

MAPS AND LEGAL DESCRIPTIONS

EXHIBIT A-1

VICINITY MAP

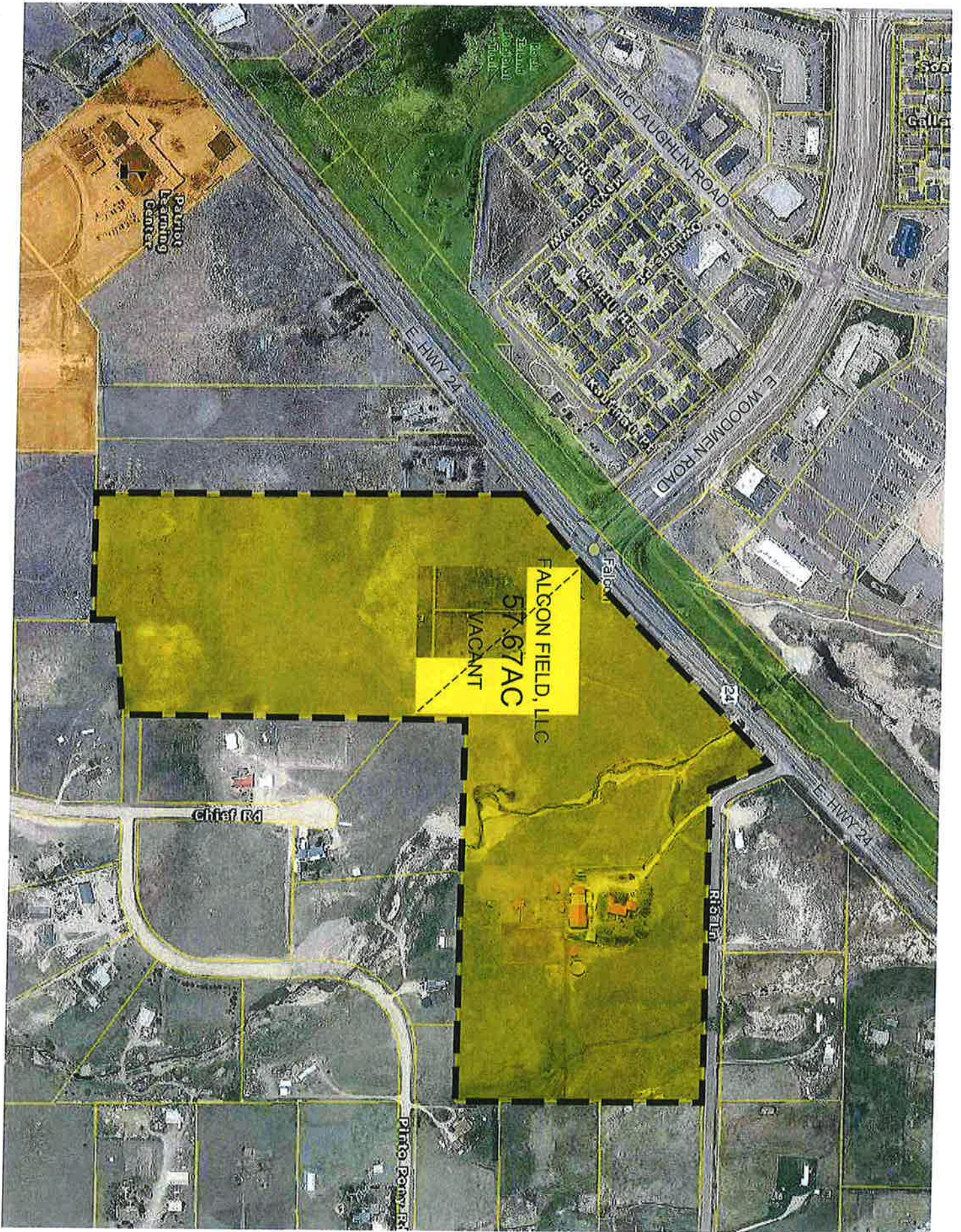
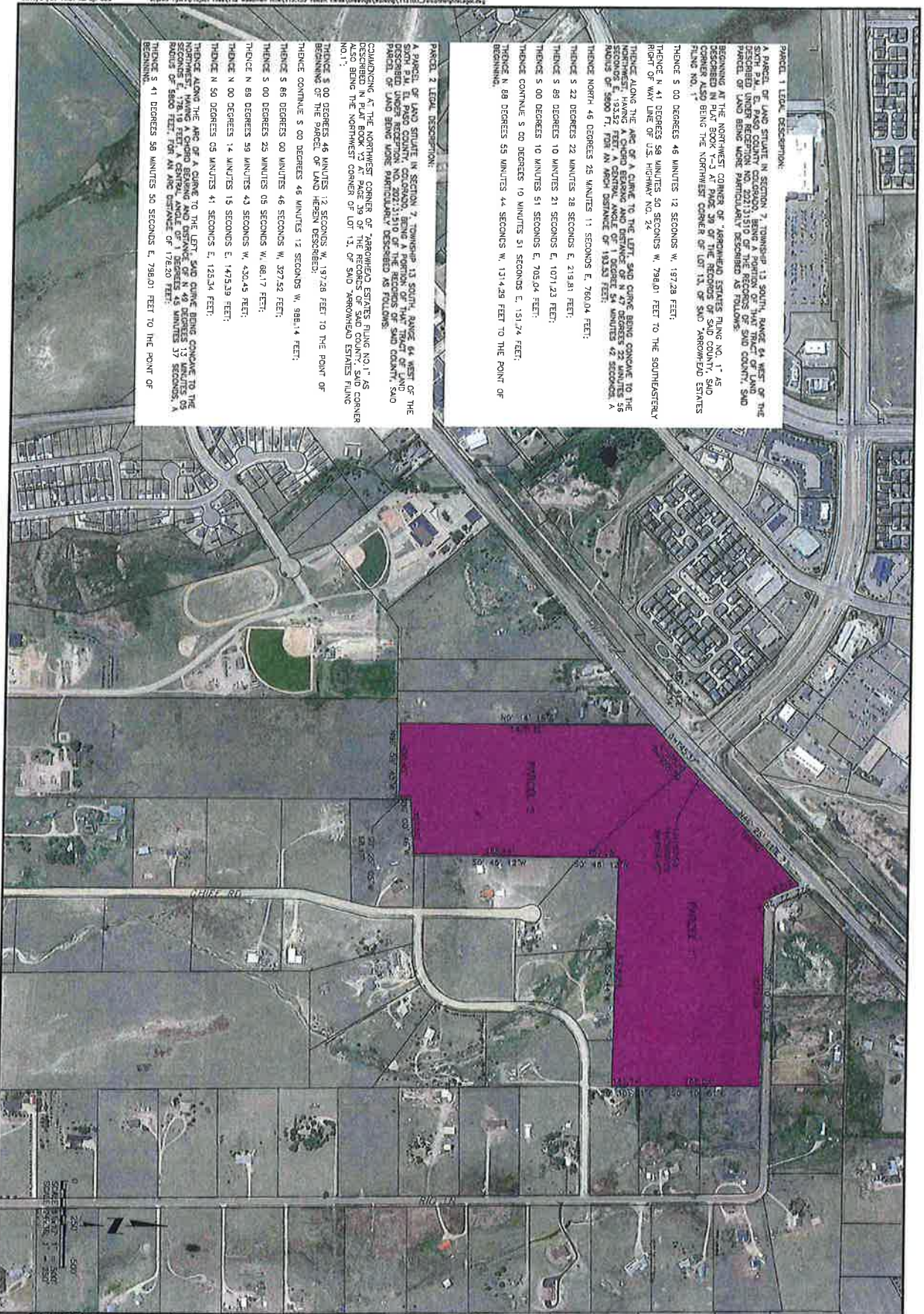


EXHIBIT A-2

DISTRICT BOUNDARY MAP



PARCEL 1 LEGAL DESCRIPTION:

A PART OF LAND SITUATE IN SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M. E. PLANO COUNTY, COLORADO, BEING A PORTION OF THE RECORDS OF SAID COUNTY, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT THE NORTHWEST CORNER OF "ARROWHEAD ESTATES PLING NO. 1," AS DESCRIBED IN PLAT BOOK Y-3 AT PAGE 39 OF THE RECORDS OF SAID COUNTY, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF LOT 11, OF SAID "ARROWHEAD ESTATES PLING NO. 1"

THENCE S 00 DEGREES 46 MINUTES 12 SECONDS W. 197.28 FEET;

THENCE N 41 DEGREES 58 MINUTES 50 SECONDS W. 798.01 FEET TO THE SOUTHWESTERLY RIGHT OF HWY LINE OF U.S. HIGHWAY NO. 24;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE BEING CONFORME TO THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M. E. PLANO COUNTY, COLORADO, BEING A PORTION OF THE RECORDS OF SAID COUNTY, SAID RADIUS OF 5800 FT. FOR AN ARC DISTANCE OF 102.53 FEET;

THENCE NORTH 46 DEGREES 25 MINUTES 11 SECONDS E. 760.04 FEET;

THENCE S 22 DEGREES 22 MINUTES 28 SECONDS E. 219.81 FEET;

THENCE S 89 DEGREES 10 MINUTES 21 SECONDS E. 1071.23 FEET;

THENCE S 00 DEGREES 10 MINUTES 51 SECONDS E. 705.04 FEET;

THENCE CONTINUE S 00 DEGREES 10 MINUTES 51 SECONDS E. 151.74 FEET;

THENCE N 89 DEGREES 55 MINUTES 44 SECONDS W. 1314.29 FEET TO THE POINT OF BEGINNING.

PARCEL 2 LEGAL DESCRIPTION:

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M. E. PLANO COUNTY, COLORADO, BEING A PORTION OF THE RECORDS OF SAID COUNTY, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT THE NORTHWEST CORNER OF "ARROWHEAD ESTATES PLING NO. 1," AS DESCRIBED IN PLAT BOOK Y-3 AT PAGE 39 OF THE RECORDS OF SAID COUNTY, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF LOT 11, OF SAID "ARROWHEAD ESTATES PLING NO. 1"

THENCE S 00 DEGREES 46 MINUTES 12 SECONDS W. 197.28 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED;

THENCE CONTINUE S 00 DEGREES 46 MINUTES 12 SECONDS W. 988.14 FEET;

THENCE S 86 DEGREES 00 MINUTES 46 SECONDS W. 372.52 FEET;

THENCE S 00 DEGREES 28 MINUTES 05 SECONDS W. 881.17 FEET;

THENCE N 89 DEGREES 59 MINUTES 43 SECONDS W. 420.45 FEET;

THENCE N 00 DEGREES 14 MINUTES 15 SECONDS E. 1475.39 FEET;

THENCE N 50 DEGREES 05 MINUTES 41 SECONDS E. 125.34 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE BEING CONFORME TO THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M. E. PLANO COUNTY, COLORADO, BEING A PORTION OF THE RECORDS OF SAID COUNTY, SAID RADIUS OF 5800 FT. FOR AN ARC DISTANCE OF 1782.50 FEET;

THENCE S 41 DEGREES 58 MINUTES 50 SECONDS E. 798.01 FEET TO THE POINT OF BEGINNING.

NO.	DESCRIPTION	REV.	APP.	DATE
1				
2				
3				
4				
5				
6				
7				

EXHIBIT

Project No. 112.153
 Date: 03/09/18
 Drawn: JMN
 Check: JMN

JDS-HYDRO CONSULTANTS, INC.
 5540 TECH CENTER DR., SUITE 100
 COLORADO SPRINGS, COLORADO 80919
 (719) 227-0072

THESE DRAWINGS ARE THE PROPERTY OF JDS-HYDRO CONSULTANTS, INC. AND ARE NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF JDS-HYDRO CONSULTANTS, INC.

EXHIBIT A-3

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

PARCEL 1 LEGAL DESCRIPTION

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M., EL PASO COUNTY COLORADO, BEING A PORTION OF THAT TRACT OF LAND DESCRIBED UNDER RECEPTION NO. 202131510 OF THE RECORDS OF SAID COUNTY, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF "ARROWHEAD ESTATES FILING NO. 1" AS DESCRIBED IN PLAT BOOK Y-3 AT PAGE 39 OF THE RECORDS OF SAID COUNTY, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF LOT 13, OF SAID "ARROWHEAD ESTATES FILING NO. 1"

THENCE S 00 DEGREES 46 MINUTES 12 SECONDS W, 197.28 FEET;

THENCE N 41 DEGREES 58 MINUTES 50 SECONDS W, 798 FEET TO THE SOUTHEASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 24

THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE BEING CONCAVE TO THE NORTHWEST, HAVING A CHORD BEARING AND DISTANCE OF N 47 DEGREES 22 MINUTES 56 SECONDS E, 193.52 FEET, A CENTRAL ANGLE OF 1 DEGREE 54 MINUTES 42 SECONDS, A RADIUS OF 5800 FT. FOR AN ARCH DISTANCE OF 193.53 FEET;

THENCE NORTH 46 DEGREES 25 MINUTES 11 SECONDS E, 760.04 FEET;

THENCE S 22 DEGREES 22 MINUTES 28 SECONDS E, 219.81 FEET;

THENCE S 89 DEGREES 10 MINUTES 21 SECONDS E, 1071.23 FEET;

THENCE S 00 DEGREES 10 MINUTES 51 SECONDS E, 705.04 FEET;

THENCE CONTINUE S 00 DEGREES 10 MINUTES 51 SECONDS E, 151.74 FEET;

THENCE N 88 DEGREES 55 MINUTES 44 SECONDS W, 1314.29 FEET TO THE POINT OF BEGINNING.

PARCEL 2 LEGAL DESCRIPTION

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M. EL PASO COUNTY, COLORADO, BEING A PORTION OF THAT TRACT OF LAND DESCRIBED UNDER RECEPTION NO. 202131510 OF THE RECORDS OF SAID COUNTY, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF "ARROWHEAD ESTATES FILING NO. 1" AS DESCRIBED IN PLAT BOOK Y3 AT PAGE 39 OF THE RECORDS OF SAID COUNTY, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF LOT 13, OF SAID "ARROWHEAD ESTATES FILING NO. 1";

THENCE S 00 DEGREES 46 MINUTES 12 SECONDS W, 197.28 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HERIN DESCRIBED;

THENCE CONTINUE 00 DEGREES 46 MINUTES 12 SECONDS W, 988.14 FEET;

THENCE S 86 DEGREES 00 MINUTES 46 SECONDS W, 327.52 FEET;

THENCE S 00 DEGREES 25 MINUTES 05 SECONDS W, 68.17 FEET;

THENCE N 89 DEGREES 59 MINUTES 43 SECONDS W, 430.45 FEET;

THENCE N 00 DEGREES 14 MINUTES 15 SECONDS E, 125.34 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE BEING CONCAVE TO THE NORTHWEST, HAVING A CHORD BEARING AND DISTANCE OF N 49 DEGREES 13 MINUTES 05 SECONDS E, 178.19 FEET, A CENTRAL ANGLE OF 1 DEGREES 45 MINUTES 37 SECONDS, A RADIUS OF 5800 FEET, FOR AN ARC DISTANCE OF 178.20 FEET;

THENCE S 41 DEGREES 58 MINUTES 50 SECONDS E, 798.01 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

DEVELOPMENT SUMMARY

DEVELOPMENT SUMMARY

A. Existing Development Conditions

The District's boundaries contain approximately 58 acres of undeveloped land. There is an existing vacant house in poor repair on the easterly portion of the Property together with an adjoining horse barn and corral, all of which will be removed and cleaned up prior to development. Boundary and topographic surveys have been completed along with preliminary engineering related to drainage as well as water and wastewater service. Wastewater service from an existing lift station owned by Woodmen Hills Metropolitan District can be accessed on a gravity flow basis from the Property. Determinations for the water rights underlying the site have been made by the Colorado Ground Water Commission, which water rights are being conveyed to the Woodmen Hills Metropolitan District in conjunction with the recent inclusion of the Property into that District. The developer and its consultants have met with the Colorado Department of Transportation regarding access to State Highway 24 and the State has provided preliminary linework and other information related to improvements necessary for the provision of access to and from the Property from State Highway 24. A drainage channel runs generally north to south through the Property. Erosion from this drainage channel has caused damages to adjoining property within the boundaries of the proposed district as well as properties and roads to the south. Development of this Project will require significant improvements consistent with the recommendations of the adopted Falcon Drainage Basin Study, the County and the Corps of Engineers.

B. Total Development at Project Buildout

At complete Project build-out, development within the District is planned to consist of approximately 275,500 square feet of commercial use including one large box user and twelve individual pad sites anticipated to be a mix of retail shopping and restaurants. The total estimated population of the District upon completion of development is 0 people.

C. Development Phasing and Absorption

Development in El Paso County has been primarily concentrated in the northern part of Colorado Springs metro area. Growing demand for retail development in the Northeast/East area of El Paso County combined with strong economic factors demonstrates a healthy retail market where the Project is located.

There is a growing demand for retail development in Northeast/East El Paso County. The Hoff and Leigh Retail Market Report for Q3, 2019 states that "despite active development on Northeast Colorado Springs, it has hardly been enough to keep up with exceptional demand. Moving into 2019, the retail vacancy rate in Northeast Colorado Springs was under 4%, the lowest of the decade." Hoff&Leigh, Market Report Retail Q3 2019, P. 3 (2019).

CBRE Colorado Research ("CBRE") specialized in retail properties statistics and trends reported in its H1 2019 Colorado Springs Retail Marketview, a positive absorption rate for retail properties sized 5,000 square feet or larger, meaning, more commercial space was

leased than what was vacated/supplied in the market. CBRE Colorado Research, Colorado Springs Retail Marketview 2019, P. 2 (2019).

In 2019, CBRE reported that Colorado Springs will continue to see attention from national retailers who are closely following the population growth, which is currently concentrated in East El Paso County, where the Project is located. The Colorado Springs population grew 13.6% between 2010 to 2018 and is substantially higher than the U.S. metro average of just 6.8%. In addition, CBRE reported “Colorado Springs retail, being such a healthy and liquid market, will continue to receive investor interest from both out of state and local investors”. CBRE Colorado Research, Colorado Springs Retail Marketview 2019, P. 11 (2019).

The Project will capitalize on this growing need providing a mix of retail shopping and restaurants. Absorption of the project is projected to take six years, beginning in 2021 and ending in 2026.

D. Status of Underlying Land Use Approvals

The Developer has held an Early Assistance meeting with the El Paso County Planning and Community Development Department concerning the rezoning of the Property. It is anticipated that a rezoning application for the CR Zone District will be submitted to the County concurrently with this Service Plan. The CR Zone District is believed to be consistent with the Falcon Small Area Master Plan which recommends commercial use at this location.

EXHIBIT C

ESTIMATED INFRASTRUCTURE CAPITAL COSTS

FALCON FIELD METROPOLITAN DISTRICT – ESTIMATED CAPITAL IMPROVEMENT COSTS

Access to Highway 24 and other street improvements:

The primary access to the property will be an extension of Woodmen Road south from State Highway 24. This will require modification of the intersection and signal. Estimated cost for the intersection improvements, accessory lanes culvert extension and signal modifications is \$2,000,000.

In addition, it is anticipated that CDOT will require Rio Lane to be rerouted through the subject property for access at Woodmen Road and SH 24, eliminating the existing intersection of Rio Lane with SH 24. This will require a crossing of the Eastern Tributary of the Falcon Basin with a box culvert structure.

Estimated Total: \$3,000,000

Sanitary Sewer:

An 8-inch sanitary sewer line needs to be extended from the WHMD lift station southwest of the site up to the subject property and then through to the proposed commercial use east of the drainage channel. Preliminary analysis indicates that a sewer line can be extended at average slopes of approximately 0.7% which is above the minimal slope required by WHMD. The total length of the sewer line from the lift station to the northeast corner of the site is 7,366 ft.

Pursuant to the Inclusion Agreement with WHMD, FFMD is responsible for its share of the WHMD's new ~\$2M lift station which share is to be based on the percentage of flow contribution to the lift station.

Internal sanitary sewer lines, the exact lengths to be determined.

Estimated Total: \$2,500,000

Water:

Water will be extended approximately 1300 feet from the north and with a bore under SH24 to provide water to the site. In addition, water will need to be extended approximately 1200 feet from the west to complete a loop. The water line is anticipated to be 12". The total loop may not be required at the beginning of development.

Internal water lines, the exact lengths to be determined.

Estimated Total: \$2,000,000

Drainage:

The site is bisected from north to south by a FEMA regulated floodplain. Offline detention ponds will be located on either side of the channel with additional ponds in the western and southern portion of the site. Channel improvements per the Falcon Master Basin Drainage Plan will be required. Total cost for ponds and channel improvements:

Estimated Total: \$2,000,000

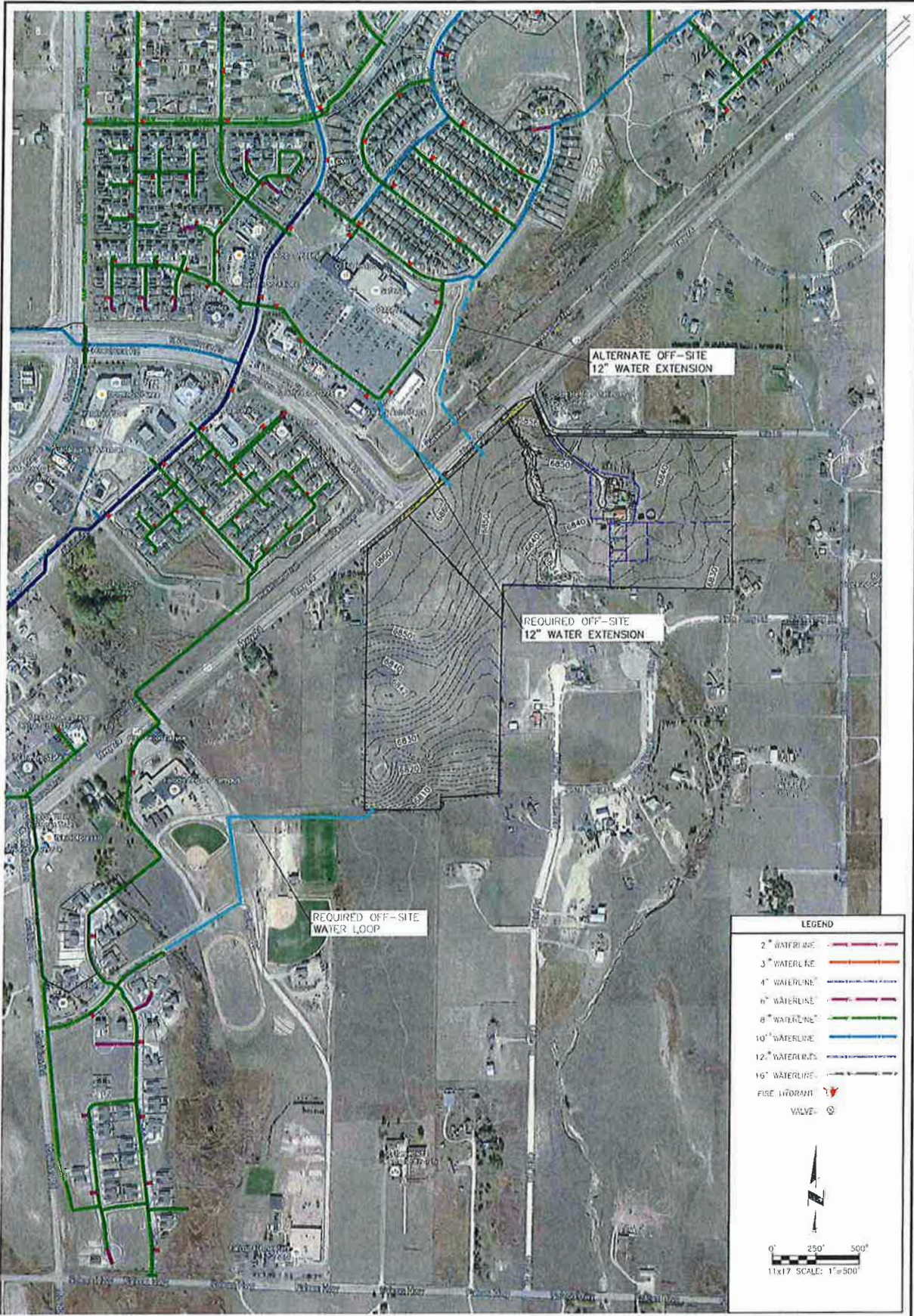
Subtotal: \$9,500,000

Engineering & design (15%): \$1,425,000

Subtotal: \$10,925,000

Contingency (20%): \$2,185,000

Total: \$13,110,000



LEGEND

- 2" WATERLINE
- 3" WATERLINE
- 4" WATERLINE
- 6" WATERLINE
- 8" WATERLINE
- 10" WATERLINE
- 12" WATERLINE
- 16" WATERLINE
- FIRE WDRANT
- VALVE

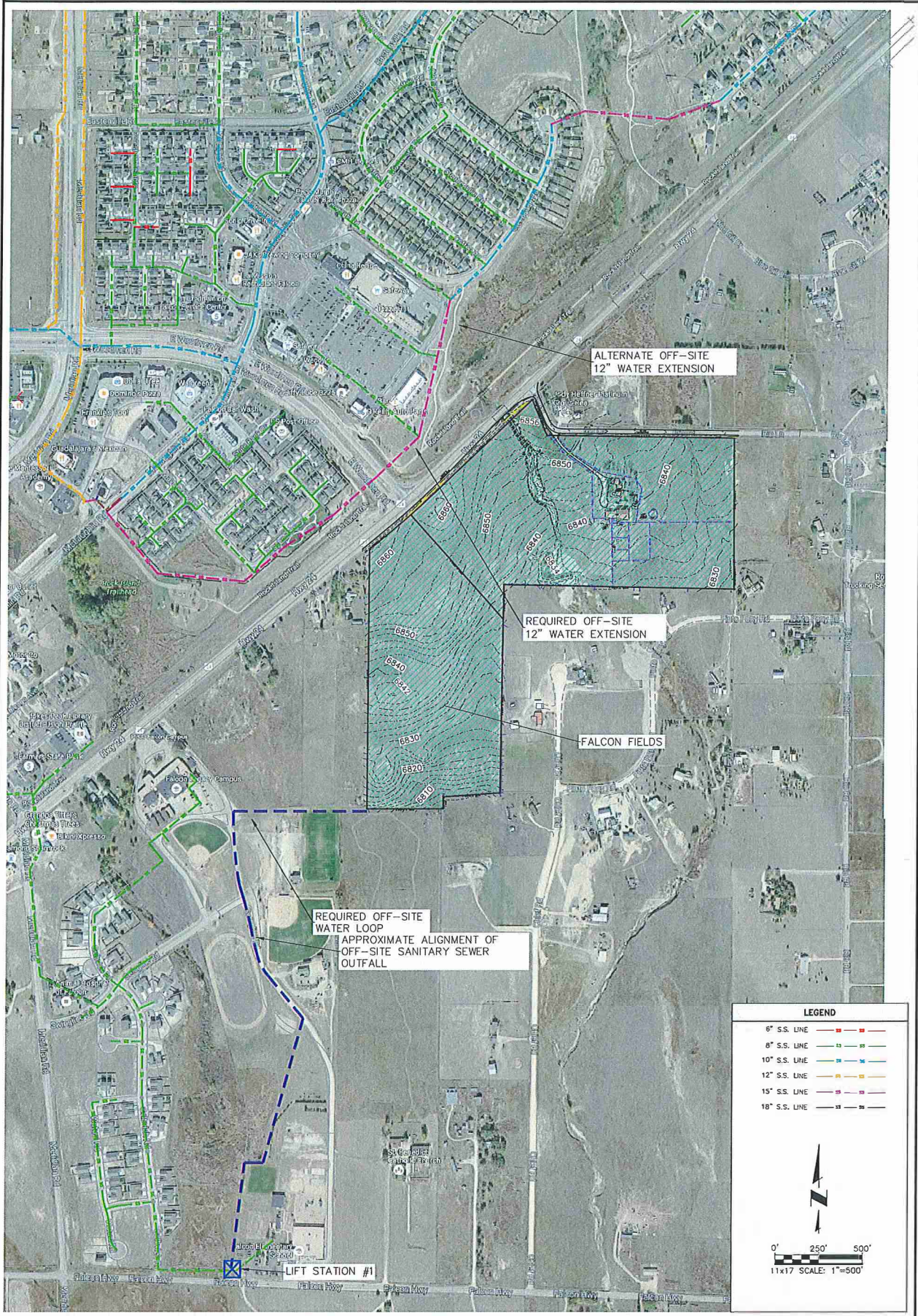
0' 250' 500'

11x17 SCALE: 1"=500'

Project No. 113.103
Scale: AS NOTED
Date: 10/24/18
Drawn: SNA
Checked: TJA
Reviewed: JPA

**Exhibit C - Estimated Infrastructure Costs
Off-Site Water Improvements**

JDS-HYDRO CONSULTANTS, INC.
 545 EAST PIKES PEAK AVENUE, SUITE 300
 COLORADO SPRINGS, COLORADO 80903
 (719) 227-0072



Project No. 112.103
Scale: AS NOTED
Date: 10/19/18
Design: BMM
Drawn: TLM
Checked: JPM
Reviewed:

**EXHIBIT C – Infrastructure Costs
OFF-SITE SEWER IMPROVEMENTS**

FALCON FIELD

JDS-HYDRO CONSULTANTS, INC.
 545 EAST PIKES PEAK AVENUE, SUITE 300
 COLORADO SPRINGS, COLORADO 80903
 (719) 227-0072

EXHIBIT D

FINANCIAL PLAN SUMMARY

FALCON FIELD METROPOLITAN DISTRICT

Development Projection at 30.000 (target) District Mills plus Share of Avail. PIF Revenues -- 05/21/2019

Series 2023A, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2023B Cash-Flow Subs

YEAR	< Platted/Developed Lots >			<<<<<<<<<< Commercial >>>>>>>>>			Total Assessed Value	District D/S Mill Levy [30.000 Target] [30.000 Cap]	District D/S Mill Levy Collections @ 98%	District S.O. Taxes Collected @ 6%
	Cumulative Market Value	As'ed Value @ 29.00% of Market (2-yr lag)	Total Comm'l Sq. Ft.	Mkt Value Biennial Reasses'mt @ 2.0%	Cumulative Market Value	As'ed Value @ 29.00% of Market (2-yr lag)				
2019	0		0		0					
2020	0		0		0					
2021	0	0	0		0	0	\$0			
2022	1,565,000	0	0	0	0	0	0	30.000	\$0	\$0
2023	200,000	0	243,500		16,940,063	0	0	30.000	0	0
2024	200,000	453,850	16,000	338,801	19,487,026	0	453,850	30.000	13,343	801
2025	0	58,000	16,000		21,739,351	4,912,618	4,970,618	30.000	146,136	8,768
2026	0	58,000	0	434,787	22,174,138	5,651,238	5,709,238	30.000	167,852	10,071
2027	0	0	0		22,174,138	6,304,412	6,304,412	30.000	185,350	11,121
2028	0	0	0	443,483	22,617,621	6,430,500	6,430,500	30.000	189,057	11,343
2029	0	0	0		22,617,621	6,430,500	6,430,500	30.000	189,057	11,343
2030	0	0	0	452,352	23,069,973	6,559,110	6,559,110	30.000	192,838	11,570
2031	0	0	0		23,069,973	6,559,110	6,559,110	30.000	192,838	11,570
2032	0	0	0	461,399	23,531,373	6,690,292	6,690,292	30.000	196,695	11,802
2033	0	0	0		23,531,373	6,690,292	6,690,292	30.000	196,695	11,802
2034	0	0	0	470,627	24,002,000	6,824,098	6,824,098	30.000	200,628	12,038
2035	0	0	0		24,002,000	6,824,098	6,824,098	30.000	200,628	12,038
2036	0	0	0	480,040	24,482,040	6,960,580	6,960,580	30.000	204,641	12,278
2037	0	0	0		24,482,040	6,960,580	6,960,580	30.000	204,641	12,278
2038	0	0	0	489,641	24,971,681	7,099,792	7,099,792	30.000	208,734	12,524
2039	0	0	0		24,971,681	7,099,792	7,099,792	30.000	208,734	12,524
2040	0	0	0	499,434	25,471,115	7,241,787	7,241,787	30.000	212,909	12,775
2041	0	0	0		25,471,115	7,241,787	7,241,787	30.000	212,909	12,775
2042	0	0	0	509,422	25,980,537	7,386,623	7,386,623	30.000	217,167	13,030
2043	0	0	0		25,980,537	7,386,623	7,386,623	30.000	217,167	13,030
2044	0	0	0	519,611	26,500,148	7,534,356	7,534,356	30.000	221,510	13,291
2045	0	0	0		26,500,148	7,534,356	7,534,356	30.000	221,510	13,291
2046	0	0	0	530,003	27,030,151	7,685,043	7,685,043	30.000	225,940	13,556
2047	0	0	0		27,030,151	7,685,043	7,685,043	30.000	225,940	13,556
2048	0	0	0	540,603	27,570,754	7,838,744	7,838,744	30.000	230,459	13,828
2049	0	0	0		27,570,754	7,838,744	7,838,744	30.000	230,459	13,828
2050	0	0	0	551,415	28,122,169	7,995,519	7,995,519	30.000	235,068	14,104
2051	0	0	0		28,122,169	7,995,519	7,995,519	30.000	235,068	14,104
2052	0	0	0	562,443	28,684,612	8,155,429	8,155,429	30.000	239,770	14,386
2053	0	0	0		28,684,612	8,155,429	8,155,429	30.000	239,770	14,386
			275,500	7,284,062					6,063,511	363,811

FALCON FIELD METROPOLITAN DISTRICT

Development Projection at 30.000 (target) District Mills plus Share of Avail. PIF Revenues – 05/21/2019

Series 2023A, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2023B Cash-Flow Subs

YEAR	Annual Sales Revenue	Annual Credit PIF Revenue	Net Available for Debt Svc	Ser. 2023A	Annual Surplus	Surplus Release	Cumulative Surplus	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS: @ 30.000 target	Cov. of Net DS: @ 30.000 Cap
	infl. @ 1.0%	@ 1.00%		Net Debt Service		to \$1,488,000	\$1,488,000 Target	+ PIF Revs	+ PIF Revs		
2019	0	0	\$0								
2020	0	0	0		n/a						
2021	0	0	0		n/a						
2022	0	0	0		n/a						
2023	43,510,255	435,103	435,103	\$0	435,103		\$435,103	3279%	76%	0.0%	0.0%
2024	68,020,057	680,201	694,344	585,900	108,444	0	543,547	299%	68%	118.5%	118.5%
2025	94,077,223	940,772	1,095,677	841,200	254,477	0	798,023	260%	67%	130.3%	130.3%
2026	97,162,266	971,623	1,149,545	883,050	266,495	0	1,064,519	233%	66%	130.2%	130.2%
2027	99,216,746	992,167	1,188,638	912,538	276,101	0	1,340,619	227%	64%	130.3%	130.3%
2028	100,208,913	1,002,089	1,202,489	920,188	282,302	134,921	1,488,000	224%	64%	130.7%	130.7%
2029	101,211,002	1,012,110	1,212,510	932,050	280,460	280,460	1,488,000	217%	62%	130.1%	130.1%
2030	102,223,112	1,022,231	1,226,639	942,863	283,777	283,777	1,488,000	214%	61%	130.1%	130.1%
2031	103,245,343	1,032,453	1,236,862	947,625	289,237	289,237	1,488,000	207%	59%	130.5%	130.5%
2032	104,277,797	1,042,778	1,251,274	961,600	289,674	289,674	1,488,000	203%	58%	130.1%	130.1%
2033	105,320,575	1,053,206	1,261,702	969,263	292,440	292,440	1,488,000	196%	56%	130.2%	130.2%
2034	106,373,781	1,063,738	1,276,404	980,875	295,529	295,529	1,488,000	192%	54%	130.1%	130.1%
2035	107,437,518	1,074,375	1,287,041	986,175	300,866	300,866	1,488,000	183%	52%	130.5%	130.5%
2036	108,511,894	1,085,119	1,302,038	1,000,425	301,613	301,613	1,488,000	179%	51%	130.1%	130.1%
2037	109,597,012	1,095,970	1,312,890	1,008,100	304,790	304,790	1,488,000	170%	48%	130.2%	130.2%
2038	110,692,983	1,106,930	1,328,188	1,019,463	308,725	308,725	1,488,000	165%	47%	130.3%	130.3%
2039	111,799,912	1,117,999	1,339,257	1,029,250	310,007	310,007	1,488,000	156%	44%	130.1%	130.1%
2040	112,917,912	1,129,179	1,354,862	1,037,463	317,400	317,400	1,488,000	150%	43%	130.6%	130.6%
2041	114,047,091	1,140,471	1,366,154	1,049,100	317,054	317,054	1,488,000	140%	40%	130.2%	130.2%
2042	115,187,562	1,151,876	1,382,072	1,058,900	323,172	323,172	1,488,000	133%	38%	130.5%	130.5%
2043	116,339,437	1,163,394	1,393,591	1,066,863	326,729	326,729	1,488,000	123%	35%	130.6%	130.6%
2044	117,502,832	1,175,028	1,409,829	1,082,988	326,841	326,841	1,488,000	115%	33%	130.2%	130.2%
2045	118,677,860	1,186,779	1,421,579	1,091,750	329,829	329,829	1,488,000	105%	30%	130.2%	130.2%
2046	119,864,638	1,198,646	1,438,143	1,103,413	334,731	334,731	1,488,000	96%	27%	130.3%	130.3%
2047	121,063,285	1,210,633	1,450,130	1,112,713	337,417	337,417	1,488,000	85%	24%	130.3%	130.3%
2048	122,273,918	1,222,739	1,467,026	1,124,650	342,376	342,376	1,488,000	75%	21%	130.4%	130.4%
2049	123,496,657	1,234,967	1,479,253	1,133,963	345,291	345,291	1,488,000	63%	18%	130.4%	130.4%
2050	124,731,623	1,247,316	1,496,489	1,150,650	345,839	345,839	1,488,000	52%	15%	130.1%	130.1%
2051	125,978,940	1,259,789	1,508,962	1,159,888	349,774	349,774	1,488,000	40%	11%	130.2%	130.2%
2052	127,238,729	1,272,387	1,526,543	1,169,838	356,706	356,706	1,488,000	27%	8%	130.5%	130.5%
2053	128,511,116	1,285,111	1,539,267	1,182,500	356,767	1,844,767	0	0%	0%	130.2%	130.2%
		33,607,180	40,034,501	30,444,538	9,589,964	9,589,964					

[DMay2119 23AnlbD]

FALCON FIELD METROPOLITAN DISTRICT

Development Projection at 30.000 (target) District Mills plus Share of Avail. PIF Revenues -- 05/21/2019

Series 2023A, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2023B Cash-Flow Subs

Cash-Flow Sub. Bonds >>>

YEAR	Surplus Available for Sub Debt Service	Application of Prior Year Surplus	Total Available for Sub Debt Service	Date Bonds Issued	Sub Bond Interest on Balance 8.00%	Less Payments Toward Sub Bond Interest	Accrued Interest + Int. on Bal. @ 8.00%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Sub Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of Sub Bond Principal	Total Sub. Debt Pmts.	Surplus Cash Flow	Surplus Release	Cum. Surplus
2019																
2020																
2021																
2022																
2023	\$0		0	12/1/23	\$7,644	\$0	\$7,644	\$0	\$7,644	\$2,457,000	\$0	\$2,457,000	\$0	0	0	0
2024	0	0	0		196,560	0	197,172	0	204,816		0	2,457,000	0	0	0	0
2025	0	0	0		196,560	0	212,945	0	417,761		0	2,457,000	0	0	0	0
2026	0	0	0		196,560	0	229,981	0	647,742		0	2,457,000	0	0	0	0
2027	0	0	0		196,560	0	248,379	0	896,121		0	2,457,000	0	0	0	0
2028	134,921	0	134,921		196,560	134,921	133,328	0	1,029,449		0	2,457,000	134,921	0	0	0
2029	280,460	0	280,460		196,560	196,560	82,356	83,900	1,027,905		0	2,457,000	280,460	0	0	0
2030	283,777	0	283,777		196,560	196,560	82,232	87,217	1,022,921		0	2,457,000	283,777	0	0	0
2031	289,237	0	289,237		196,560	196,560	81,834	92,677	1,012,078		0	2,457,000	289,237	0	0	0
2032	289,674	0	289,674		196,560	196,560	80,966	93,114	999,930		0	2,457,000	289,674	0	0	0
2033	292,440	0	292,440		196,560	196,560	79,994	95,880	984,045		0	2,457,000	292,440	0	0	0
2034	295,529	0	295,529		196,560	196,560	78,724	98,969	963,800		0	2,457,000	295,529	0	0	0
2035	300,866	0	300,866		196,560	196,560	77,104	104,306	936,597		0	2,457,000	300,866	0	0	0
2036	301,613	0	301,613		196,560	196,560	74,928	105,053	906,471		0	2,457,000	301,613	0	0	0
2037	304,790	0	304,790		196,560	196,560	72,518	108,230	870,760		0	2,457,000	304,790	0	0	0
2038	308,725	0	308,725		196,560	196,560	69,661	112,165	828,255		0	2,457,000	308,725	0	0	0
2039	310,007	0	310,007		196,560	196,560	66,260	113,447	781,068		0	2,457,000	310,007	0	0	0
2040	317,400	0	317,400		196,560	196,560	62,485	120,840	722,714		0	2,457,000	317,400	0	0	0
2041	317,054	0	317,054		196,560	196,560	57,817	120,494	660,037		0	2,457,000	317,054	0	0	0
2042	323,172	0	323,172		196,560	196,560	52,803	126,612	586,228		0	2,457,000	323,172	0	0	0
2043	326,729	0	326,729		196,560	196,560	46,898	130,169	502,958		0	2,457,000	326,729	0	0	0
2044	326,841	0	326,841		196,560	196,560	40,237	130,281	412,913		0	2,457,000	326,841	0	0	0
2045	329,829	0	329,829		196,560	196,560	33,033	133,269	312,677		0	2,457,000	329,829	0	0	0
2046	334,731	0	334,731		196,560	196,560	25,014	138,171	199,520		0	2,457,000	334,731	0	0	0
2047	337,417	0	337,417		196,560	196,560	15,962	140,857	74,625		0	2,457,000	337,417	0	0	0
2048	342,376	0	342,376		196,560	196,560	5,970	80,595	0		65,000	2,392,000	342,155	221	0	221
2049	345,291	221	345,512		191,360	191,360	0	0	0		154,000	2,238,000	345,360	(69)	0	152
2050	345,839	152	345,990		179,040	179,040	0	0	0		166,000	2,072,000	345,040	799	0	950
2051	349,774	950	350,724		165,760	165,760	0	0	0		184,000	1,888,000	349,760	14	0	964
2052	356,706	964	357,670		151,040	151,040	0	0	0		206,000	1,682,000	357,040	(334)	0	630
2053	1,844,767	0	1,844,767		134,560	134,560	0	0	0		1,682,000	0	1,816,560	28,207	28,837	0
	9,589,964	2,287	9,592,251		5,743,404	4,887,881	2,216,246	2,216,246		2,457,000	2,457,000	9,561,127	28,837	28,837		

COI (est.): 73,710
 Proceeds: 2,383,290

FALCON FIELD METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 5/21/19)

Commercial Development

YEAR	2023: 4 Retail Pad Sites @ 4K SF ea.								2024: 4 Retail Pad Sites @ 4K SF ea.								2025: 4 Retail Pad Sites @ 4K SF ea.							
	Incr/(Decr) in		Square Ft	per Sq Ft,	Sales Tax		Stab. / Lease-Up	Annual Sales Revenue	Incr/(Decr) in		Square Ft	per Sq Ft,	Sales Tax		Stab. / Lease-Up	Annual Sales Revenue	Incr/(Decr) in		Square Ft	per Sq Ft,	Sales Tax		Stab. / Lease-Up	Annual Sales Revenue
	SF	Value @			Completed	Inflated @			Market	Inflated @			%	@ 100% factor			SF	Value @			Completed	Inflated @		
2019	0	0		\$125.00	\$0	\$250.00		0	0	0	\$125.00	\$0	\$250.00		0	0	0	\$125.00	\$0	\$250.00		0	0	0
2020	0	0		127.50	0	252.50		0	0	0	127.50	0	252.50		0	0	0	127.50	0	252.50		0	0	0
2021	0	0		130.05	0	255.03		0	0	0	130.05	0	255.03		0	0	0	130.05	0	255.03		0	0	0
2022	16,000	200,000		132.65	0	257.58		0	0	0	132.65	0	257.58		0	0	0	132.65	0	257.58		0	0	0
2023	0	(200,000)	16,000	135.30	2,164,864	260.15	50%	2,081,208	16,000	200,000	135.30	0	260.15		0	0	0	135.30	0	260.15		0	0	0
2024	0	0	0	138.01	0	262.75	75%	3,153,030	0	(200,000)	16,000	138.01	2,208,162	262.75	50%	2,102,020	16,000	200,000	138.01	0	262.75		0	0
2025	0	0	0	140.77	0	265.38	100%	4,246,081	0	0	0	140.77	0	265.38	75%	3,184,560	0	(200,000)	16,000	140.77	2,252,325	265.38	50%	2,123,040
2026	0	0	0	143.59	0	268.03	100%	4,288,541	0	0	0	143.59	0	268.03	100%	4,288,541	0	0	0	143.59	0	268.03	75%	3,216,406
2027	0	0	0	146.46	0	270.71	100%	4,331,427	0	0	0	146.46	0	270.71	100%	4,331,427	0	0	0	146.46	0	270.71	100%	4,331,427
2028	0	0	0	149.39	0	273.42	100%	4,374,741	0	0	0	149.39	0	273.42	100%	4,374,741	0	0	0	149.39	0	273.42	100%	4,374,741
2029	0	0	0	152.37	0	276.16	100%	4,418,489	0	0	0	152.37	0	276.16	100%	4,418,489	0	0	0	152.37	0	276.16	100%	4,418,489
2030	0	0	0	155.42	0	278.92	100%	4,462,673	0	0	0	155.42	0	278.92	100%	4,462,673	0	0	0	155.42	0	278.92	100%	4,462,673
2031	0	0	0	158.53	0	281.71	100%	4,507,300	0	0	0	158.53	0	281.71	100%	4,507,300	0	0	0	158.53	0	281.71	100%	4,507,300
2032	0	0	0	161.70	0	284.52	100%	4,552,373	0	0	0	161.70	0	284.52	100%	4,552,373	0	0	0	161.70	0	284.52	100%	4,552,373
2033	0	0	0	164.93	0	287.37	100%	4,597,897	0	0	0	164.93	0	287.37	100%	4,597,897	0	0	0	164.93	0	287.37	100%	4,597,897
2034	0	0	0	168.23	0	290.24	100%	4,643,876	0	0	0	168.23	0	290.24	100%	4,643,876	0	0	0	168.23	0	290.24	100%	4,643,876
2035	0	0	0	171.60	0	293.14	100%	4,690,315	0	0	0	171.60	0	293.14	100%	4,690,315	0	0	0	171.60	0	293.14	100%	4,690,315
2036	0	0	0	175.03	0	296.08	100%	4,737,218	0	0	0	175.03	0	296.08	100%	4,737,218	0	0	0	175.03	0	296.08	100%	4,737,218
2037	0	0	0	178.53	0	299.04	100%	4,784,590	0	0	0	178.53	0	299.04	100%	4,784,590	0	0	0	178.53	0	299.04	100%	4,784,590
2038	0	0	0	182.10	0	302.03	100%	4,832,436	0	0	0	182.10	0	302.03	100%	4,832,436	0	0	0	182.10	0	302.03	100%	4,832,436
2039	0	0	0	185.74	0	305.05	100%	4,880,760	0	0	0	185.74	0	305.05	100%	4,880,760	0	0	0	185.74	0	305.05	100%	4,880,760
	16,000	0	16,000		2,164,864			73,582,954	16,000	0	16,000		2,208,162			69,389,216	16,000	0	16,000		2,252,325			65,153,540

FALCON FIELD METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 5/21/19)

Commercial Summary

YEAR	<u>Large Box Retail</u>					Sales Tax per Sq Ft, Inflated @ 1%	Stab. / Lease-Up %	Annual Sales Revenue @ 100% factor	Total Commercial Market Value	Total Commercial Sq Ft	Total Annual Sales Revenue	Value of Platted & Developed Lots			
	Incr/(Decr) in Finished Lot Value @	Square Ft Completed	per Sq Ft, Inflated @	Market Value	Devel'd							10%	2%	Adjustment	Adjusted Value
		227,500													
2019	0	0	\$60.00	\$0	\$350.00		0	0	0	0	0	0	0		
2020	0	0	61.20	0	353.50		0	0	0	0	0	0	0		
2021	0	0	62.42	0	357.04		0	0	0	0	0	0	0		
2022	227,500	1,365,000	63.67	0	360.61		0	0	0	0	0	0	1,565,000		
2023	0	(1,365,000)	64.95	14,775,199	364.21	50%	41,429,047	16,940,063	243,500	43,510,255	0	(1,365,000)	0		
2024	0	0	66.24	0	367.85	75%	62,765,006	2,208,162	16,000	68,020,057	0	0	0		
2025	0	0	67.57	0	371.53	100%	84,523,542	2,252,325	16,000	94,077,223	0	(200,000)	0		
2026	0	0	68.92	0	375.25	100%	85,368,777	0	0	97,162,266	0	0	0		
2027	0	0	70.30	0	379.00	100%	86,222,465	0	0	99,216,746	0	0	0		
2028	0	0	71.71	0	382.79	100%	87,084,690	0	0	100,208,913	0	0	0		
2029	0	0	73.14	0	386.62	100%	87,955,537	0	0	101,211,002	0	0	0		
2030	0	0	74.60	0	390.48	100%	88,835,092	0	0	102,223,112	0	0	0		
2031	0	0	76.09	0	394.39	100%	89,723,443	0	0	103,245,343	0	0	0		
2032	0	0	77.62	0	398.33	100%	90,620,677	0	0	104,277,797	0	0	0		
2033	0	0	79.17	0	402.32	100%	91,526,884	0	0	105,320,575	0	0	0		
2034	0	0	80.75	0	406.34	100%	92,442,153	0	0	106,373,781	0	0	0		
2035	0	0	82.37	0	410.40	100%	93,366,575	0	0	107,437,518	0	0	0		
2036	0	0	84.01	0	414.51	100%	94,300,240	0	0	108,511,894	0	0	0		
2037	0	0	85.69	0	418.65	100%	95,243,243	0	0	109,597,012	0	0	0		
2038	0	0	87.41	0	422.84	100%	96,195,675	0	0	110,692,983	0	0	0		
2039	0	0	89.16	0	427.07	100%	97,157,632	0	0	111,799,912	0	0	0		
	227,500	0	227,500	14,775,199			1,464,760,679	21,400,550	275,500	1,672,886,390	0	0	0		

SOURCES AND USES OF FUNDS

**FALCON FIELD METROPOLITAN DISTRICT
Combined Results**

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**GENERAL OBLIGATION BONDS, SERIES 2023A  
SUBORDINATE BONDS, SERIES 2023B**

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[Preliminary -- for discussion only]

Dated Date 12/01/2023
Delivery Date 12/01/2023

Sources:	SERIES 2023A	SERIES 2023B	Total
Bond Proceeds:			
Par Amount	14,880,000.00	2,457,000.00	17,337,000.00
	<u>14,880,000.00</u>	<u>2,457,000.00</u>	<u>17,337,000.00</u>
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Uses:	SERIES 2023A	SERIES 2023B	Total
Project Fund Deposits:			
Project Fund	12,967,262.50	2,383,290.00	15,350,552.50
Other Fund Deposits:			
Capitalized Interest	195,300.00		195,300.00
Debt Service Reserve Fund	<u>1,169,837.50</u>		<u>1,169,837.50</u>
	1,365,137.50		1,365,137.50
Delivery Date Expenses:			
Cost of Issuance	250,000.00		250,000.00
Underwriter's Discount	<u>297,600.00</u>	<u>73,710.00</u>	<u>371,310.00</u>
	547,600.00	73,710.00	621,310.00
	<u>14,880,000.00</u>	<u>2,457,000.00</u>	<u>17,337,000.00</u>

SOURCES AND USES OF FUNDS

**FALCON FIELD METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2023A
30.000 (target) Mills + Share of Avail. PIF Revenues
Non-Rated, 130x, 30-yr. Maturity
[Preliminary -- for discussion only]**

Dated Date	12/01/2023
Delivery Date	12/01/2023

Sources:

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Bond Proceeds:	
Par Amount	14,880,000.00
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	14,880,000.00
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Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	12,967,262.50
Other Fund Deposits:	
Capitalized Interest	195,300.00
Debt Service Reserve Fund	1,169,837.50
	<hr/>
	1,365,137.50
Delivery Date Expenses:	
Cost of Issuance	250,000.00
Underwriter's Discount	297,600.00
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	547,600.00
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	14,880,000.00
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BOND SUMMARY STATISTICS

FALCON FIELD METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2023A 30.000 (target) Mills + Share of Avail. PIF Revenues Non-Rated, 130x, 30-yr. Maturity [Preliminary -- for discussion only]

Dated Date	12/01/2023
Delivery Date	12/01/2023
First Coupon	06/01/2024
Last Maturity	12/01/2053
Arbitrage Yield	5.250000%
True Interest Cost (TIC)	5.414486%
Net Interest Cost (NIC)	5.250000%
All-In TIC	5.556615%
Average Coupon	5.250000%
Average Life (years)	21.671
Weighted Average Maturity (years)	21.671
Duration of Issue (years)	12.551
Par Amount	14,880,000.00
Bond Proceeds	14,880,000.00
Total Interest	16,929,675.00
Net Interest	17,227,275.00
Bond Years from Dated Date	322,470,000.00
Bond Years from Delivery Date	322,470,000.00
Total Debt Service	31,809,675.00
Maximum Annual Debt Service	2,352,337.50
Average Annual Debt Service	1,060,322.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2053	14,880,000.00	100.000	5.250%	21.671	08/02/2045	22,468.80
	14,880,000.00			21.671		22,468.80

	TIC	All-In TIC	Arbitrage Yield
Par Value	14,880,000.00	14,880,000.00	14,880,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-297,600.00	-297,600.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts			
Target Value	14,582,400.00	14,332,400.00	14,880,000.00
Target Date	12/01/2023	12/01/2023	12/01/2023
Yield	5.414486%	5.556615%	5.250000%

BOND DEBT SERVICE

FALCON FIELD METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2023A 30.000 (target) Mills + Share of Avail. PIF Revenues Non-Rated, 130x, 30-yr. Maturity [Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2024			390,600.00	390,600.00	
12/01/2024			390,600.00	390,600.00	781,200.00
06/01/2025			390,600.00	390,600.00	
12/01/2025	60,000	5.250%	390,600.00	450,600.00	841,200.00
06/01/2026			389,025.00	389,025.00	
12/01/2026	105,000	5.250%	389,025.00	494,025.00	883,050.00
06/01/2027			386,268.75	386,268.75	
12/01/2027	140,000	5.250%	386,268.75	526,268.75	912,537.50
06/01/2028			382,593.75	382,593.75	
12/01/2028	155,000	5.250%	382,593.75	537,593.75	920,187.50
06/01/2029			378,525.00	378,525.00	
12/01/2029	175,000	5.250%	378,525.00	553,525.00	932,050.00
06/01/2030			373,931.25	373,931.25	
12/01/2030	195,000	5.250%	373,931.25	568,931.25	942,862.50
06/01/2031			368,812.50	368,812.50	
12/01/2031	210,000	5.250%	368,812.50	578,812.50	947,625.00
06/01/2032			363,300.00	363,300.00	
12/01/2032	235,000	5.250%	363,300.00	598,300.00	961,600.00
06/01/2033			357,131.25	357,131.25	
12/01/2033	255,000	5.250%	357,131.25	612,131.25	969,262.50
06/01/2034			350,437.50	350,437.50	
12/01/2034	280,000	5.250%	350,437.50	630,437.50	980,875.00
06/01/2035			343,087.50	343,087.50	
12/01/2035	300,000	5.250%	343,087.50	643,087.50	986,175.00
06/01/2036			335,212.50	335,212.50	
12/01/2036	330,000	5.250%	335,212.50	665,212.50	1,000,425.00
06/01/2037			326,550.00	326,550.00	
12/01/2037	355,000	5.250%	326,550.00	681,550.00	1,008,100.00
06/01/2038			317,231.25	317,231.25	
12/01/2038	385,000	5.250%	317,231.25	702,231.25	1,019,462.50
06/01/2039			307,125.00	307,125.00	
12/01/2039	415,000	5.250%	307,125.00	722,125.00	1,029,250.00
06/01/2040			296,231.25	296,231.25	
12/01/2040	445,000	5.250%	296,231.25	741,231.25	1,037,462.50
06/01/2041			284,550.00	284,550.00	
12/01/2041	480,000	5.250%	284,550.00	764,550.00	1,049,100.00
06/01/2042			271,950.00	271,950.00	
12/01/2042	515,000	5.250%	271,950.00	786,950.00	1,058,900.00
06/01/2043			258,431.25	258,431.25	
12/01/2043	550,000	5.250%	258,431.25	808,431.25	1,066,862.50
06/01/2044			243,993.75	243,993.75	
12/01/2044	595,000	5.250%	243,993.75	838,993.75	1,082,987.50
06/01/2045			228,375.00	228,375.00	
12/01/2045	635,000	5.250%	228,375.00	863,375.00	1,091,750.00
06/01/2046			211,706.25	211,706.25	
12/01/2046	680,000	5.250%	211,706.25	891,706.25	1,103,412.50
06/01/2047			193,856.25	193,856.25	
12/01/2047	725,000	5.250%	193,856.25	918,856.25	1,112,712.50
06/01/2048			174,825.00	174,825.00	
12/01/2048	775,000	5.250%	174,825.00	949,825.00	1,124,650.00
06/01/2049			154,481.25	154,481.25	
12/01/2049	825,000	5.250%	154,481.25	979,481.25	1,133,962.50
06/01/2050			132,825.00	132,825.00	
12/01/2050	885,000	5.250%	132,825.00	1,017,825.00	1,150,650.00
06/01/2051			109,593.75	109,593.75	
12/01/2051	940,000	5.250%	109,593.75	1,049,593.75	1,159,187.50
06/01/2052			84,918.75	84,918.75	
12/01/2052	1,000,000	5.250%	84,918.75	1,084,918.75	1,169,837.50
06/01/2053			58,668.75	58,668.75	
12/01/2053	2,235,000	5.250%	58,668.75	2,293,668.75	2,352,337.50
	14,880,000		16,929,675.00	31,809,675.00	31,809,675.00

NET DEBT SERVICE

**FALCON FIELD METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2023A
30.000 (target) Mills + Share of Avail. PIF Revenues
Non-Rated, 130x, 30-yr. Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest	Debt Service Reserve Fund	Net Debt Service
12/01/2024		781,200.00	781,200.00	195,300		585,900.00
12/01/2025	60,000	781,200.00	841,200.00			841,200.00
12/01/2026	105,000	778,050.00	883,050.00			883,050.00
12/01/2027	140,000	772,537.50	912,537.50			912,537.50
12/01/2028	155,000	765,187.50	920,187.50			920,187.50
12/01/2029	175,000	757,050.00	932,050.00			932,050.00
12/01/2030	195,000	747,862.50	942,862.50			942,862.50
12/01/2031	210,000	737,625.00	947,625.00			947,625.00
12/01/2032	235,000	726,600.00	961,600.00			961,600.00
12/01/2033	255,000	714,262.50	969,262.50			969,262.50
12/01/2034	280,000	700,875.00	980,875.00			980,875.00
12/01/2035	300,000	686,175.00	986,175.00			986,175.00
12/01/2036	330,000	670,425.00	1,000,425.00			1,000,425.00
12/01/2037	355,000	653,100.00	1,008,100.00			1,008,100.00
12/01/2038	385,000	634,462.50	1,019,462.50			1,019,462.50
12/01/2039	415,000	614,250.00	1,029,250.00			1,029,250.00
12/01/2040	445,000	592,462.50	1,037,462.50			1,037,462.50
12/01/2041	480,000	569,100.00	1,049,100.00			1,049,100.00
12/01/2042	515,000	543,900.00	1,058,900.00			1,058,900.00
12/01/2043	550,000	516,862.50	1,066,862.50			1,066,862.50
12/01/2044	595,000	487,987.50	1,082,987.50			1,082,987.50
12/01/2045	635,000	456,750.00	1,091,750.00			1,091,750.00
12/01/2046	680,000	423,412.50	1,103,412.50			1,103,412.50
12/01/2047	725,000	387,712.50	1,112,712.50			1,112,712.50
12/01/2048	775,000	349,650.00	1,124,650.00			1,124,650.00
12/01/2049	825,000	308,962.50	1,133,962.50			1,133,962.50
12/01/2050	885,000	265,650.00	1,150,650.00			1,150,650.00
12/01/2051	940,000	219,187.50	1,159,187.50			1,159,187.50
12/01/2052	1,000,000	169,837.50	1,169,837.50			1,169,837.50
12/01/2053	2,235,000	117,337.50	2,352,337.50		1,169,837.50	1,182,500.00
	14,880,000	16,929,675.00	31,809,675.00	195,300	1,169,837.50	30,444,537.50

BOND SOLUTION

**FALCON FIELD METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2023A
30.000 (target) Mills + Share of Avail. PIF Revenues
Non-Rated, 130x, 30-yr. Maturity
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2024		781,200	-195,300	585,900	694,344	108,444	118.50902%
12/01/2025	60,000	841,200		841,200	1,095,677	254,477	130.25161%
12/01/2026	105,000	883,050		883,050	1,149,545	266,495	130.17896%
12/01/2027	140,000	912,538		912,538	1,188,638	276,101	130.25636%
12/01/2028	155,000	920,188		920,188	1,202,489	282,302	130.67872%
12/01/2029	175,000	932,050		932,050	1,212,510	280,460	130.09067%
12/01/2030	195,000	942,863		942,863	1,226,639	283,777	130.09736%
12/01/2031	210,000	947,625		947,625	1,236,862	289,237	130.52226%
12/01/2032	235,000	961,600		961,600	1,251,274	289,674	130.12419%
12/01/2033	255,000	969,263		969,263	1,261,702	292,440	130.17134%
12/01/2034	280,000	980,875		980,875	1,276,404	295,529	130.12912%
12/01/2035	300,000	986,175		986,175	1,287,041	300,866	130.50842%
12/01/2036	330,000	1,000,425		1,000,425	1,302,038	301,613	130.14853%
12/01/2037	355,000	1,008,100		1,008,100	1,312,890	304,790	130.23407%
12/01/2038	385,000	1,019,463		1,019,463	1,328,188	308,725	130.28314%
12/01/2039	415,000	1,029,250		1,029,250	1,339,257	310,007	130.11970%
12/01/2040	445,000	1,037,463		1,037,463	1,354,862	317,400	130.59385%
12/01/2041	480,000	1,049,100		1,049,100	1,366,154	317,054	130.22152%
12/01/2042	515,000	1,058,900		1,058,900	1,382,072	323,172	130.51963%
12/01/2043	550,000	1,066,863		1,066,863	1,393,591	326,729	130.62518%
12/01/2044	595,000	1,082,988		1,082,988	1,409,829	326,841	130.17962%
12/01/2045	635,000	1,091,750		1,091,750	1,421,579	329,829	130.21106%
12/01/2046	680,000	1,103,413		1,103,413	1,438,143	334,731	130.33594%
12/01/2047	725,000	1,112,713		1,112,713	1,450,130	337,417	130.32383%
12/01/2048	775,000	1,124,650		1,124,650	1,467,026	342,376	130.44287%
12/01/2049	825,000	1,133,963		1,133,963	1,479,253	345,291	130.44992%
12/01/2050	885,000	1,150,650		1,150,650	1,496,489	345,839	130.05593%
12/01/2051	940,000	1,159,188		1,159,188	1,508,962	349,774	130.17409%
12/01/2052	1,000,000	1,169,838		1,169,838	1,526,543	356,706	130.49189%
12/01/2053	2,235,000	2,352,338	-1,169,838	1,182,500	1,539,267	356,767	130.17057%
	14,880,000	31,809,675	-1,365,138	30,444,538	39,599,399	9,154,861	

SOURCES AND USES OF FUNDS

**FALCON FIELD METROPOLITAN DISTRICT
SUBORDINATE BONDS, SERIES 2023B
Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2053 (Stated) Maturity
[Preliminary -- for discussion only]**

Dated Date 12/01/2023
Delivery Date 12/01/2023

Sources:

Bond Proceeds:	
Par Amount	2,457,000.00
	<hr/> 2,457,000.00 <hr/>

Uses:

Project Fund Deposits:	
Project Fund	2,383,290.00
Delivery Date Expenses:	
Underwriter's Discount	73,710.00
	<hr/> 2,457,000.00 <hr/>

BOND PRICING

**FALCON FIELD METROPOLITAN DISTRICT
SUBORDINATE BONDS, SERIES 2023B
Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2053 (Stated) Maturity
[Preliminary -- for discussion only]**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2053:	12/15/2053	2,457,000	8.000%	8.000%	100.000
		2,457,000			

Dated Date	12/01/2023		
Delivery Date	12/01/2023		
First Coupon	12/15/2023		
Par Amount	2,457,000.00		
Original Issue Discount			
Production	2,457,000.00	100.000000%	
Underwriter's Discount	-73,710.00	-3.000000%	
Purchase Price	2,383,290.00	97.000000%	
Accrued Interest			
Net Proceeds	2,383,290.00		

EXHIBIT E

ANNUAL REPORT AND DISCLOSURE FORM

**EL PASO COUNTY SPECIAL DISTRICTS
ANNUAL REPORT and DISCLOSURE FORM**

1.	Name of District(s):	
2.	Report for Calendar Year:	
3.	Contact Information	
4.	Meeting Information	
5.	Type of District(s)/ Unique Representational Issues (if any)	
6.	Authorized Purposes of the District(s)	
7.	Active Purposes of the District(s)	
8.	Current Certified Mill Levies a. Debt Service b. Operational c. Other d. Total	
9.	Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).	
10.	Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals) a. Debt Service b. Operational c. Other d. Total	
11.	Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).	
12.	Current Outstanding Debt of the Districts (as of the end of year of this report)	
13.	Total voter-authorized debt of the Districts (including current debt)	
14.	Debt proposed to be issued, reissued or otherwise obligated in the coming year.	
15.	Major facilities/ infrastructure improvements initiated or completed in the prior year	

16. Summary of major property exclusion or inclusion activities in the past year.	
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Reminder:

- A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.
- B. Colorado Revised Statutes, Section 32-1-823(1), states a certificate of election results shall be filed with the County Clerk and Recorder.

Name and Title of Respondent

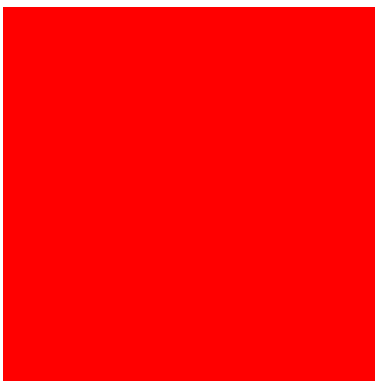
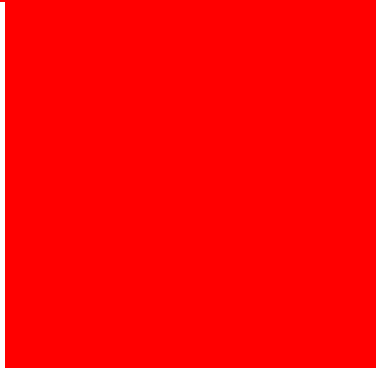
Signature of Respondent Date

RETURN COMPLETED FORM TO: El Paso County Board of County Commissioners
 Attention: Clerk to the Board
 200 South Cascade Avenue
 Colorado Springs, Colorado 80903

****NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor - 27 East Vermijo, Colorado Springs, Colorado 80903

County Treasurer - 27 East Vermijo, Colorado Springs, Colorado 80903



OUR NETWORK IS YOUR EDGE.

All information is from sources deemed reliable and is subject to errors, omissions, change of price, rental, prior sale, and withdrawal without notice. Prospect should carefully verify each item of information contained herein.

PREPARED BY

**RD Trinidad
Owner**



RETAIL MARKET REPORT

Market Key Statistics	2
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12 Mo Deliveries in SF

12 Mo Net Absorption in SF

Vacancy Rate

12 Mo Rent Growth

250 K

301 K

4.9%

1.3%

With excellent demand drivers that the most recent data suggests continues to improve, vacancies have more or less consistently declined since 2013, and were at a new all-time low moving into the second half of 2019. Rent growth has slowed from a recent its peak in 2015, and roughly kept pace with the national average since 2018 following three straight years of outperformance.

Even as Colorado Springs deals with store closures like most metros across the country, a number of tenants continue to expand here, supported by a stable and diverse labor market and median household incomes higher than the national average and rapidly growing.

Additionally, the presence of several universities and military bases, recreational tourism, and defense contractors all buttress demand for the retail sector. Developers have steadily added supply: Over the past four years, the inventory has expanded by about 1% per year, nearly twice the national average.

A compelling demographic story has driven investors to the metro. Sales volume topped \$240 for a third straight year in 2017, and came in at around \$200 million 2018. Cap rate compression has slowed to a crawl, and rates have settled in the low-7% range over the past several years.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	2,458,267	11.7%	\$18.29	22.4%	0	0	0
Power Center	5,047,433	6.4%	\$21.17	10.6%	0	0	0
Neighborhood Center	12,735,667	5.7%	\$17.12	9.0%	6,727	0	66,575
Strip Center	2,808,872	4.9%	\$14.84	6.9%	1,792	0	16,000
General Retail	18,677,507	2.9%	\$15.71	4.9%	(2,511)	0	62,050
Other	470,680	4.9%	\$25.71	5.8%	0	0	7,320
Market	42,198,426	4.9%	\$16.99	8.0%	6,008	0	151,945

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.2%	6.2%	5.1%	8.9%	2009 Q4	4.4%	2019 Q2
Net Absorption SF	301 K	376,058	178,302	1,021,716	2010 Q3	(806,530)	2009 Q3
Deliveries SF	250 K	395,660	263,510	1,100,538	2007 Q4	109,751	2011 Q1
Rent Growth	1.3%	0.7%	0.6%	3.4%	2015 Q4	-4.2%	2009 Q4
Sales Volume	\$309 M	\$170.9 M	N/A	\$329.9 M	2016 Q3	\$30.2 M	2010 Q1

As in the rest of the country, Colorado Springs has proven that it's not immune to store closures. Recent and announced shutterings include those by Whole Foods Market, with its 75 employees at First & Main Town Center (one of the area's largest retail centers); Gordmans at the Chapel Hills Mall, with about 40 employees; Radio Shack; and Family Dollar, among others.

In Colorado Springs' other super-regional mall, The Citadel, a Toys "R" Us and a Babies "R" Us closed in 2018. Those locations occupied two stand-alone buildings in the mall containing a combined 80,000 SF.

That shouldn't detract from the health of the retail market here, nor of the tenants who are expanding and opening new stores. Sprouts recently opened a new 30,000 SF store in the Powers Center Point, a new development. King Soopers recently moved into 123,000 SF at the newly built Claremont Ranch Marketplace; and Utah-based Vasa Fitness leased space (just over 40,000 SF) at the Cheyenne Hills Shops, to name a few.

Population data released in September 2018 reaffirms the strong demographic story here. The metro's population increased by 1.8% in 2017, down just slightly from the 2.1% rate in 2016. From 2011-2015, population growth stayed within the 1.2% to 1.5% range.

With the market approaching capacity (vacancies were at all-time lows at the onset of 2019), net absorption has converged with supply over the past few years (from

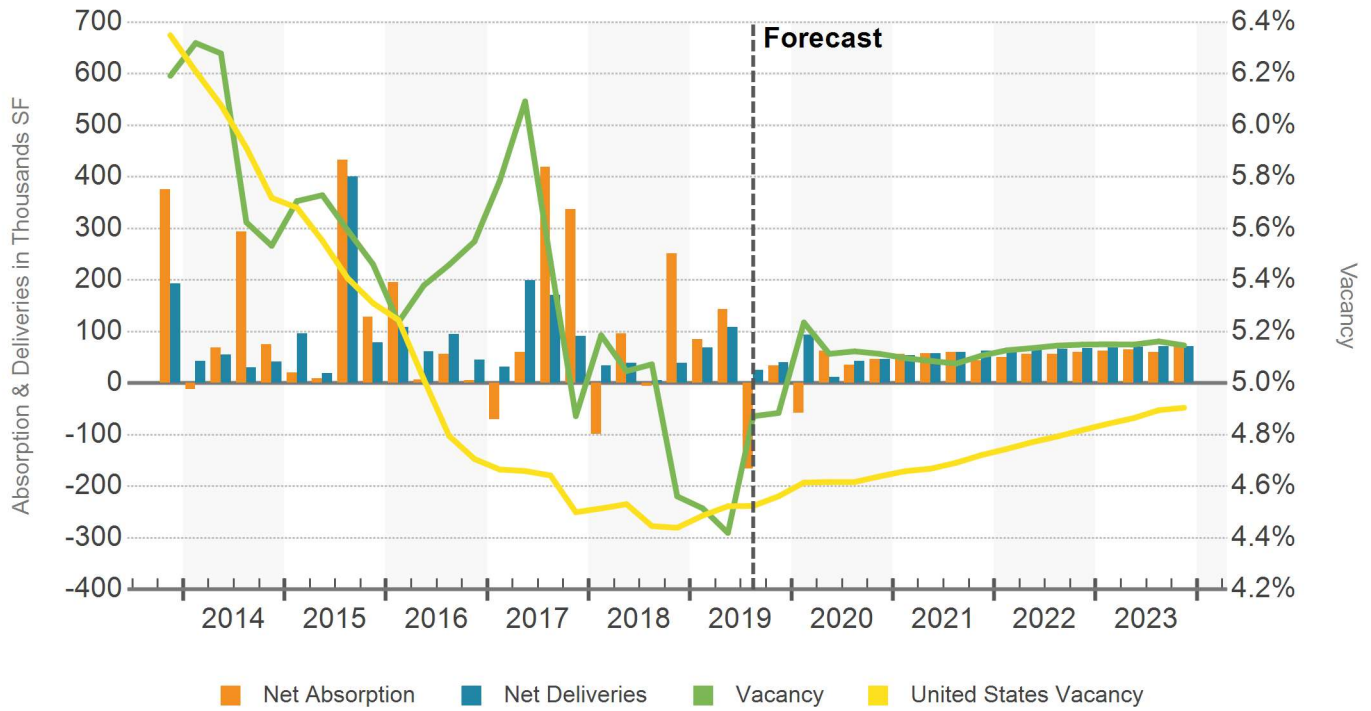
2012 to 2014, net absorption outpaced supply by a 2:1 ratio). Many larger tenants entering the market are now doing so via new construction.

Development is overwhelmingly concentrated in the rapidly growing northern part of the Colorado Springs metro, and many of the projects here are speculative, albeit typically smaller in scale. Owners of existing retail here will face competition, but also stand to benefit from the rapid residential development in this part of the metro, which boasts closer proximity to expanding employment and residential nodes in Metro Denver's southeast.

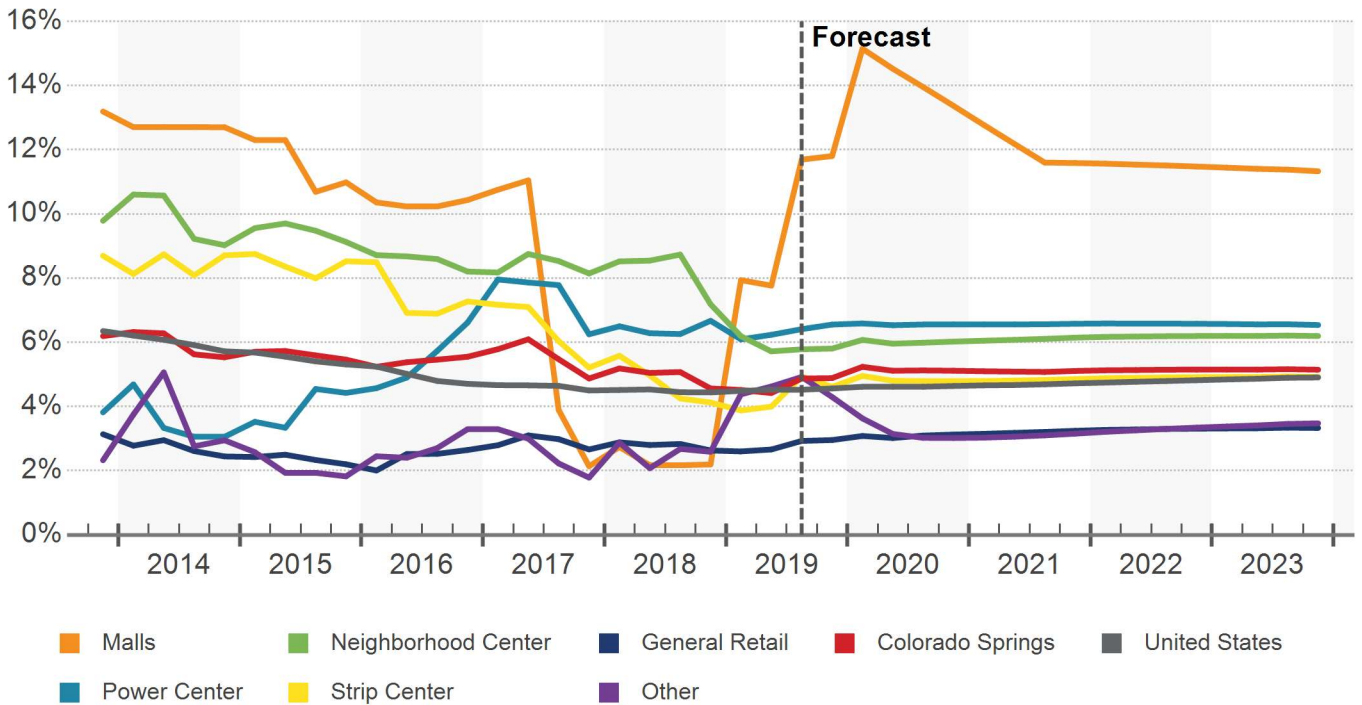
And despite active development on Northeast Colorado Springs, it has hardly been enough to keep up with exceptional demand. Moving into the start of 2019, the retail vacancy rate in Northeast Colorado Springs was under 4%, the lowest in at least a decade.

Buoyed by its proximity to the Denver metropolitan area and supported by several universities and nearby military bases that provide an inelastic source of demand for goods, the retail market is on stable footing. Additionally, household and job growth rates continue to outpace the national average, providing the backbone for consumer spending in Colorado Springs. An extensive presence of defense employers, including Northrop Grumman and Lockheed Martin, solidify a diverse economy that includes a significant contribution from recreational tourism.

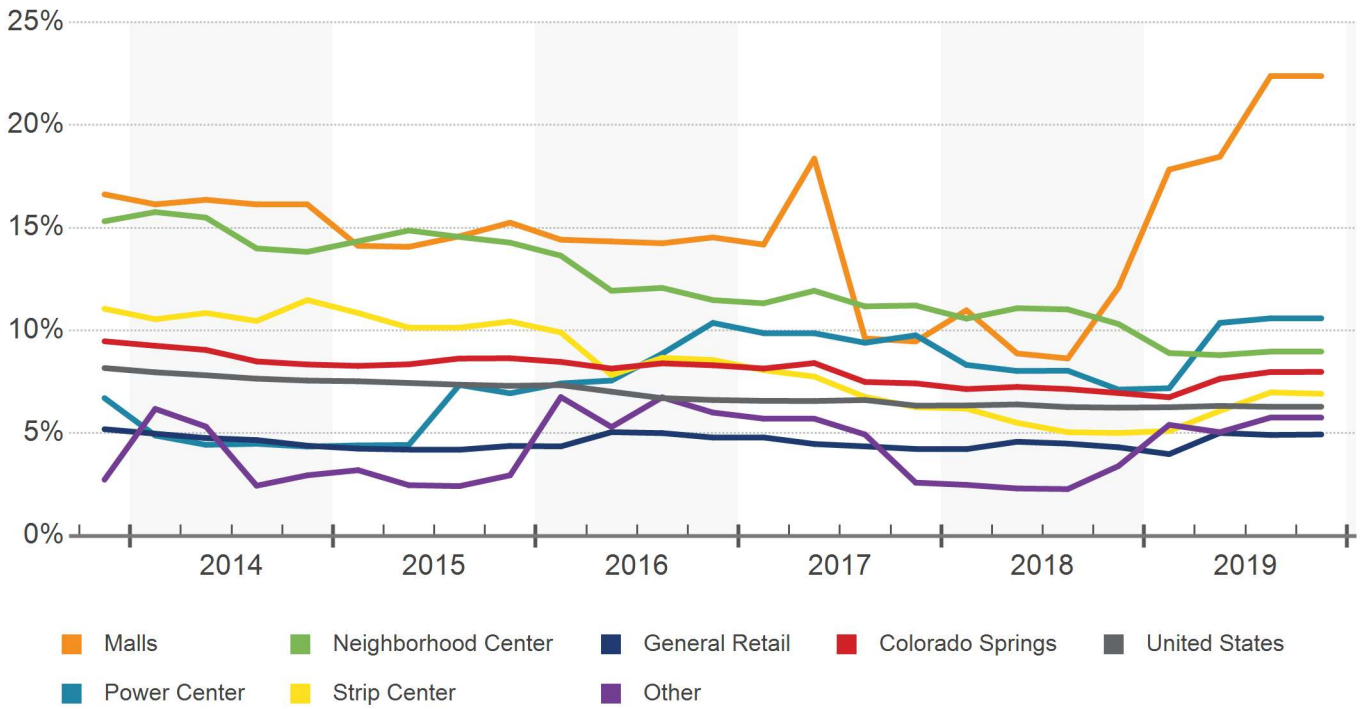
NET ABSORPTION, NET DELIVERIES & VACANCY



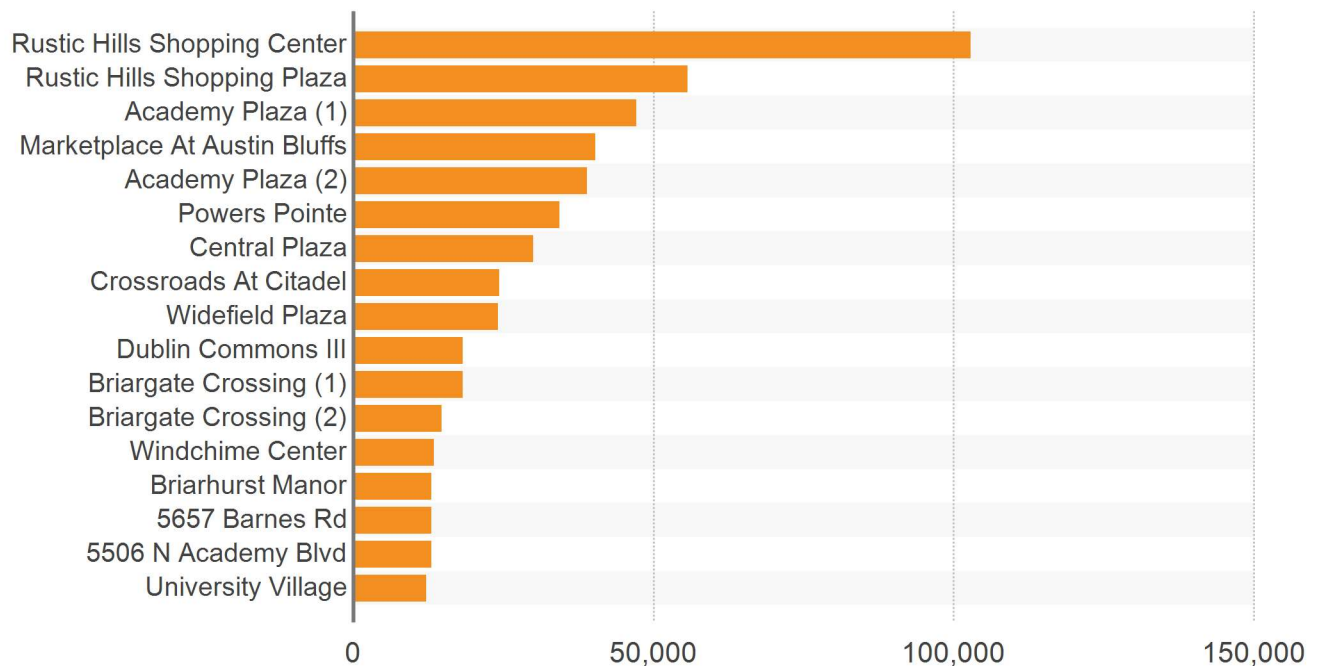
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Rustic Hills Shopping Center	East Ret	146,952	0	102,833	0	0	0	102,833
Rustic Hills Shopping Plaza	East Ret	77,928	0	0	0	0	0	55,630
Academy Plaza (1)	East Ret	99,634	0	0	0	0	0	47,119
Marketplace At Austin Bluffs	North Ret	42,880	0	20,940	0	0	0	40,286
Academy Plaza (2)	East Ret	96,161	12,019	5,945	(2,800)	76	0	38,962
Powers Pointe	Northeast Ret	122,270	31,250	42,050	0	(2,450)	0	34,379
Central Plaza	Northeast Ret	30,000	0	0	30,000	0	0	30,000
Crossroads At Citadel	East Ret	67,888	31,810	24,307	0	0	0	24,307
Widefield Plaza	Southeast Ret	166,944	0	0	0	24,145	0	24,145
Dublin Commons III	Northeast Ret	18,210	0	16,410	0	1,800	0	18,210
Briargate Crossing (1)	Northeast Ret	18,200	0	0	18,200	0	0	18,200
Briargate Crossing (2)	Northeast Ret	16,940	1,400	3,814	1,400	0	0	14,754
Windchime Center	Northwest Ret	38,830	1,550	0	(1,550)	3,840	0	13,390
Briarhurst Manor	Southwest Ret	14,100	0	0	0	0	0	13,027
5657 Barnes Rd	Northeast Ret	13,000	0	12,400	600	0	0	13,000
5506 N Academy Blvd	North Ret	12,960	0	0	12,960	0	0	12,960
University Village	North Ret	15,000	0	8,400	0	0	0	12,188
Subtotal Primary Competitors		997,897	78,029	237,099	58,810	27,411	0	513,390
Remaining Colorado Springs Market		41,200,529	1,971,920	(152,157)	85,027	(193,931)	6,008	(212,262)
Total Colorado Springs Market		42,198,426	2,049,949	84,942	143,837	(166,520)	6,008	301,128

TOP RETAIL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Fillmore Marketplace	North	44,235	Q4 18	Roadhouse Cinemas	Cameron Butcher C...	NAI Highland Commerc...
3675 Citadel Dr S	Southeast	19,500	Q2 19	Carpet Planet	-	-
Caliber Collision	Northeast	18,027	Q3 19	Caliber Collision	-	-
Powers Center	East	14,050	Q3 19	Safety Station	-	NAI Highland Commerc...
5506 N Academy Blvd	North	12,960	Q1 19	CSL Plasma	-	CBRE
Broadmoor Towne Center	Southwest	12,502	Q4 18	Old Navy	-	CBRE
Broadmoor Towne Center	Southwest	12,502	Q4 18	Ulta	-	CBRE
112-114 N Tejon St	Downtown	10,245	Q3 19	Louie, Louie's Piano Bar	-	CORE Commercial Bro...
Mission Trace Shopping Center *	East	9,441	Q2 19	Creative Kids College	-	Craddock Commercial...
Marketplace At Austin Bluffs	North	9,040	Q4 18	-	-	AmCap Properties, Inc.
5595 N Academy Blvd	Northeast	8,810	Q1 19	-	-	NAI Highland Commerc...
University Village	North	8,400	Q4 18	Christy Sports	-	Olive Real Estate Group
Shoppes @ Flying Horse	Northeast	8,400	Q1 19	-	-	NAI Highland Commerc...
Chapel Hills East	Northeast	7,821	Q4 18	-	-	SRS Real Estate Partn...
Zio's Italian Kitchen	Northwest	7,326	Q3 19	-	-	NAI Highland Commerc...
6155 N Academy Blvd	Northeast	7,000	Q2 19	Storehouse Inc	-	NAI Highland Commerc...
4262 Royal Pine Dr	Northeast	7,000	Q2 19	School Crossing	-	CBRE
Garden of the Gods Plaza	Northwest	6,632	Q1 19	USA Taekwondo	-	Olive Real Estate Group
Garden of the Gods Plaza	Northwest	6,632	Q4 18	Taekwondo	-	Olive Real Estate Group
Astrozon Shopping Center	East	6,314	Q2 19	-	-	Blue Mountain Real Est...
2976 N Academy Blvd	North	6,300	Q3 19	-	-	Hoff & Leigh, Inc.
Dublin Heights	Northeast	5,900	Q1 19	-	-	NAI Highland Commerc...
8125 N Academy Blvd	Northeast	5,743	Q4 18	-	-	Olive Real Estate Group
Powers Center	East	5,600	Q4 18	Rhinos Ranch	-	NAI Highland Commerc...
Denny's	Southwest	5,418	Q2 19	-	-	Olive Real Estate Group
Union Town Center	Northeast	5,229	Q3 19	-	-	CBRE
Barnes Marketplace	Northeast	5,141	Q2 19	Xfinity	-	CBRE
University Village	North	5,063	Q4 18	Ambli Restaurant	-	Olive Real Estate Group
Academy Plaza	East	5,000	Q4 18	RK Automotive	-	-
428 S Nevada Ave	Downtown	5,000	Q1 19	-	-	Cameron Butcher Com...
Tri Peak Plaza	East	4,776	Q3 19	-	-	Front Range Commerci...
Colorado Place	Southwest	4,500	Q2 19	-	-	NAI Highland Commerc...
808 W Garden Of The Gods Rd	Northwest	4,500	Q1 19	-	-	CORE Commercial Bro...
402-404 S Nevada Ave	Downtown	4,369	Q3 19	-	-	Fountain Colony, LLC
Promenade Shops at Briargate	Northeast	4,244	Q1 19	-	-	Poag Shopping Centers
Garden of the Gods Plaza	Northwest	3,946	Q4 18	Funny Fashion	-	Olive Real Estate Group
Windchime Center	Northwest	3,840	Q2 19	Spring Hill Academy	-	Front Range Commerci...
Cottonwood Square	Northeast	3,732	Q2 19	-	-	Westward Properties
Shoppes @ Flying Horse	Northeast	3,699	Q2 19	-	-	NAI Highland Commerc...
2800 North Gate Blvd	Northeast	3,699	Q1 19	-	-	NAI Highland Commerc...

*Renewal

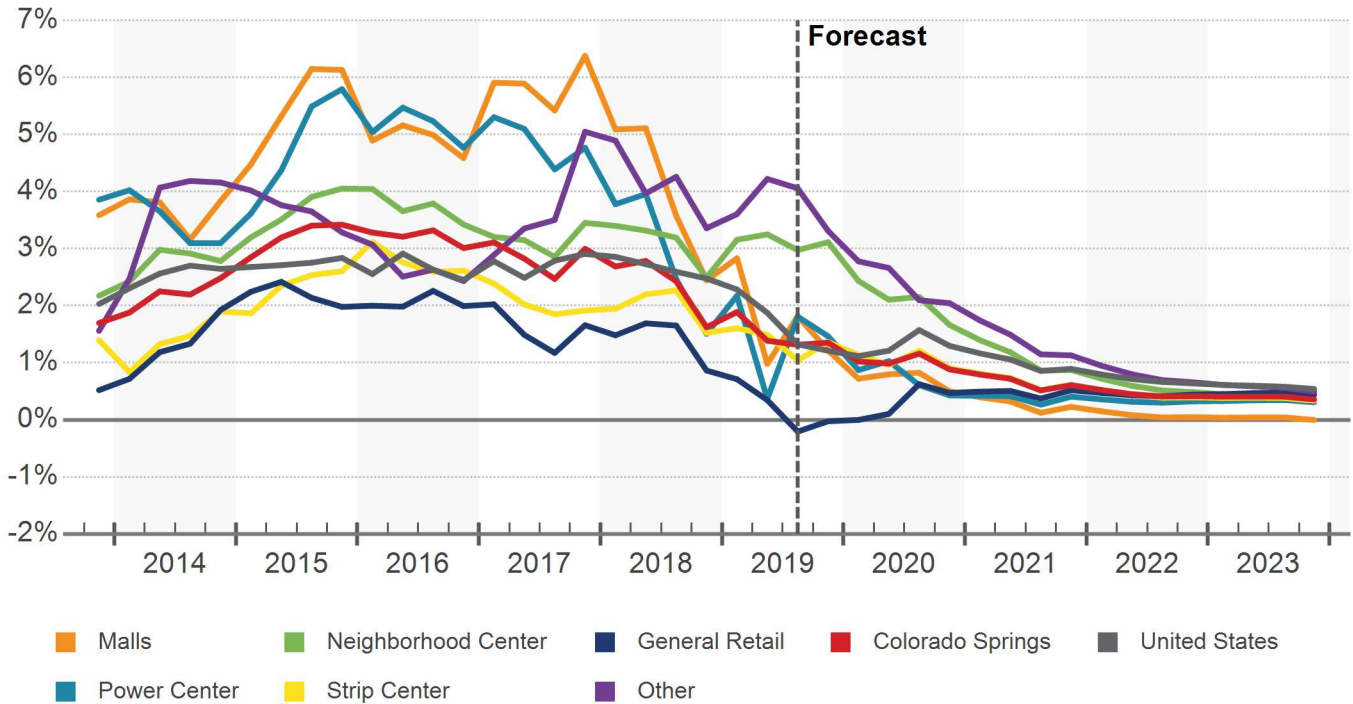
Rent growth returned to the black in 2012 following several years of losses. Rent gains have consistently moderated since peaking in the mid-3% range in 2015. And while rent gains have otherwise been respectable over the last five years, this growth has only taken rents to a level just slightly above last cycle's peak. While cheap retail space proliferates in the metro, it's not uncommon for asking rates in the Northeast Submarket to exceed \$25/SF—although that space is typically clustered in the western portion of the submarket along the highways.

Similar to a trend that is playing out across metros nationally, the top-performing submarkets in Colorado Springs this cycle have been those charging the highest

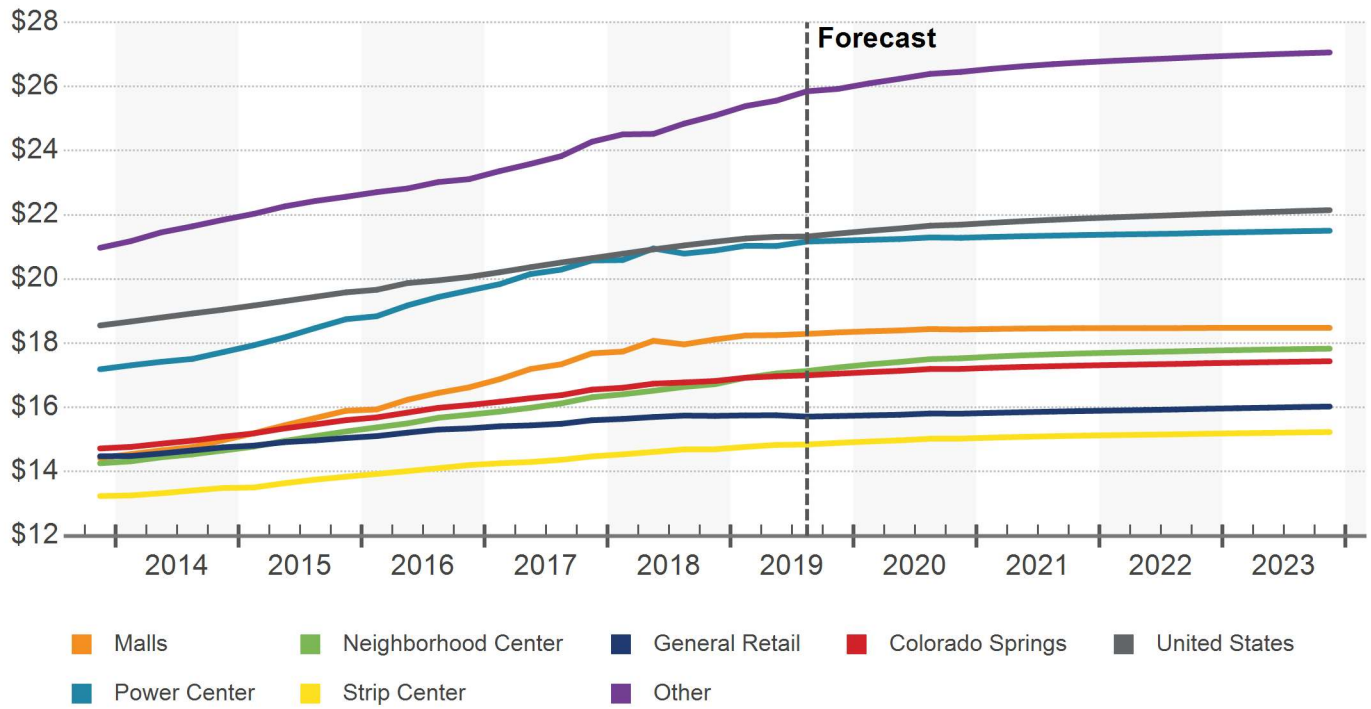
rents (and by extension, the submarkets which have the best locations and retail demographics). The Northeast submarket commands the highest retail rents in the metro by a notable margin, about \$22/SF. Rents in this submarket had surpassed last cycle's peak by over 10% moving into the second half of 2019, the best performance in Colorado Springs. Rent growth in the submarket has continuously outpaced the metro average for over five years.

The two cheapest submarkets in the metro, Teller County and Southeast, have seen rents surpass last cycle's peak by less than 5%. Metrowide, rents have surpassed last cycle's highs by a little over 7%, more-or-less in line with the national average.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT



Although developers haven't yet returned to building the same level of new inventory this cycle compared to the last one (between 2005-07, the retail inventory in Colorado Springs expanded by almost 10%), they have delivered a steady stream of retail stock into the metro over the past several years.

Virtually all of the development underway is either near downtown Colorado Springs, or in the rapidly growing northern part of the metro. These parts of the metro boast high (or rising) population density, relatively high incomes, and—especially in North Colorado Springs, proximity to Denver. Migration from the Denver metro to the Colorado Springs metro has provided a not-insignificant boost to population growth, and the northern part of Colorado Springs is a more likely destination for these entrants.

The current pipeline has a moderate amount of speculative space, typically in smaller format stores. Out of 24 buildings underway at the onset of 2019, two-thirds had at least some available space. Fully speculative buildings are rarer, and almost always small-scale in nature (less than 10,000 SF). Only 25% of buildings underway at the start of 2019 were entirely

available.

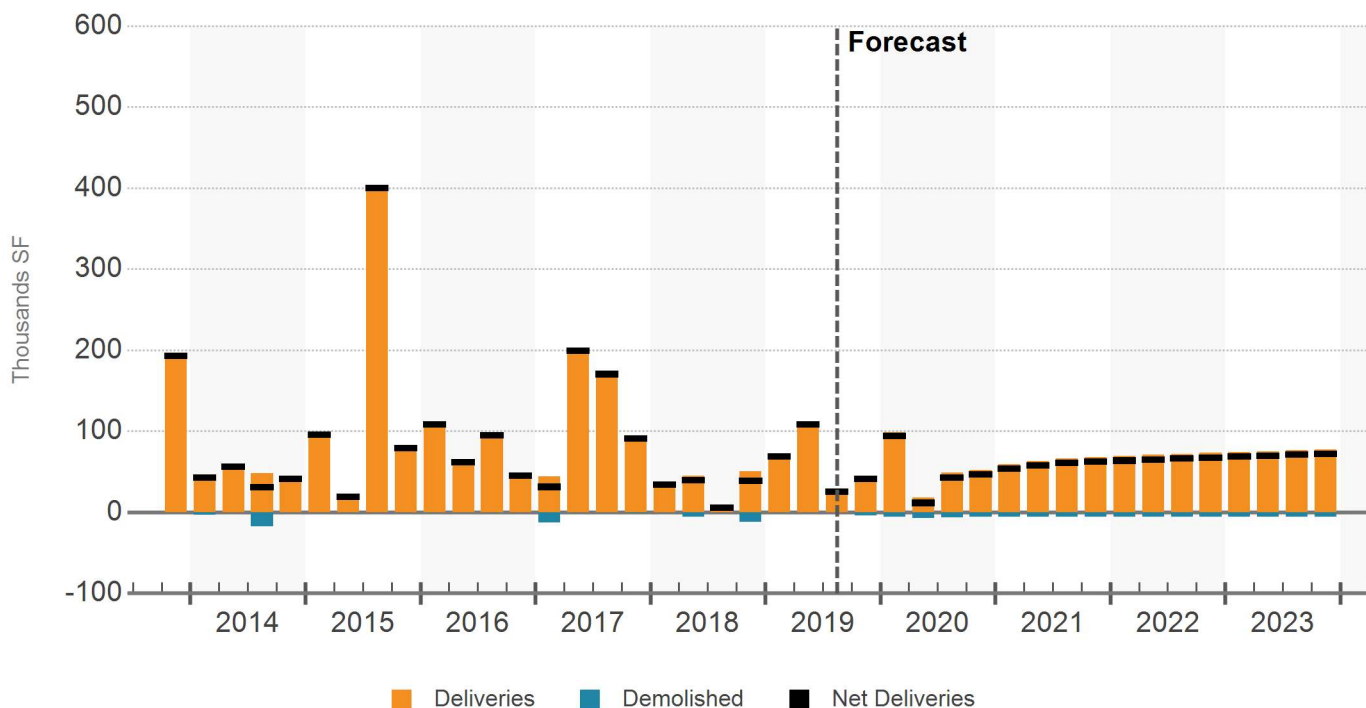
In square-footage terms, 45% of the space underway today is available, compared to about 30% nationally.

One of the larger projects underway is the first phase of the 250,000-SF Highlands at Briargate mixed-use development, a project that has been in the works for upwards of five years. The Keith Corporation has already secured leases from several national tenants, including Verizon Wireless, Smashburger, and Einstein's Bagels.

A King Soopers had been lined up to take a significant footprint at the proposed Falcon Marketplace. However, the El Paso County Board of County Commissioners voted against a vital ingress point at the end of 2016 that shelved the idea for the time being. That project remains on hold as it searches for an anchor tenant.

In a trend that appears to be escalating nationally, some vacant boxes of space are finding non-retail uses. In 17Q2, a Dallas, TX-based Assured Realty acquired 3775 E Pikes Peak Avenue, a 32,000 building formerly occupied by Family Furniture & Electronics. The buyer is repurposing the building for climate-controlled storage.

DELIVERIES & DEMOLITIONS



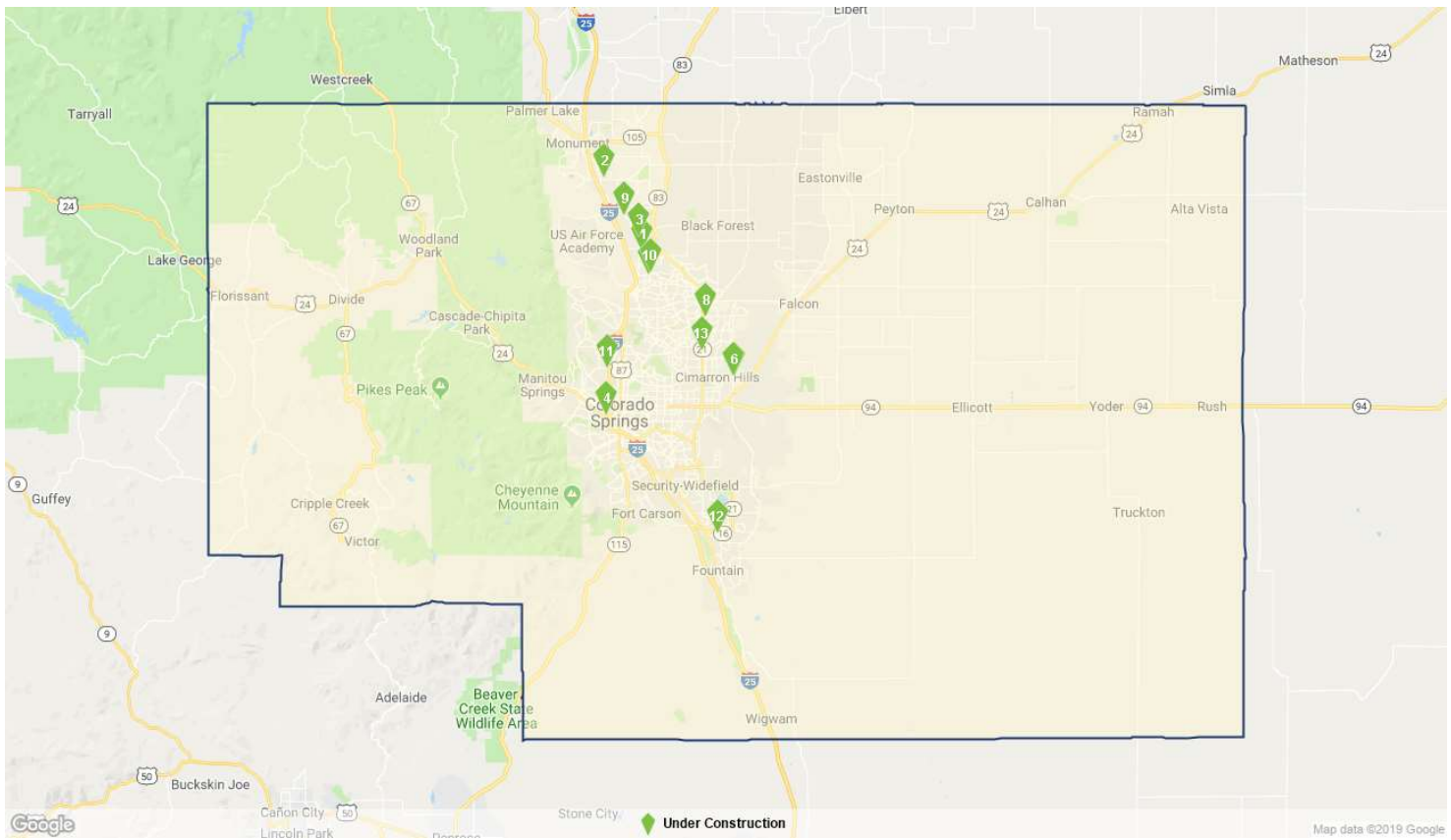
SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Northeast	10	134	65	48.5%	3	17,447	13,387	1
2	Northwest	2	14	9	66.6%	2	6,877	7,037	2
3	Southeast	1	4	4	100%	1	9,931	4,000	3
4	Downtown	0	-	-	-	-	6,552	-	-
5	East	0	-	-	-	-	13,024	-	-
6	North	0	-	-	-	-	13,384	-	-
7	Southwest	0	-	-	-	-	10,316	-	-
8	Teller County	0	-	-	-	-	5,792	-	-
Totals		13	152	78	51.5%		11,522	11,688	

Under Construction Properties

Properties	Square Feet	Percent of Inventory	Released
13	151,945	0.4%	51.5%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 SEC Interquest Pkwy & ...	★ ★ ★ ★ ★	50,000	2	Jan-2018	Dec-2019	Westside Investment Partners, Inc. Westside Investment Partners, Inc.
2 Caliber Collision Baptist Rd	★ ★ ★ ★ ★	18,027	1	Jun-2019	Nov-2019	- -
3 Ridgeline Retail Center 11590 Ridgeline Dr	★ ★ ★ ★ ★	18,000	2	Jun-2019	Dec-2019	- -
4 Cimarron Station 221-229 S 8th St	★ ★ ★ ★ ★	10,055	1	Jun-2019	Dec-2019	- The John Egan Company, Inc.
5 NEC Constitution & Mark...	★ ★ ★ ★ ★	8,000	1	May-2019	Jan-2020	- Babcock Land Corp
6 Retail 2 NEC Constitution & Marksc	★ ★ ★ ★ ★	8,000	1	May-2019	Jan-2020	- Babcock Land Corp
7 9287 Forest Bluffs Vw	★ ★ ★ ★ ★	8,000	1	Sep-2017	Nov-2019	The Keith Corporation The Keith Corporation

Under Construction Properties

Colorado Springs Retail

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 0 Dublin Blvd	★ ★ ★ ★ ★	7,950	1	Aug-2019	Jul-2020	-
9 Powers Blvd	★ ★ ★ ★ ★	7,320	1	Jan-2019	Nov-2019	- Copper Ridge Development Inc
10 9435 Chapel Hill Dr	★ ★ ★ ★ ★	5,000	-	May-2019	Jan-2020	- Goodman Realty Group
11 2970-2990 N Chestnut St	★ ★ ★ ★ ★	4,018	1	Apr-2019	Nov-2019	- John Marshall
12 7955 Fountain Mesa Rd	★ ★ ★ ★ ★	4,000	1	Feb-2019	Nov-2019	-
13 5717 Barnes Rd	★ ★ ★ ★ ★	3,575	1	May-2019	Nov-2019	-

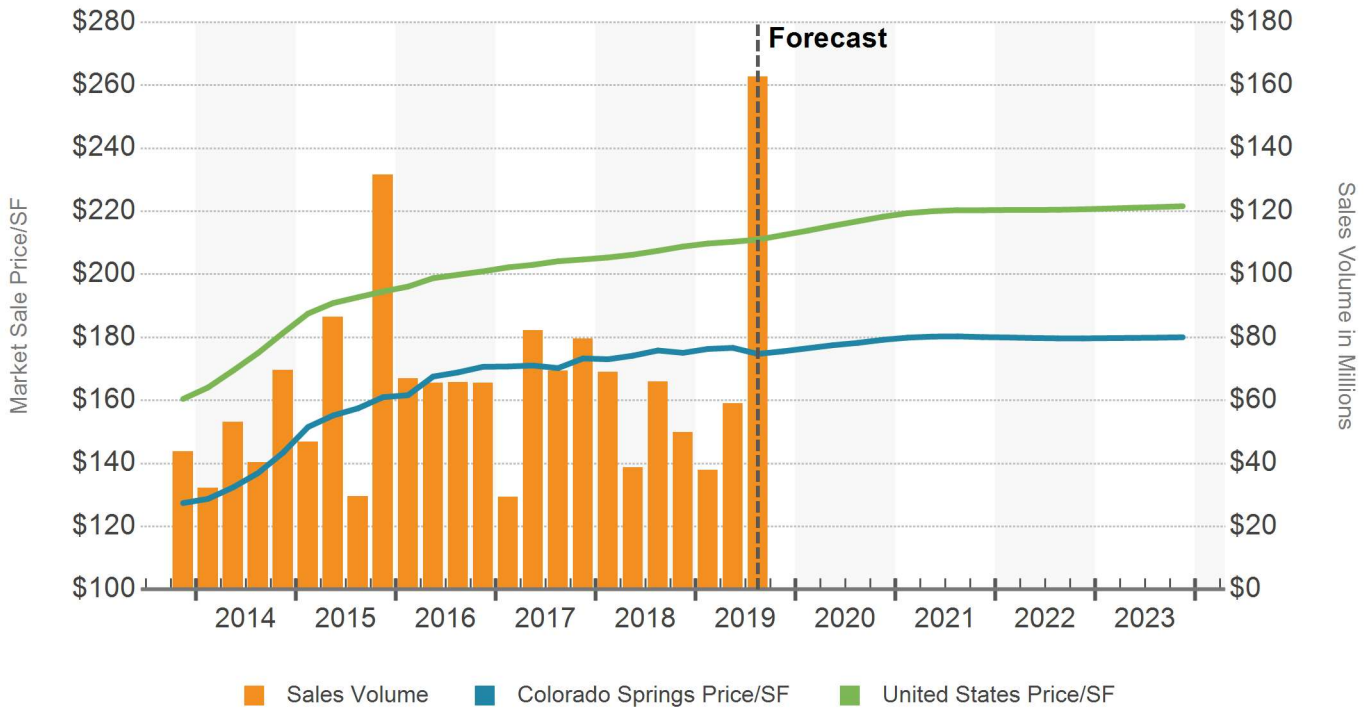
Investors have shown steady interest in Colorado Springs throughout the past five years. Sales volume exceeded \$240 million for a third straight year in 2017, came in at around \$200 million in 2018. Sales volume is easily on track for another above-average year in 2019.

Still, the largest trade in 2018 reveals the shaky footing that underlies parts of the retail sector in the advent of e-commerce. Great Neck, NY-based Mason Asset Management acquired 563,000 SF at the Chapel Hills Mall (the remaining space at the 1.1 million SF super-regional mall is owned by anchor tenants that occupy the space). The firm paid \$33.5 million for the space, equating to about \$59/SF. Leading to the low price-per-SF was the mall's low occupancy, 71.6% at the time of

the sale.

Moreover, the mall was home to several tenants with particularly high e-commerce risk, namely a 141,000 SF Sears. In a surprise move perhaps, Sears sold its 141,000 SF building for \$12 million (\$85/SF) in a leaseback sale with an initial lease term through May 2022. That Sears is opting to retain its location here speaks to the area's strong demographic trends, and that national retailers selectively closing locations may be less likely to do so in Colorado Springs compared to an area with less favorable trends. Still, as of early January 2019 Sears was on the brink of liquidating (nationally), and whether or not the retailer will continue to operate in any fashion moving forwards is highly uncertain.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Colorado Springs Retail

Sale Comparables

166

Avg. Cap Rate

7.0%

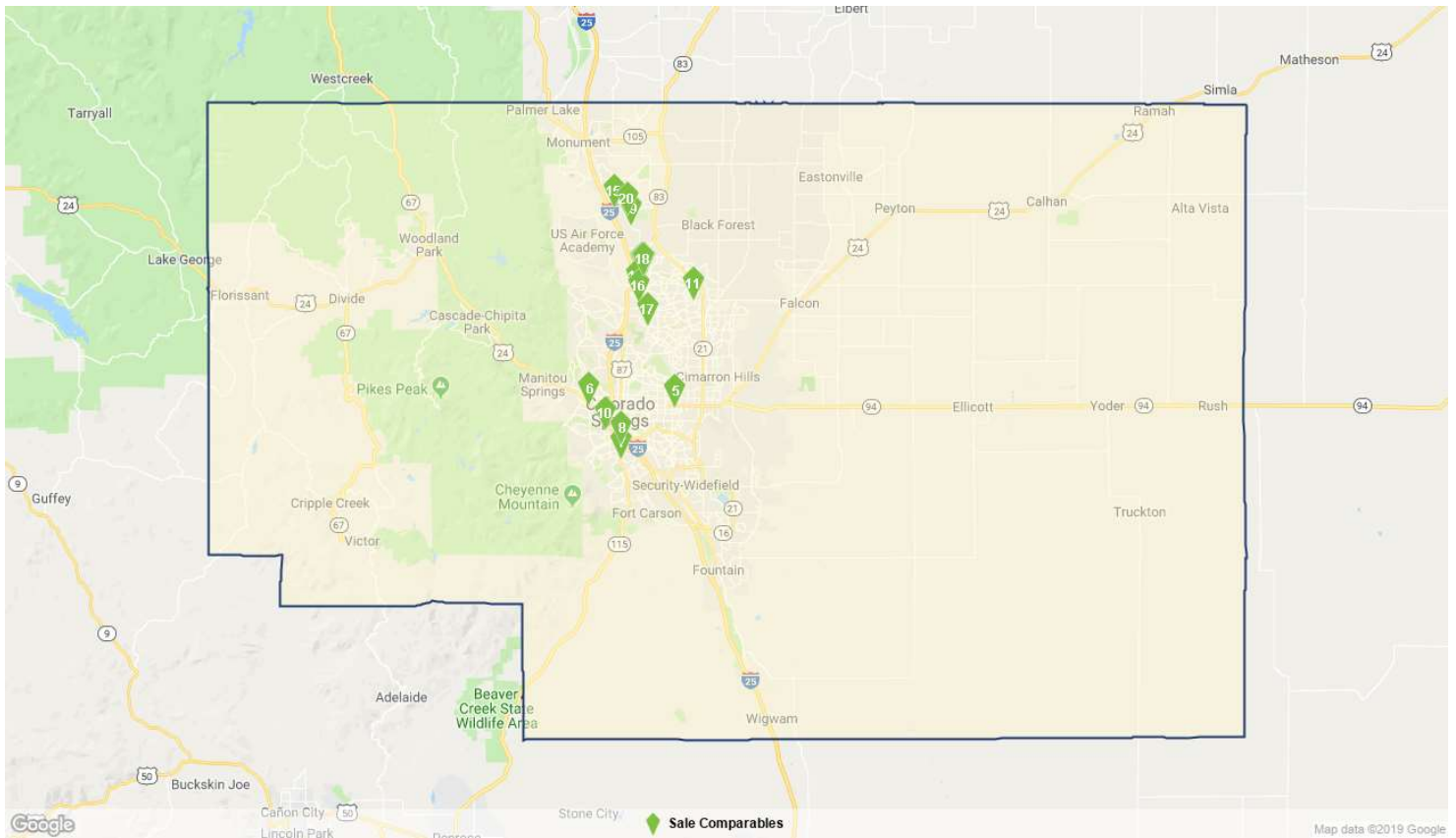
Avg. Price/SF

\$186

Avg. Vacancy At Sale

3.0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$58,318	\$2,240,676	\$1,150,500	\$27,447,285
Price Per SF	\$16	\$186	\$207	\$1,728
Cap Rate	4.7%	7.0%	7.0%	10.4%
Time Since Sale in Months	0.2	5.8	5.2	11.9
Property Attributes	Low	Average	Median	High
Building SF	377	10,442	5,449	145,270
Stories	1	1	1	3
Typical Floor SF	399	10,075	5,000	145,270
Vacancy Rate At Sale	0%	3.0%	0%	100%
Year Built	1889	1982	1985	2019
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Colorado Springs Retail

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 The Promenade Shops A... 1845 Briargate Pky	★★★★★	2003	65,000	0%	9/18/2019	\$27,447,285	\$422	-
2 1645 Briargate Pky	★★★★★	2003	31,354	0%	9/18/2019	\$13,239,726	\$422	-
3 1685 Briargate Pky	★★★★★	2003	30,192	0%	9/18/2019	\$12,749,053	\$422	-
4 1925 Briargate Pky	★★★★★	2003	28,532	0%	9/18/2019	\$12,048,091	\$422	-
5 At Home 335 N Academy Blvd	★★★★★	1969	128,159	0%	7/10/2019	\$11,409,300	\$89	-
6 Round House 600 S 21st St	★★★★★	1889	33,381	0%	8/15/2019	\$9,721,967	\$291	7.1%
7 455 E Cheyenne Mountai...	★★★★★	1979	50,964	0%	6/21/2019	\$8,999,092	\$177	7.2%
8 Sears - Broadmoor 2050 Southgate Rd	★★★★★	1959	145,270	0%	7/17/2019	\$8,500,000	\$59	-
9 1885 Briargate Pky	★★★★★	2003	20,017	0%	9/18/2019	\$8,452,497	\$422	-
10 655 Automotive Dr	★★★★★	2002	28,304	0%	1/3/2019	\$7,500,000	\$265	-
11 Preferred Acura 5120 New Car Dr	★★★★★	2016	20,742	0%	1/3/2019	\$7,200,000	\$347	-
12 1605 Briargate Pky	★★★★★	2003	16,548	0%	9/18/2019	\$6,987,656	\$422	-
13 1765 Briargate Pky	★★★★★	2015	5,071	0%	9/9/2019	\$6,316,105	\$1,246	-
14 1410 Jamboree Dr	★★★★★	1987	7,221	0%	10/30/2018	\$5,733,000	\$794	6.3%
15 229 Gleneagle Gate Vw	★★★★★	2018	2,940	0%	4/29/2019	\$5,080,450	\$1,728	5.1%
16 Shoppes On Academy 7252 N Academy Blvd	★★★★★	2000	7,599	0%	3/12/2019	\$4,250,000	\$559	-
17 2190 Vickers Dr	★★★★★	2012	5,500	0%	7/12/2019	\$4,000,000	\$727	-
18 1785 Briargate Pky	★★★★★	2016	8,959	0%	9/18/2019	\$3,783,080	\$422	-
19 Northgate KinderCare 1004 Middle Creek Pky	★★★★★	2005	11,115	0%	12/27/2018	\$3,648,400	\$328	-
20 Caliber Collision 790 Copper Center Pky	★★★★★	2013	15,350	0%	6/13/2019	\$3,620,300	\$236	6.5%

Annual revisions to job growth numbers occurred in March, and painted a much different story in Colorado Springs over the past year. Per the revised data, employment growth came in at just over 2% in 2018, compared to previously reported numbers in the 4% range. Those revisions notwithstanding, the metro continues to produce jobs at a solid rate, and above the national average for a seventh straight year in 2018.

Population data released in September 2018 reaffirms strong demographic trends. The metro's population increased by 1.8% in 2017, down just slightly from the 2.1% rate in 2016. From 2011-2015, population growth stayed within the 1.2% to 1.5% range.

Counter to the situation in Boulder and Denver, affordability has not been a major concern for much of this cycle. Housing prices did not grow at a 5% rate until 2015, whereas they were growing at a 10% annual rate in Boulder and Denver by 2013. By year-end 2017

however, according to the Federal Housing Finance Agency's All-Transactions House Price Index, housing prices were increasing at a 10% annual rate. As of 18Q4, they were growing at an 11.5% annual rate, the highest since 1994.

Recent acceleration has taken housing prices almost 40% above the peak of last cycle as of early 2019. Still, the metro retains substantial relative affordability to Denver, where housing prices have surpassed the peak of last cycle by closer to 70%.

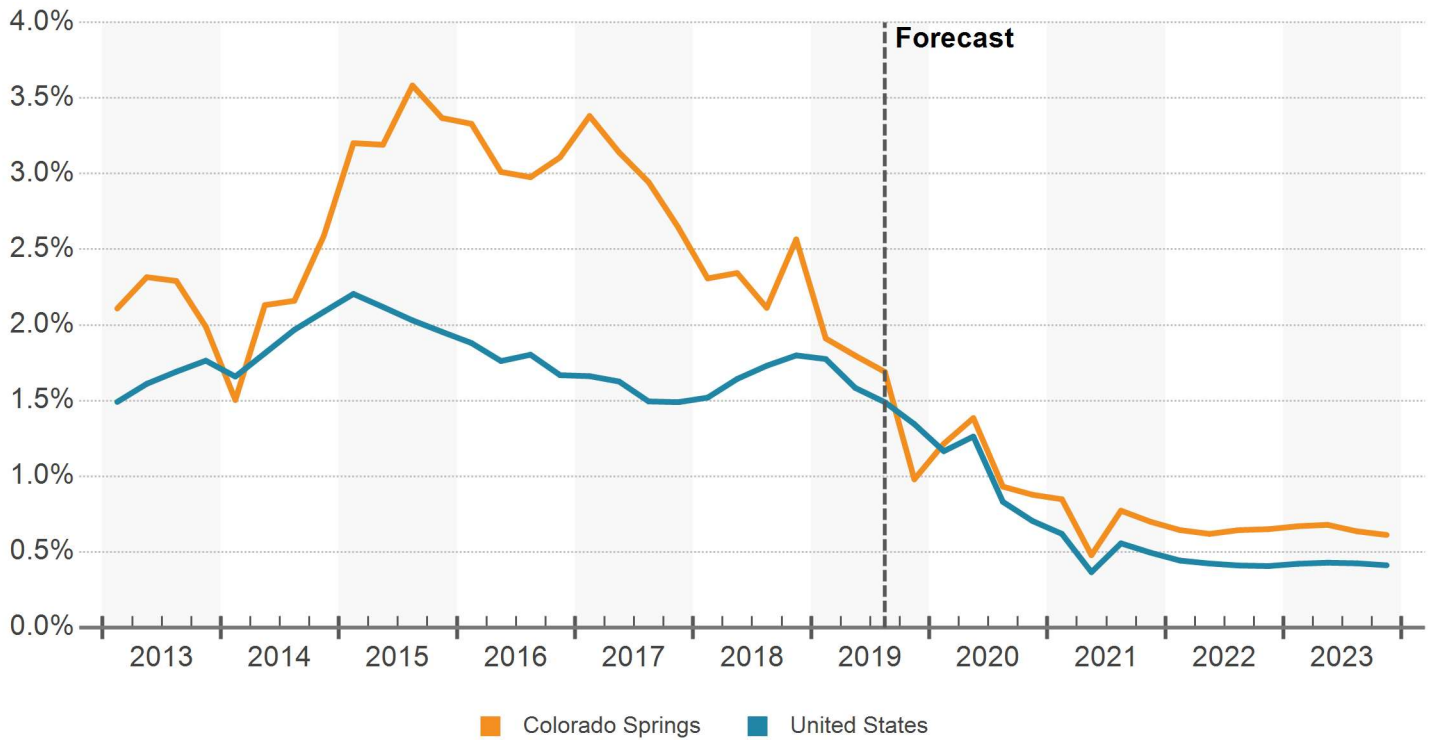
The Colorado Springs economy has long been tied to the US military—the metro is home to the U.S. Air Force Academy, Peterson Air Force Base, Schriever Air Force Base, and the North American Aerospace Defense Command (NORAD), which is housed at Peterson Air Force Base. Fort Carson, an Army base, is also the metro's largest employer. Together they account for over one-third of Colorado Springs' economic activity.

COLORADO SPRINGS EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	12	0.5	0.04%	1.15%	0.28%	1.03%	-0.75%	-0.04%
Trade, Transportation and Utilities	45	0.8	3.39%	0.96%	1.87%	1.25%	0.80%	0.43%
Retail Trade	34	1.1	3.54%	0.08%	2.10%	0.91%	0.73%	0.35%
Financial Activities	19	1.1	0.68%	0.88%	1.67%	1.07%	0.09%	0.33%
Government	53	1.2	1.67%	0.49%	1.28%	0.04%	1.04%	0.75%
Natural Resources, Mining and Construction	19	1.2	3.75%	2.74%	3.41%	2.45%	0.48%	0.16%
Education and Health Services	42	0.9	5.37%	2.00%	4.28%	2.10%	1.46%	0.53%
Professional and Business Services	46	1.1	-0.33%	2.18%	1.00%	2.72%	0.34%	0.93%
Information	6	1.0	-1.17%	-0.70%	-1.67%	0.13%	0.70%	0.56%
Leisure and Hospitality	39	1.2	-1.33%	2.44%	2.65%	2.55%	0.67%	0.57%
Other Services	18	1.6	1.37%	1.29%	1.97%	1.02%	0.59%	0.26%
Total Employment	298	1.0	1.63%	1.48%	1.95%	1.52%	0.71%	0.52%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



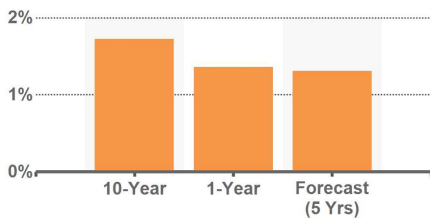
Source: Oxford Economics

DEMOGRAPHIC TRENDS

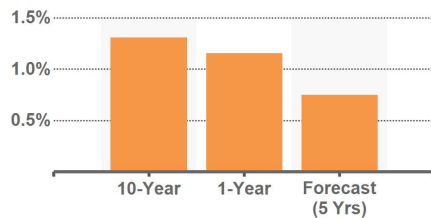
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	749,699	329,563,406	1.4%	0.7%	1.7%	0.7%	1.3%	0.7%
Households	276,339	121,338,000	1.2%	0.5%	1.7%	0.6%	1.2%	0.6%
Median Household Income	\$69,792	\$64,064	3.5%	3.3%	2.2%	2.4%	4.2%	4.3%
Labor Force	356,080	163,664,047	1.2%	1.0%	1.3%	0.6%	0.7%	0.5%
Unemployment	4.0%	3.6%	-0.2%	-0.2%	-0.4%	-0.6%	-	-

Source: Oxford Economics

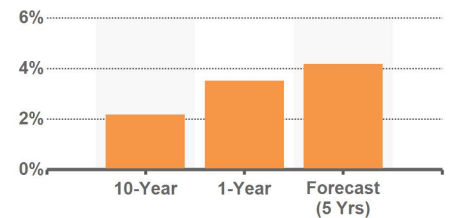
POPULATION GROWTH



LABOR FORCE GROWTH



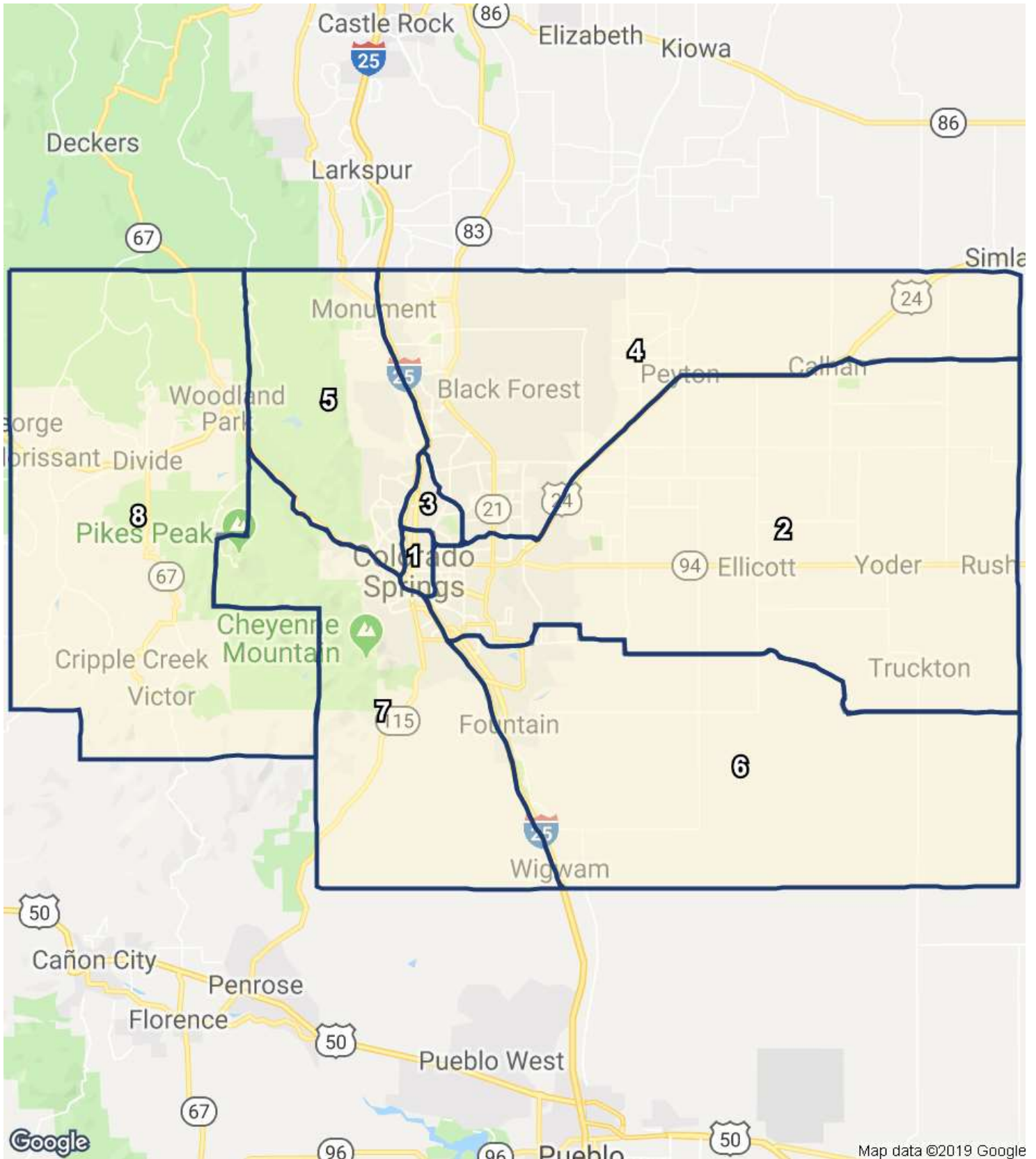
INCOME GROWTH



Source: Oxford Economics

Submarkets

COLORADO SPRINGS SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Downtown	376	2,464	5.8%	6	0	0	0%	-	0	-	-	-
2	East	846	11,018	26.1%	2	1	2	0%	5	0	-	-	-
3	North	314	4,203	10.0%	4	0	0	0%	-	0	-	-	-
4	Northeast	752	13,120	31.1%	1	23	213	1.6%	1	10	134	1.0%	1
5	Northwest	501	3,445	8.2%	5	1	11	0.3%	4	2	14	0.4%	2
6	Southeast	173	1,718	4.1%	7	2	12	0.7%	3	1	4	0.2%	3
7	Southwest	480	4,952	11.7%	3	2	12	0.2%	2	0	-	-	-
8	Teller County	220	1,274	3.0%	8	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Downtown	\$14.56	5	-0.9%	8	0%	2
2	East	\$11.94	8	1.5%	3	-2.6%	7
3	North	\$16.60	4	2.1%	1	-2.7%	8
4	Northeast	\$21.96	1	1.5%	2	-2.4%	6
5	Northwest	\$16.88	3	0.9%	6	-1.3%	4
6	Southeast	\$13.51	7	1.0%	4	-1.0%	3
7	Southwest	\$18.61	2	0.9%	5	-1.4%	5
8	Teller County	\$13.87	6	-0.7%	7	0.1%	1

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Downtown	111,477	4.5%	5	(28,606)	-1.2%	8	-
2	East	784,814	7.1%	8	140,115	1.3%	1	0
3	North	204,142	4.9%	7	60,306	1.4%	3	-
4	Northeast	564,025	4.3%	4	98,261	0.7%	2	1.7
5	Northwest	161,231	4.7%	6	11,496	0.3%	5	0.9
6	Southeast	22,720	1.3%	1	40,477	2.4%	4	0.3
7	Southwest	154,939	3.1%	2	(19,529)	-0.4%	7	-
8	Teller County	46,601	3.7%	3	(1,392)	-0.1%	6	-

Supply & Demand Trends

Colorado Springs Retail

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	43,210,850	280,535	0.7%	260,240	0.6%	1.1
2022	42,930,315	262,382	0.6%	223,364	0.5%	1.2
2021	42,667,933	234,520	0.6%	218,538	0.5%	1.1
2020	42,433,413	194,238	0.5%	85,543	0.2%	2.3
2019	42,239,175	243,405	0.6%	95,876	0.2%	2.5
YTD	42,198,426	202,656	0.5%	68,267	0.2%	3.0
2018	41,995,770	117,626	0.3%	242,669	0.6%	0.5
2017	41,878,144	491,316	1.2%	745,785	1.8%	0.7
2016	41,386,828	309,540	0.8%	263,607	0.6%	1.2
2015	41,077,288	593,330	1.5%	590,033	1.4%	1.0
2014	40,483,958	169,920	0.4%	426,280	1.1%	0.4
2013	40,314,038	414,077	1.0%	709,064	1.8%	0.6
2012	39,899,961	166,959	0.4%	308,712	0.8%	0.5
2011	39,733,002	468,739	1.2%	480,043	1.2%	1.0
2010	39,264,263	455,735	1.2%	946,072	2.4%	0.5
2009	38,808,528	431,530	1.1%	(506,819)	-1.3%	-
2008	38,376,998	458,900	1.2%	115,754	0.3%	4.0
2007	37,918,098	-	-	191,209	0.5%	-

MALLS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	2,458,267	0	0%	3,606	0.1%	0
2022	2,458,267	0	0%	2,700	0.1%	0
2021	2,458,267	0	0%	43,731	1.8%	0
2020	2,458,267	0	0%	(38,405)	-1.6%	-
2019	2,458,267	0	0%	(236,135)	-9.6%	-
YTD	2,458,267	0	0%	(233,430)	-9.5%	-
2018	2,458,267	0	0%	(1,405)	-0.1%	-
2017	2,458,267	0	0%	203,869	8.3%	0
2016	2,458,267	8,959	0.4%	29,093	1.2%	0.3
2015	2,449,308	0	0%	42,087	1.7%	0
2014	2,449,308	477	0%	12,377	0.5%	0
2013	2,448,831	55,064	2.3%	77,643	3.2%	0.7
2012	2,393,767	0	0%	33,500	1.4%	0
2011	2,393,767	0	0%	(59,988)	-2.5%	-
2010	2,393,767	0	0%	186,466	7.8%	0
2009	2,393,767	0	0%	(384,418)	-16.1%	-
2008	2,393,767	0	0%	(18,756)	-0.8%	-
2007	2,393,767	-	-	(33,869)	-1.4%	-

Supply & Demand Trends

Colorado Springs Retail

POWER CENTER SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	5,061,470	4,599	0.1%	5,985	0.1%	0.8
2022	5,056,871	4,284	0.1%	3,790	0.1%	1.1
2021	5,052,587	3,835	0.1%	2,399	0%	1.6
2020	5,048,752	1,378	0%	848	0%	1.6
2019	5,047,374	(59)	0%	5,894	0.1%	-
YTD	5,047,433	0	0%	13,133	0.3%	0
2018	5,047,433	0	0%	(21,202)	-0.4%	-
2017	5,047,433	0	0%	18,360	0.4%	0
2016	5,047,433	47,700	1.0%	(64,964)	-1.3%	-
2015	4,999,733	340,259	7.3%	261,542	5.2%	1.3
2014	4,659,474	21,015	0.5%	55,695	1.2%	0.4
2013	4,638,459	49,352	1.1%	99,598	2.1%	0.5
2012	4,589,107	2,800	0.1%	111,288	2.4%	0
2011	4,586,307	132,370	3.0%	130,411	2.8%	1.0
2010	4,453,937	336,653	8.2%	376,667	8.5%	0.9
2009	4,117,284	295,197	7.7%	214,870	5.2%	1.4
2008	3,822,087	3,290	0.1%	(152,265)	-4.0%	-
2007	3,818,797	-	-	(52,428)	-1.4%	-

NEIGHBORHOOD CENTER SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	13,236,815	141,491	1.1%	131,653	1.0%	1.1
2022	13,095,324	132,328	1.0%	116,310	0.9%	1.1
2021	12,962,996	118,273	0.9%	94,102	0.7%	1.3
2020	12,844,723	100,012	0.8%	66,051	0.5%	1.5
2019	12,744,711	95,949	0.8%	265,064	2.1%	0.4
YTD	12,735,667	86,905	0.7%	266,013	2.1%	0.3
2018	12,648,762	54,349	0.4%	171,253	1.4%	0.3
2017	12,594,413	367,191	3.0%	344,647	2.7%	1.1
2016	12,227,222	96,815	0.8%	200,666	1.6%	0.5
2015	12,130,407	8,800	0.1%	(4,326)	0%	-
2014	12,121,607	3,500	0%	95,466	0.8%	0
2013	12,118,107	5,000	0%	188,366	1.6%	0
2012	12,113,107	5,500	0%	(83,397)	-0.7%	-
2011	12,107,607	0	0%	68,162	0.6%	0
2010	12,107,607	21,097	0.2%	75,372	0.6%	0.3
2009	12,086,510	26,680	0.2%	(265,302)	-2.2%	-
2008	12,059,830	101,328	0.8%	(7,634)	-0.1%	-
2007	11,958,502	-	-	(4,163)	0%	-

Supply & Demand Trends

Colorado Springs Retail

STRIP CENTER SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	2,880,598	18,186	0.6%	16,413	0.6%	1.1
2022	2,862,412	16,986	0.6%	13,910	0.5%	1.2
2021	2,845,426	15,198	0.5%	12,192	0.4%	1.2
2020	2,830,228	21,590	0.8%	15,333	0.5%	1.4
2019	2,808,638	20,767	0.7%	6,312	0.2%	3.3
YTD	2,808,872	21,001	0.8%	(868)	0%	-
2018	2,787,871	0	0%	30,259	1.1%	0
2017	2,787,871	25,600	0.9%	81,182	2.9%	0.3
2016	2,762,271	0	0%	34,607	1.3%	0
2015	2,762,271	27,747	1.0%	30,437	1.1%	0.9
2014	2,734,524	14,900	0.5%	13,203	0.5%	1.1
2013	2,719,624	0	0%	63,701	2.3%	0
2012	2,719,624	8,249	0.3%	1,350	0%	6.1
2011	2,711,375	0	0%	(51,975)	-1.9%	-
2010	2,711,375	15,400	0.6%	64,936	2.4%	0.2
2009	2,695,975	5,705	0.2%	(2,820)	-0.1%	-
2008	2,690,270	71,843	2.7%	38,392	1.4%	1.9
2007	2,618,427	-	-	(12,388)	-0.5%	-

GENERAL RETAIL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	19,087,077	113,427	0.6%	100,563	0.5%	1.1
2022	18,973,650	106,137	0.6%	85,074	0.4%	1.2
2021	18,867,513	94,855	0.5%	64,547	0.3%	1.5
2020	18,772,658	70,414	0.4%	34,782	0.2%	2.0
2019	18,702,244	119,487	0.6%	55,823	0.3%	2.1
YTD	18,677,507	94,750	0.5%	34,393	0.2%	2.8
2018	18,582,757	46,487	0.3%	51,060	0.3%	0.9
2017	18,536,270	98,525	0.5%	90,881	0.5%	1.1
2016	18,437,745	110,875	0.6%	26,507	0.1%	4.2
2015	18,326,870	155,539	0.9%	196,516	1.1%	0.8
2014	18,171,331	120,408	0.7%	242,304	1.3%	0.5
2013	18,050,923	179,621	1.0%	156,818	0.9%	1.1
2012	17,871,302	150,410	0.8%	239,186	1.3%	0.6
2011	17,720,892	336,369	1.9%	394,304	2.2%	0.9
2010	17,384,523	82,585	0.5%	239,131	1.4%	0.3
2009	17,301,938	102,743	0.6%	(67,089)	-0.4%	-
2008	17,199,195	282,439	1.7%	254,512	1.5%	1.1
2007	16,916,756	-	-	299,507	1.8%	-

Supply & Demand Trends

Colorado Springs Retail

OTHER SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	486,623	2,832	0.6%	2,020	0.4%	1.4
2022	483,791	2,647	0.6%	1,580	0.3%	1.7
2021	481,144	2,359	0.5%	1,567	0.3%	1.5
2020	478,785	844	0.2%	6,934	1.4%	0.1
2019	477,941	7,261	1.5%	(1,082)	-0.2%	-
YTD	470,680	0	0%	(10,974)	-2.3%	-
2018	470,680	16,790	3.7%	12,704	2.7%	1.3
2017	453,890	0	0%	6,846	1.5%	0
2016	453,890	45,191	11.1%	37,698	8.3%	1.2
2015	408,699	60,985	17.5%	63,777	15.6%	1.0
2014	347,714	9,620	2.8%	7,235	2.1%	1.3
2013	338,094	125,040	58.7%	122,938	36.4%	1.0
2012	213,054	0	0%	6,785	3.2%	0
2011	213,054	0	0%	(871)	-0.4%	-
2010	213,054	0	0%	3,500	1.6%	0
2009	213,054	1,205	0.6%	(2,060)	-1.0%	-
2008	211,849	0	0%	1,505	0.7%	0
2007	211,849	-	-	(5,450)	-2.6%	-

Rent & Vacancy

Colorado Springs Retail

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$17.44	112	0.4%	3.7%	2,223,993	5.1%	0%
2022	\$17.38	111	0.4%	3.3%	2,210,907	5.1%	0%
2021	\$17.31	111	0.6%	2.9%	2,179,020	5.1%	0%
2020	\$17.20	110	0.9%	2.2%	2,170,009	5.1%	0.2%
2019	\$17.05	109	1.4%	1.4%	2,063,316	4.9%	0.3%
YTD	\$16.99	109	1.0%	1.0%	2,049,949	4.9%	0.3%
2018	\$16.83	108	1.6%	0%	1,915,560	4.6%	-0.3%
2017	\$16.56	106	3.0%	-1.6%	2,040,603	4.9%	-0.7%
2016	\$16.08	103	3.0%	-4.5%	2,296,838	5.5%	0.1%
2015	\$15.61	100	3.4%	-7.2%	2,243,314	5.5%	-0.1%
2014	\$15.09	97	2.5%	-10.3%	2,240,017	5.5%	-0.7%
2013	\$14.72	94	1.7%	-12.5%	2,496,377	6.2%	-0.8%
2012	\$14.48	93	1.4%	-13.9%	2,791,364	7.0%	-0.4%
2011	\$14.27	91	-1.6%	-15.2%	2,933,117	7.4%	-0.1%
2010	\$14.51	93	-3.0%	-13.8%	2,944,421	7.5%	-1.4%
2009	\$14.95	96	-4.2%	-11.1%	3,434,758	8.9%	2.3%
2008	\$15.60	100	-1.4%	-7.3%	2,496,409	6.5%	0.8%
2007	\$15.82	101	-	-6.0%	2,153,263	5.7%	-

MALLS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$18.48	116	0%	2.0%	278,481	11.3%	-0.1%
2022	\$18.48	116	0%	2.0%	282,087	11.5%	-0.1%
2021	\$18.47	116	0.2%	1.9%	284,787	11.6%	-1.8%
2020	\$18.43	116	0.5%	1.7%	328,518	13.4%	1.6%
2019	\$18.34	115	1.2%	1.2%	290,113	11.8%	9.6%
YTD	\$18.29	115	0.9%	0.9%	287,408	11.7%	9.5%
2018	\$18.12	114	2.4%	0%	53,978	2.2%	0.1%
2017	\$17.69	111	6.4%	-2.4%	52,573	2.1%	-8.3%
2016	\$16.63	104	4.6%	-8.2%	256,442	10.4%	-0.6%
2015	\$15.90	100	6.1%	-12.3%	268,985	11.0%	-1.7%
2014	\$14.98	94	3.8%	-17.3%	311,072	12.7%	-0.5%
2013	\$14.43	90	3.6%	-20.4%	322,972	13.2%	-1.2%
2012	\$13.93	87	2.8%	-23.1%	345,551	14.4%	-1.4%
2011	\$13.55	85	-3.7%	-25.2%	379,051	15.8%	2.5%
2010	\$14.06	88	-5.4%	-22.4%	319,063	13.3%	-7.8%
2009	\$14.87	93	-6.8%	-17.9%	505,529	21.1%	16.1%
2008	\$15.96	100	-6.1%	-11.9%	121,111	5.1%	0.8%
2007	\$16.99	106	-	-6.2%	102,355	4.3%	-

POWER CENTER RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$21.51	113	0.3%	3.0%	330,938	6.5%	0%
2022	\$21.44	113	0.3%	2.6%	332,599	6.6%	0%
2021	\$21.37	113	0.4%	2.3%	332,338	6.6%	0%
2020	\$21.29	112	0.4%	1.9%	331,158	6.6%	0%
2019	\$21.20	112	1.5%	1.5%	330,712	6.6%	-0.1%
YTD	\$21.17	112	1.3%	1.3%	323,527	6.4%	-0.3%
2018	\$20.89	110	1.5%	0%	336,660	6.7%	0.4%
2017	\$20.58	109	4.8%	-1.5%	315,458	6.2%	-0.4%
2016	\$19.64	104	4.8%	-6.0%	333,818	6.6%	2.2%
2015	\$18.75	99	5.8%	-10.2%	221,154	4.4%	1.4%
2014	\$17.72	93	3.1%	-15.2%	142,437	3.1%	-0.8%
2013	\$17.19	91	3.9%	-17.7%	177,117	3.8%	-1.1%
2012	\$16.55	87	2.4%	-20.8%	227,363	5.0%	-2.4%
2011	\$16.16	85	-2.9%	-22.6%	335,851	7.3%	-0.2%
2010	\$16.64	88	-5.2%	-20.3%	333,892	7.5%	-1.6%
2009	\$17.55	93	-7.4%	-16.0%	373,906	9.1%	1.4%
2008	\$18.96	100	-6.2%	-9.2%	293,579	7.7%	4.1%
2007	\$20.22	107	-	-3.2%	138,024	3.6%	-

NEIGHBORHOOD CENTER RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$17.83	120	0.3%	6.6%	820,034	6.2%	0%
2022	\$17.77	119	0.5%	6.2%	811,392	6.2%	0.1%
2021	\$17.69	119	0.9%	5.7%	796,555	6.1%	0.1%
2020	\$17.53	117	1.7%	4.8%	773,498	6.0%	0.2%
2019	\$17.25	116	3.1%	3.1%	739,806	5.8%	-1.4%
YTD	\$17.12	115	2.4%	2.4%	729,650	5.7%	-1.5%
2018	\$16.73	112	2.5%	0%	908,758	7.2%	-1.0%
2017	\$16.32	109	3.5%	-2.4%	1,025,662	8.1%	-0.1%
2016	\$15.78	106	3.4%	-5.7%	1,003,118	8.2%	-0.9%
2015	\$15.25	102	4.1%	-8.8%	1,106,969	9.1%	0.1%
2014	\$14.66	98	2.8%	-12.4%	1,093,843	9.0%	-0.8%
2013	\$14.26	96	2.2%	-14.7%	1,185,809	9.8%	-1.5%
2012	\$13.96	94	1.2%	-16.5%	1,369,175	11.3%	0.7%
2011	\$13.80	92	-1.1%	-17.5%	1,280,278	10.6%	-0.6%
2010	\$13.95	93	-2.7%	-16.6%	1,348,440	11.1%	-0.5%
2009	\$14.34	96	-3.9%	-14.3%	1,402,715	11.6%	2.4%
2008	\$14.92	100	-1.4%	-10.8%	1,110,733	9.2%	0.8%
2007	\$15.14	101	-	-9.5%	1,001,771	8.4%	-

STRIP CENTER RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$15.23	108	0.3%	3.6%	141,870	4.9%	0%
2022	\$15.18	108	0.4%	3.3%	140,653	4.9%	0.1%
2021	\$15.12	108	0.6%	2.9%	138,124	4.9%	0.1%
2020	\$15.03	107	0.9%	2.3%	135,643	4.8%	0.2%
2019	\$14.90	106	1.4%	1.4%	129,480	4.6%	0.5%
YTD	\$14.84	106	1.0%	1.0%	136,883	4.9%	0.7%
2018	\$14.70	105	1.5%	0%	115,014	4.1%	-1.1%
2017	\$14.48	103	1.9%	-1.5%	145,273	5.2%	-2.1%
2016	\$14.21	101	2.6%	-3.4%	200,855	7.3%	-1.3%
2015	\$13.84	99	2.6%	-5.8%	235,462	8.5%	-0.2%
2014	\$13.49	96	1.9%	-8.2%	238,152	8.7%	0%
2013	\$13.24	94	1.4%	-9.9%	236,455	8.7%	-2.3%
2012	\$13.06	93	1.0%	-11.2%	300,156	11.0%	0.2%
2011	\$12.93	92	-1.1%	-12.0%	293,257	10.8%	1.9%
2010	\$13.08	93	-2.8%	-11.0%	241,282	8.9%	-1.9%
2009	\$13.45	96	-4.3%	-8.5%	290,818	10.8%	0.3%
2008	\$14.05	100	0.5%	-4.4%	282,293	10.5%	1.0%
2007	\$13.99	100	-	-4.8%	248,842	9.5%	-

GENERAL RETAIL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$16.03	105	0.4%	1.9%	635,754	3.3%	0%
2022	\$15.96	105	0.4%	1.4%	628,006	3.3%	0.1%
2021	\$15.89	105	0.5%	1.0%	612,043	3.2%	0.1%
2020	\$15.81	104	0.5%	0.4%	586,747	3.1%	0.2%
2019	\$15.73	104	0%	0%	552,668	3.0%	0.3%
YTD	\$15.71	103	-0.2%	-0.2%	549,318	2.9%	0.3%
2018	\$15.74	104	0.9%	0%	488,961	2.6%	0%
2017	\$15.60	103	1.7%	-0.9%	493,534	2.7%	0%
2016	\$15.35	101	2.0%	-2.5%	487,656	2.6%	0.4%
2015	\$15.05	99	2.0%	-4.4%	403,288	2.2%	-0.2%
2014	\$14.76	97	1.9%	-6.2%	444,265	2.4%	-0.7%
2013	\$14.48	95	0.5%	-8.0%	566,161	3.1%	0.1%
2012	\$14.40	95	1.2%	-8.5%	543,358	3.0%	-0.5%
2011	\$14.23	94	-1.4%	-9.6%	632,134	3.6%	-0.4%
2010	\$14.43	95	-2.2%	-8.3%	690,069	4.0%	-0.9%
2009	\$14.76	97	-2.9%	-6.2%	846,615	4.9%	1.0%
2008	\$15.20	100	0.8%	-3.4%	676,783	3.9%	0.1%
2007	\$15.08	99	-	-4.2%	648,856	3.8%	-

OTHER RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$27.06	126	0.5%	7.8%	16,916	3.5%	0.1%
2022	\$26.93	126	0.7%	7.3%	16,170	3.3%	0.2%
2021	\$26.75	125	1.1%	6.6%	15,173	3.2%	0.1%
2020	\$26.45	124	2.0%	5.4%	14,445	3.0%	-1.3%
2019	\$25.92	121	3.3%	3.3%	20,537	4.3%	1.7%
YTD	\$25.71	120	2.5%	2.5%	23,163	4.9%	2.3%
2018	\$25.09	117	3.4%	0%	12,189	2.6%	0.8%
2017	\$24.28	113	5.0%	-3.2%	8,103	1.8%	-1.5%
2016	\$23.11	108	2.4%	-7.9%	14,949	3.3%	1.5%
2015	\$22.56	105	3.3%	-10.1%	7,456	1.8%	-1.1%
2014	\$21.85	102	4.2%	-12.9%	10,248	2.9%	0.6%
2013	\$20.97	98	1.6%	-16.4%	7,863	2.3%	-0.4%
2012	\$20.65	97	1.4%	-17.7%	5,761	2.7%	-3.2%
2011	\$20.37	95	-0.8%	-18.8%	12,546	5.9%	0.4%
2010	\$20.54	96	-1.3%	-18.1%	11,675	5.5%	-1.6%
2009	\$20.82	97	-2.7%	-17.0%	15,175	7.1%	1.5%
2008	\$21.40	100	-0.7%	-14.7%	11,910	5.6%	-0.7%
2007	\$21.54	101	-	-14.2%	13,415	6.3%	-

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$180.05	151	7.8%
2022	-	-	-	-	-	-	\$179.70	151	7.7%
2021	-	-	-	-	-	-	\$180.10	151	7.6%
2020	-	-	-	-	-	-	\$179.25	150	7.6%
2019	-	-	-	-	-	-	\$175.59	147	7.6%
YTD	120	\$259.4 M	3.7%	\$2,487,451	\$183.51	7.1%	\$174.80	147	7.6%
2018	170	\$223.3 M	4.8%	\$1,772,393	\$129.93	7.7%	\$175.11	147	7.5%
2017	183	\$260.5 M	4.8%	\$1,847,562	\$153.56	7.4%	\$173.33	145	7.4%
2016	193	\$263.9 M	4.5%	\$1,623,920	\$166.34	7.5%	\$170.67	143	7.4%
2015	213	\$294.6 M	6.6%	\$1,858,036	\$137.23	7.4%	\$161.04	135	7.6%
2014	149	\$195.3 M	5.0%	\$1,559,449	\$113.70	7.8%	\$143.43	120	8.1%
2013	191	\$161.7 M	4.8%	\$1,348,575	\$122.47	8.0%	\$127.43	107	8.5%
2012	136	\$115.8 M	4.3%	\$1,378,030	\$120.68	7.9%	\$125.61	105	8.5%
2011	126	\$148.5 M	4.0%	\$1,625,379	\$117.17	7.9%	\$114.25	96	8.9%
2010	92	\$64.8 M	2.7%	\$1,002,501	\$69.38	8.3%	\$107.93	91	9.3%
2009	74	\$32.8 M	1.1%	\$611,699	\$97.72	7.8%	\$103.35	87	9.5%
2008	79	\$71.6 M	1.4%	\$1,094,731	\$143.91	7.3%	\$119.20	100	8.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

MALLS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$148.63	147	8.0%
2022	-	-	-	-	-	-	\$148.84	148	7.9%
2021	-	-	-	-	-	-	\$149.54	148	7.8%
2020	-	-	-	-	-	-	\$149.19	148	7.8%
2019	-	-	-	-	-	-	\$146.58	145	7.8%
YTD	11	\$95.9 M	16.8%	\$9,283,369	\$232.72	7.3%	\$145.96	145	7.8%
2018	5	\$45.5 M	28.6%	\$9,100,000	\$64.64	15.0%	\$147.53	146	7.7%
2017	-	-	-	-	-	-	\$147.16	146	7.6%
2016	1	\$8.7 M	2.0%	\$8,683,700	\$173.71	3.8%	\$143.29	142	7.6%
2015	3	\$19.9 M	19.7%	\$6,649,658	\$41.28	-	\$135.89	135	7.7%
2014	1	\$4.0 M	0.3%	\$4,000,000	\$648.72	-	\$116.51	116	8.4%
2013	9	\$5.8 M	11.8%	\$5,750,000	\$69.74	10.2%	\$104.92	104	8.8%
2012	5	\$3.7 M	0.9%	\$735,200	\$172.60	6.6%	\$105.27	104	8.7%
2011	7	\$71.4 M	21.9%	\$14,274,320	\$136.89	10.5%	\$97.03	96	9.1%
2010	1	\$3.0 M	16.1%	\$3,000,000	\$7.76	-	\$92.04	91	9.5%
2009	-	-	-	-	-	-	\$87.69	87	9.7%
2008	-	-	-	-	-	-	\$100.87	100	9.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

POWER CENTER SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$181.07	149	7.5%
2022	-	-	-	-	-	-	\$180.83	149	7.5%
2021	-	-	-	-	-	-	\$181.42	149	7.4%
2020	-	-	-	-	-	-	\$180.89	149	7.3%
2019	-	-	-	-	-	-	\$177.85	146	7.4%
YTD	2	\$8.5 M	3.0%	\$8,500,000	\$58.51	-	\$177.34	146	7.3%
2018	-	-	-	-	-	-	\$178.61	147	7.3%
2017	1	\$0.8 M	0.1%	\$842,500	\$299.50	-	\$179.00	147	7.2%
2016	-	-	-	-	-	-	\$173.56	143	7.2%
2015	5	\$42.6 M	3.5%	\$8,522,200	\$242.14	-	\$163.27	134	7.3%
2014	6	\$30.2 M	5.4%	\$7,538,742	\$128.28	7.9%	\$140.92	116	8.0%
2013	9	\$23.8 M	2.8%	\$3,399,616	\$199.33	-	\$126.61	104	8.3%
2012	5	\$20.9 M	5.7%	\$6,971,667	\$120.74	7.2%	\$127.11	104	8.3%
2011	1	\$2.3 M	0.1%	\$2,270,000	\$446.15	-	\$117.17	96	8.6%
2010	-	-	-	-	-	-	\$111.07	91	8.9%
2009	1	\$0 M	0.1%	-	-	-	\$105.90	87	9.2%
2008	1	\$2.1 M	0.2%	\$2,060,000	\$294.29	-	\$121.72	100	8.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

NEIGHBORHOOD CENTER SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$166.33	151	7.9%
2022	-	-	-	-	-	-	\$166.00	151	7.9%
2021	-	-	-	-	-	-	\$166.16	151	7.8%
2020	-	-	-	-	-	-	\$164.85	150	7.7%
2019	-	-	-	-	-	-	\$160.20	146	7.7%
YTD	19	\$43.5 M	3.3%	\$2,721,721	\$128.99	6.2%	\$158.87	145	7.7%
2018	22	\$53.0 M	4.0%	\$3,114,931	\$126.92	7.7%	\$159.47	145	7.6%
2017	38	\$82.2 M	5.1%	\$2,651,584	\$142.94	7.9%	\$158.72	144	7.5%
2016	32	\$69.8 M	6.4%	\$2,327,422	\$101.22	8.7%	\$157.34	143	7.4%
2015	31	\$54.1 M	7.9%	\$2,574,673	\$100.61	7.2%	\$146.37	133	7.7%
2014	34	\$55.1 M	6.5%	\$1,836,158	\$90.95	8.1%	\$128.56	117	8.2%
2013	36	\$54.3 M	6.9%	\$2,361,980	\$86.58	8.6%	\$115.58	105	8.6%
2012	26	\$39.3 M	7.6%	\$3,574,591	\$95.86	8.6%	\$115.00	105	8.6%
2011	24	\$39.5 M	4.9%	\$2,322,545	\$93.79	7.3%	\$105.12	96	9.0%
2010	9	\$9.4 M	1.4%	\$1,296,571	\$54.19	8.7%	\$99.19	90	9.4%
2009	11	\$7.4 M	1.3%	\$825,995	\$52.94	-	\$94.82	86	9.6%
2008	11	\$11.0 M	0.6%	\$1,572,193	\$165.87	6.9%	\$109.87	100	8.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

STRIP CENTER SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$172.61	155	7.8%
2022	-	-	-	-	-	-	\$172.32	155	7.7%
2021	-	-	-	-	-	-	\$172.73	155	7.6%
2020	-	-	-	-	-	-	\$171.87	154	7.6%
2019	-	-	-	-	-	-	\$168.21	151	7.6%
YTD	11	\$8.7 M	2.3%	\$1,070,432	\$147.23	8.8%	\$167.35	150	7.6%
2018	17	\$18.2 M	4.9%	\$1,401,762	\$172.78	7.0%	\$166.78	150	7.5%
2017	23	\$17.0 M	8.1%	\$945,561	\$100.90	7.8%	\$162.90	146	7.6%
2016	18	\$18.7 M	6.4%	\$1,430,346	\$149.76	9.0%	\$161.73	145	7.5%
2015	13	\$10.4 M	3.9%	\$945,259	\$121.76	8.1%	\$151.91	136	7.7%
2014	8	\$5.5 M	4.0%	\$780,714	\$61.76	9.3%	\$137.77	124	8.1%
2013	9	\$8.1 M	2.9%	\$1,355,337	\$132.01	9.0%	\$121.63	109	8.5%
2012	5	\$4.3 M	2.0%	\$856,000	\$78.23	8.4%	\$118.69	107	8.6%
2011	8	\$1.5 M	4.1%	\$505,000	\$32.70	-	\$106.09	95	9.1%
2010	5	\$3.8 M	2.0%	\$1,256,843	\$82.33	-	\$99.77	90	9.5%
2009	1	\$0 M	0%	-	-	-	\$96.07	86	9.7%
2008	5	\$5.0 M	2.5%	\$1,005,255	\$73.36	8.5%	\$111.34	100	8.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

GENERAL RETAIL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$191.55	151	7.7%
2022	-	-	-	-	-	-	\$191.07	151	7.7%
2021	-	-	-	-	-	-	\$191.56	151	7.6%
2020	-	-	-	-	-	-	\$190.91	150	7.5%
2019	-	-	-	-	-	-	\$187.76	148	7.5%
YTD	76	\$100.5 M	2.7%	\$1,499,818	\$220.00	6.7%	\$187.32	148	7.5%
2018	125	\$100.2 M	3.5%	\$1,113,831	\$211.48	6.6%	\$187.18	148	7.5%
2017	119	\$152.9 M	6.1%	\$1,717,916	\$163.42	6.9%	\$184.25	145	7.4%
2016	140	\$161.9 M	4.7%	\$1,389,785	\$226.51	6.8%	\$181.59	143	7.4%
2015	158	\$157.8 M	5.4%	\$1,363,206	\$187.81	7.4%	\$172.85	136	7.5%
2014	100	\$100.6 M	4.8%	\$1,207,548	\$128.60	7.4%	\$156.65	123	7.9%
2013	128	\$69.7 M	3.4%	\$835,068	\$162.32	7.0%	\$137.88	109	8.4%
2012	95	\$47.6 M	2.6%	\$792,718	\$158.68	7.8%	\$134.48	106	8.5%
2011	86	\$33.8 M	1.9%	\$511,840	\$123.76	6.8%	\$121.67	96	8.9%
2010	77	\$48.6 M	2.6%	\$911,576	\$148.44	7.9%	\$114.92	91	9.3%
2009	61	\$25.4 M	1.5%	\$566,847	\$129.91	7.8%	\$110.24	87	9.5%
2008	62	\$53.5 M	2.2%	\$1,020,497	\$150.45	7.3%	\$126.89	100	8.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

OTHER SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$292.10	160	7.1%
2022	-	-	-	-	-	-	\$291.37	160	7.1%
2021	-	-	-	-	-	-	\$291.61	160	7.0%
2020	-	-	-	-	-	-	\$289.03	158	6.9%
2019	-	-	-	-	-	-	\$280.21	153	6.9%
YTD	1	\$2.3 M	0.6%	\$2,275,000	\$798.25	-	\$277.28	152	6.9%
2018	1	\$6.4 M	3.9%	\$6,400,000	\$351.94	6.4%	\$275.88	151	6.9%
2017	2	\$7.6 M	3.2%	\$3,775,000	\$527.90	5.8%	\$273.41	150	6.8%
2016	2	\$4.8 M	1.5%	\$2,379,593	\$689.74	5.3%	\$263.72	144	6.8%
2015	3	\$9.8 M	6.0%	\$3,258,333	\$399.93	6.2%	\$251.43	138	6.9%
2014	-	-	-	-	-	-	\$221.95	121	7.5%
2013	-	-	-	-	-	-	\$194.34	106	7.9%
2012	-	-	-	-	-	-	\$192.00	105	7.9%
2011	-	-	-	-	-	-	\$174.43	95	8.2%
2010	-	-	-	-	-	-	\$165.15	90	8.5%
2009	-	-	-	-	-	-	\$158.38	87	8.7%
2008	-	-	-	-	-	-	\$182.68	100	8.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

RECENT RETAIL LISTINGS

4845 N. ACADEMY BLVD.
\$2,300,000
4845 North Academy Boulevard,
Colorado Springs, CO 80918
SIZE | TERMS
13,500 SQFT | FOR SALE

102-110 E. MIDLAND AVE.
\$1,400 - \$3,000 /MONTH (MG)
102 - 110 East Midland Avenue,
Woodland Park, CO 80863
SIZE | TERMS
5,056 SQFT | FOR LEASE

104 N. TEJON ST.
\$16.50 SF/YR (+\$7.00 PSF NNN)
104 North Tejon Street,
Colorado Springs, CO 80903
SIZE | TERMS
3,410 SQFT | FOR LEASE

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OUR NETWORK IS YOUR EDGE.

All information is from sources deemed reliable and is subject to errors, omissions, change of price, rental, prior sale, and withdrawal without notice. Prospect should carefully verify each item of information contained herein.

PREPARED BY

RD Trinidad
Owner



INCLUSION AND SERVICE AGREEMENT
between
WOODMEN HILLS METROPOLITAN DISTRICT
and
Falcon Field, LLC.

This Inclusion and Service Agreement (this "Agreement") is entered into on this 29th day of March, 2019 by and between the **WOODMEN HILLS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and **Falcon Field, LLC.** (the "Property Owner").

WHEREAS, on July 11, 2018, the Property Owner, a Colorado limited liability company ("Contract Purchaser"), submitted a petition requesting inclusion of certain real property located within El Paso County, Colorado, and consisting of approximately 57 acres ("Falcon Field") shown in *Exhibit A*, into the District boundary, and requesting services to such Property; and

WHEREAS, on March 28, 2019, at a duly held public meeting, the District will consider the petition for the inclusion of the Falcon Field, and adopt a conditional resolution authorizing the inclusion of the Falcon Field into its District boundaries, subject to, this executed Inclusion and Service Agreement for the subject property; and

WHEREAS, the Property Owner intends to develop said Falcon Field in two phases, Phase One consisting of lands westerly of a bisecting drainage way through the property and Phase Two being lands on the easterly side of said drainage way. Phase One is expected to include primarily commercial development. Phase Two is expected to include primarily residential development.

WHEREAS, the District and Property Owner agree that the District shall provide water, wastewater, and parks and recreation services to the Falcon Field property, subject to the terms and conditions contained in this Agreement.

NOW, THEREFORE, each of the parties agree that the following shall be conditions upon provision of services to the Falcon Field property by the District:

1. District Fees. Receipt by the Board of Directors of the District of all required fees, which shall include (a) the District's water and sewer tap fees; (b) the District's water resource acquisition fee (in lieu of conveyance of water rights, as described in paragraph 7, below); (c) cost recovery, meter installation, inspection, and all other applicable District fees, and (d) all costs incurred by the District, its agents and employees in processing the inclusion of the Property. Such fees and costs shall be the then current applicable fees and costs at the time they are paid, and in accordance with the District's Rules and Regulations.

2. Off-Site Public Facilities.

a. General. Off-Site Facilities are water and/or wastewater public improvements to the District's water and/or wastewater system and facilities which are

determined by the District to be necessary to provide service to proposed developments, and to avoid degradation in service to existing property within the District.

If not yet installed, Property Owner, or the owner of all or a portion of the Property at the time it is developed (the "Future Owner"), shall be responsible for, or shall otherwise cause, the financing, construction, design, easement/permit acquisition, and installation of all Off-Site Facilities which the District determines, in its sole discretion, are necessary to serve the then-proposed development on the Falcon Field property. The Off-Site Facilities currently identified as necessary for the Falcon Field property are described in Exhibit B (the "Falcon Field Off-Site Facilities"). The Off-site Facilities must be constructed and accepted by the District prior to the initial water or sewer tap applications made to the District by the Property Owner or Future Owner of the Falcon Field property.

The Falcon Field Off-Site Facilities shall only be constructed after the designs are approved by the District, according to the process for approval of such facilities set forth in the District's Rules and Regulations and Standards and Specifications. Such Falcon Field Off-Site Facilities shall be conveyed by Property Owner or the Future Owner to the District as required by the District's Rules and Regulations and Standards and Specifications. More specifically, following the preliminary acceptance period and the two-year warranty period, as described in the District's Rules and Regulations, the Property Owner or the Future Owner shall convey all facilities to the District for ownership, maintenance, repair and replacement.

Off-Site Facilities also include facilities currently existing or under construction, which have been constructed by or being constructed on behalf of the District which are needed to serve the Falcon Field property and other property within the District, for which the Property Owner or the Future Owner shall be required, and those fees which may be charged and collected pursuant

b. Specific Provisions re Off-Sites. Certain Offsite Facilities, as detailed in the following subsections, will be required with the initial development by Property Owner and other facilities may be deferred until such a time as development requires additional facilities.

i. Off-Site Water Facilities: It will be required that a 12 inch water line will be extended from some point along Greenough Rd or the internal access Road on the west side of the Safeway parking lot. The line must be extended across Highway 24 into the Falcon Field Property. The line will be roughly 600 to 1100 feet in length depending on the final design approved by the District. The highway bore casing must be a minimum of 24 inches in diameter and contain a second carrier pipe of 6 inches.

The 12 inch line must be extended through the property southerly and easterly and connected to the existing water line in Swingline Road. The loop is necessary to provide adequate fire flow for the development of the Falcon Field property. As the Falcon Field property is developed, the 12 inch shall also ultimately be extended westerly to a point on the western Falcon Fields boundary as approved by the District.

ii. Off-Site Sewer Facilities: It is expected that a minimum of an 8 inch sanitary sewer outfall will be extended from the SW corner of the Falcon Field property south-easterly through the School District 49 property to the location of the District Lift Station

#1. The off-site sanitary outfall is expected to be roughly 3700 feet depending on the final alignment approved by the District.

Reimbursement for a portion of new Lift Station #1. The District is in the process of rebuilding its Lift Station #1. The project cost of the initial phase of re-construction of Lift Station #1 is estimated to be roughly \$1.7 Million. The project will be used and useful for Falcon Field. Eligible Project Costs include engineering, permitting, design, planning, modification and expansion of easement, construction and post construction start-up costs. The percentage of Falcon Field's required contribution toward the cost of Lift Station #1 shall be based upon the number of single family equivalent ("SFE") taps associated with the El Paso County Board of County Commissioners' approved Preliminary Plan for Falcon Field. Falcon Field's contribution shall be based upon the number of Falcon Field's SFE's as a percentage of the total SFE's capable of being served by Lift Station # 1. The initial phase of Lift Station #1 capacity is set at 875 SFE.

Payment of the-reimbursement will occur by Phase. Phase One reimbursement will be due and payable by the Property Owner at the time Woodmen Hills issues the first preliminary acceptance letter for the Phase One offsite and/or on-site sanitary sewer system improvements. No taps can be purchased or issued until payment is made.

Likewise Phase Two reimbursement will be due and payable by the Property Owner at the time, Woodmen Hills issues the first preliminary acceptance letter for the Phase Two, sanitary sewer system improvements. No taps can be purchased or issued until payment is made.

3. On-Site Facilities. Property Owner or Future Owner shall be responsible for the financing, design, permitting, construction and installation of all water and wastewater public improvements to the District's water, drainage, and wastewater systems and facilities within the Falcon Field property ("On-Site Facilities"), which are determined by the District to be necessary to serve the Falcon Field property. On-Site Facilities shall only be constructed after they are approved by the District, according to the process for approval of such facilities set forth in the District's Rules and Regulations. Such On-Site Facilities shall be conveyed by Property Owner or the Future Owner to the District as required by the District's Rules and Regulations. More specifically, following the preliminary acceptance period and the two-year warranty period, as described in the District's Rules and Regulations, the Property Owner or the Future Owner shall convey all facilities to the District for ownership and maintenance. The Falcon Field preliminary plan has not yet been approved by El Paso County.

4. Drainage Facilities; The Property Owner, Future Owner, or the overlapping Falcon Field District will be required to plan, design, and construct all on-site and offsite necessary drainage facilities. Those facilities shall include on-site detention facilities as approved by El Paso County. Per this Agreement, Property Owner or Future Owners agrees to design the detention facilities to over-detain above historic flows. Recognizing that the Property Owner or Future Owner will be utilizing off-line detention facilities (located outside the channel), the amount of over detention will maximize the amount of stormwater flows available for detention. All plans and designs for on-site and off-site drainage facilities prepared by the

Property Owner, Future Owner or the overlapping Falcon Field District shall be first submitted to WHMD for its technical review and comment.

5. Overlapping District: The parties agree and acknowledge that the Property Owner intends to form the Falcon Field District to finance and/or construct public improvements to serve Falcon Field and provide services in support of Falcon Field. Because the Falcon Field District will be organized within the existing boundaries of WHMD and will be authorized to provide water, sanitary sewer and park and recreation improvements, which are overlapping powers with those of WHMD, consent to said organization must be given by the Board of Directors of WHMD pursuant to Section 32-1-107(3)(b)(IV), C.R.S. WHMD hereby consents to creation of the Falcon Field District in satisfaction of this statutory requirement subject to the following limitations with respect to overlapping water, sanitation and park and recreation powers:

a. With regard to water and sanitary sewer, the Falcon Field District shall not be authorized to provide any domestic water or sanitation services for customers within Falcon Field, but may only finance and construct water and sanitation improvements required to allow WHMD to provide domestic water and sanitation service to customers within Falcon Field. The Falcon Field District shall dedicate water and sanitation facilities to WHMD in accordance with WHMD's rules and regulations.

b. The Falcon Field District shall not be authorized to provide recreation programs or recreation services, but may only finance and construct park and recreation facilities. The Falcon Field District shall dedicate any park and recreation facilities to WHMD in accordance with WHMD's rules and regulations.

c. If the Falcon Field District is formed and issues debt for the financing of improvements and/or facilities transferred to, or to be transferred to WHMD, then under no circumstances will any such facilities be encumbered or act as security for said debt instruments.

d. All plans and designs for on-site and off-site drainage facilities to be owned and maintained by the Falcon Field District shall be first submitted to WHMD for its technical review and comment. All tracts and easements upon which the Falcon Field District constructs and/or maintains drainage facilities shall include the additional right of WHMD to utilize said tract or easement for public utility purposes not inconsistent with the primary intended use of said tract or easement.

e. To the extent WHMD does not accept the dedication of water, sanitary sewer and park and recreation facilities, the Falcon Field District shall be authorized to operate and maintain such facilities.

f. The Property Owner shall furnish a copy of the proposed Service Plan for the Falcon Field District for review and comment to ensure compliance with these limitations.

g. The Falcon Field District shall collect one mill in property tax for the benefit of WHMD and its Parks and Recreation Fund.

6. Parks and Recreation and Fees: Upon inclusion into the District, all residents of Falcon Field, will pay the then current Parks and Recreation fees into the District and enjoy the same rights and privileges as existing WHMD residents relative to the District's Parks and Recreation Facilities.

7. Water Rights / Water Resource Acquisition Fee. The Property Owner shall comply with the District's water policy, requiring conveyance of actual water acceptable to the District or the payment of the District's then current Water Resource Acquisition Fee. The Property Owner owns and will convey to the District the water rights included in Determinations 503-BD; 504-BD; and 505-BD. In exchange for said conveyance to the District, the Property Owner will accrue Water Acquisition Fee Credits equal to 22.25 SFE. Additional SFE and/or taps to be constructed, will require payment of the District's current Water Acquisition Fees.

i. The water acquisition credits noted above (equivalent to 22.25 SFE) may be credited in the following manner; The Property Owner may be allowed to use ½ of his/her Water Credits (being 11 SFE) in the area being developed as Phase One of the West portion of the development. But the second half of the credits may not be used until the developer begins development in Phase Two or the East portion of the development.

As the Property Owner continues to develop additional taps/units above and beyond the 11 WAF SFE Credits, he/she will be responsible for paying Water Acquisition Fees associated with each tap in accordance with the District's Policies. WAF are collected at the same time as the tap fees mentioned in paragraph 1.

ii. The Property Owner shall complete a water rights change case that adds "Municipal" as an additional beneficial use and change of location of use to include all of the District's boundaries to include Falcon Field. This is required in order for the District to be capable of pumping said rights out of existing or future wells. The District will provide documentation, support, and assistance in the change case. The Property Owner or Future Owner may elect to have the District perform this task at the expense of the Property Owner or Future Owner. In such a case, the Property Owner or Future Owner shall provide documentation, support, and other assistance for the process. The change can be dependent on conveyance of the rights to the District.

The change case must be initiated within 60 days after the Filing of the District Court Order including the lands into the District.

iii. The change case is expected to require roughly 150 days from initiation and the rights must be conveyed within 60 days after the date of the approval of the change case. The Property Owner or Future Owner shall legally convey the water rights to the District within 60 days of the completion of the afore-mentioned change case.

8. Lands, Easements, and Permits. Property Owner or Future Owners are responsible for acquisition, fees, negotiations required to obtain any and all lands, easements, and permits necessary for the off-site and on-site physical improvements. Additionally, the Property Owner or Future Owners agree to provide any on-site required easements, rights of

way, and/or lands required of them to the District to accommodate service facilities outlined and required by the District. Said easements and lands may be conveyed and/or deeded by plat or separate instrument acceptable to the District. If/where accepted by the District, some required lands or easements may be provided by dedicated public right of way. Any off-site easements, lands, and/or permits must be conveyed to the District prior to initiation of construction of physical facilities prior to initiation of construction. Evidence of adequate lands, easements, and permits must be provided prior to District signature approving any associated physical improvements. Easements, permits, and lands required for service, shall be conveyed at no cost to the District, and in accordance with the District's Rules and Regulations. The District agrees to cooperate with the Property Owner in obtaining such easements. The District will not exercise its power of condemnation of lands and/or easements for the physical improvements unless specifically and otherwise authorized by the District's Board of Directors.

9. Inclusion Fees; The District has certain costs associated with the inclusion of property. It is the intent that costs to the District for the inclusion of Falcon Field is to be borne by the Property Owner or Future Owners of Falcon Field. The cost to the District for activities associated with inclusion is estimated as \$ 5000 plus \$1000 /per to-be-included acre. The Property Owner or Future Owners shall deposit a 65% of the Inclusion Fee at the time the District publishes notice of its hearing to consider the Property Owner's Petition for Inclusion with the District to be used as an upfront payment to the District to cover legal, engineering, planning, and staff time associated with developing this agreement and services to Falcon Field. The balance of the inclusion fee shall be remitted by the developer at the time that this Agreement is to be acted upon on a final basis by the District's Board of Directors.

Inclusion fees are intended to defray the District's costs associated with staff, legal, and engineering time spent in evaluating, negotiating, and preparation of terms of agreement, and terms of inclusion. The inclusion fees are not intended to include certain special or other expenses that might be incurred as part of the agreement such as

- Change cases on cases on water rights and/or deeding water rights to the District
- Costs associated with the formation or support of formation of any sub-districts or overlapping district structures
- Changes required to WHMD service plan or plans
- Permitting of facilities, projects, and/or acquisition or negotiations for rights of way or easements, lands etc

10. District Rules and Regulations and Standards and Specifications. On and after the effective date of this Agreement, and after a final District Court Order including the lands into the District has been entered, Property Owner and any Future Owners and the Falcon Field, shall be subject to all current Rules and Regulations; Standards and Specifications; and Terms and Conditions of Service of the District, as they may be amended from time to time, and to the payment of any District **taxes**, rates, fees, tolls or charges, in existence at the time such amounts are due.

11. Commitment to be Served. Except as provided in paragraph 12, the Property Owner agrees that the Falcon Field will obtain water and wastewater service exclusively from the District on a perpetual basis under the Rules and Regulations of the District and its Terms and Conditions of service, as may be amended from time to time by the District. The Property Owner agrees that it will not seek annexation, connection or inclusion into a municipality or other special district without first obtaining the written consent, in form satisfactory to the District, of such municipality or special district of such entity's acknowledgement of an agreement to the exclusive provision of water and wastewater service by the District as set forth herein. The District acknowledges its intent to cooperate with the Property Owner or the Future Owner in the County land use planning process regarding the County's requirement for a finding of sufficient water necessary for the Falcon Field.

12. District Inability to Provide Service. The owner of the Falcon Field may seek service from, and/or the Falcon Field may be served by, another entity if the Property Owner and any Future Owners have met all the terms and conditions of this Agreement, and the District is unable to issue taps to service the Falcon Field property for which a final plat has been approved. The District shall be deemed unable to issue taps if all of the following occurs:

- a. The owner submits an appropriate tap application to the District (up to the total number of taps required to serve the platted property);
- b. The owner provides satisfactory financing of any water or wastewater line extensions necessary to connect to the District's facilities;
- c. The owner pays the District's tap fees for the requested taps, and
- d. The District fails to issue the requested number of tap permits as needed.

13. Covenant Running with the Property. The terms and conditions of this Agreement shall be recorded with the El Paso County Clerk and Recorder. The parties intend that the covenants of this Agreement shall run with the Falcon Field and shall be binding upon the Petitioner and the Future Owner of all or any part of the Falcon Field, and their respective successors and assigns.

14. Remedy. In the event of a breach of this Agreement by the Property Owner or any successor or assign of the Property Owner, the District shall have the right to require specific performance of this Agreement or sue for monetary damages under the Agreement, as appropriate. The parties agree that Colorado law will govern any dispute regarding this Agreement.

15. Responsibility. By virtue of entering into this Agreement, the District: (1) disclaims all liability for the Property Owner's construction, use, operation or existence of any On-Site facilities, Off-site facilities, and Drainage facilities related to this Agreement; (2) assumes no additional responsibilities or obligations related to any improvements by the Property Owner, except as may be set forth in this Agreement; and (3) disclaims all liability or responsibility with regard to subsequent easement grants, or with regard to the Property Owner's own future or additional acts or activities within the area specified in **Exhibit A**; except for damages or injury caused by the negligence or intentional acts of the District, its agents, assigns

or employees. As between the Property Owner and the District, the Property Owner shall bear full responsibility for the use and enjoyment of its property, subject to the terms and conditions of this Agreement.

16. Assignment. This Agreement or the signed written agreement of the parties or their successors in title shall not be assigned by the Property Owner without the prior approval in writing of the District, which will not be unreasonably withheld. Any assignees or successors to the rights of Property Owner shall be liable and bound under all of the provisions of this instrument to the same extent as the Property Owner.

17. Hold Harmless. The Property Owner agrees to indemnify and hold the District harmless from and against and in respect of any and all liabilities, actions, suits, proceedings, demands, assessments, judgments, costs, legal and other expenses whether accrued, absolute contingent, known or unknown arising, occurring or existing as a result of the activities and work to be completed pursuant to the terms and conditions of this Agreement. Likewise, the District agrees to indemnify and hold the Property Owner harmless from and against and in respect of any and all liabilities, actions, suits, proceedings, demands, assessments, judgments, costs, legal and other expenses whether accrued, absolute, contingent, known or unknown, arising, occurring or existing as a result of the negligence or intentional activities and work to be completed by the District pursuant to the terms and conditions of this Agreement.

18. Waiver of Breach. The waiver by any party to this Agreement of a breach of any term or provision of this Agreement, shall not operate or be construed as a waiver of any subsequent breach by any party.

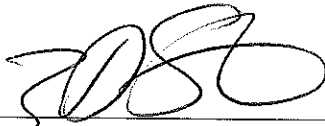
19. Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the parties, and their respective legal representatives, successors, and assigns; provided, however, that nothing in this paragraph shall be construed to permit the assignment of this Agreement except as otherwise specifically authorized herein.

20. Attorney's Fees. In the event of any litigation arising out of this Agreement or for its breach, the Court shall award to the prevailing party all reasonable costs and expenses, including attorney's fees.

21. Amendment. No provision of this Agreement may be amended, waived or otherwise modified without the prior written consent of both parties. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by the party taking such action.

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WOODMEN HILLS METROPOLITAN DISTRICT



By:
President

ATTEST:



By:
Secretary

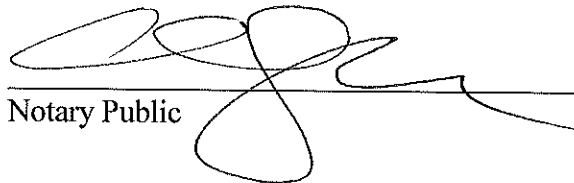
STATE OF COLORADO)
)
COUNTY OF EL PASO) ss.

The foregoing instrument was acknowledged before me this 29 day of March, 2019, by Troy Stinson and Nicole Fisher as President and Secretary of Woodmen Hills Metropolitan District.

WITNESS my hand and official seal.

My commission expires: 4-5-21

[SEAL]


Notary Public

CHRISTINA LEPAGE
Notary Public
State of Colorado
Notary ID # 20134022306
My Commission Expires 04-05-2021

PROPERTY OWNER:

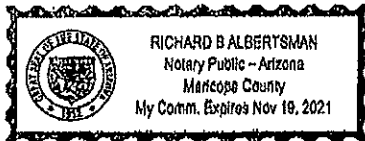
Falcon Field, LLC.
Name: James C. Berger
Title: Manager
Date: April 1, 2019

ARIZONA
STATE OF ~~COLORADO~~)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 1st day of APRIL, 2019, by JAMES C. BERGER as MANAGER of Falcon Field, LLC., a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 19 Nov. 2021



[Signature]
Notary Public

By signature of its representative below, the Petitioner affirms that it has taken all necessary action to authorize said representative to execute this Petition.

PROPERTY OWNER:

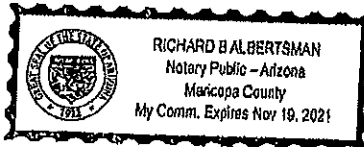
Falcon Field, LLC.
Name: James C. Berger
Title: Manager
Date: April 1, 2019

STATE OF ~~COLORADO~~)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 1st day of APRIL, 2019, by JAMES C. BERGER, as MANAGER of Falcon Field, LLC., a Colorado limited liability company.

WITNESS my hand and official seal.

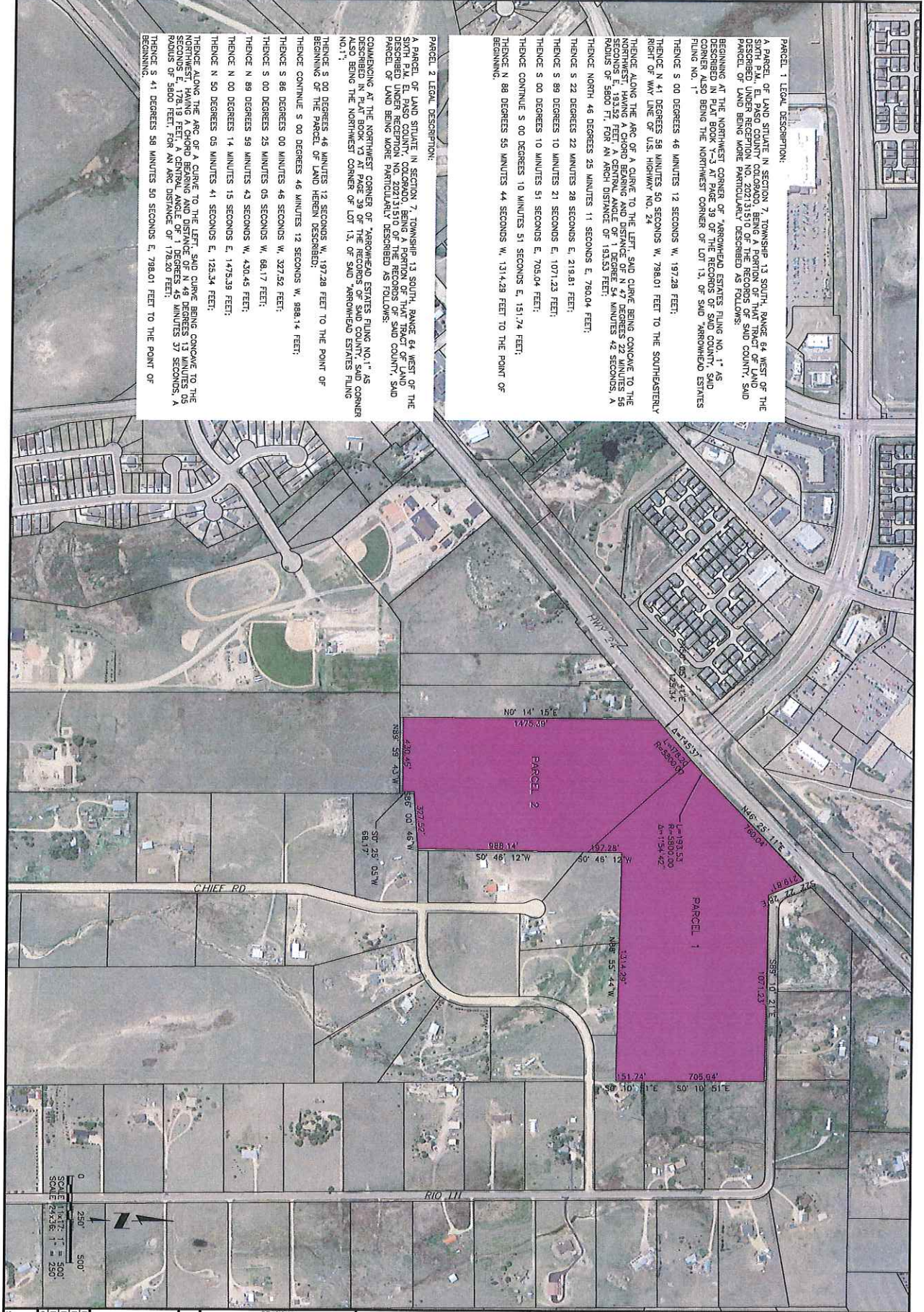
My commission expires: 19 NOV. 2021



[Signature]
Notary Public

**EXHIBIT A
(FALCON FIELD)**

[A-1: Drawing]
[A-2: Narrative]



PARCEL 1 LEGAL DESCRIPTION:

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M. E. BASO COUNTY, COLORADO, BEING A PORTION OF THAT TRACT OF LAND DESCRIBED UNDER RECEPTION NO. 202731510 OF THE RECORDS OF SAID COUNTY, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF "ARROWHEAD ESTATES PLING NO. 1" AS CORNER ALSO BEING THE NORTHWEST CORNER OF LOT 13, OF SAID "ARROWHEAD ESTATES PLING NO. 1"

THENCE S 00 DEGREES 46 MINUTES 12 SECONDS W, 197.28 FEET;

THENCE N 41 DEGREES 58 MINUTES 50 SECONDS W, 798.01 FEET TO THE SOUTHWESTERLY RIGHT OF HWY LINE OF U.S. HIGHWAY NO. 24

THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE BEING CONCORD TO THE NORTHWEST, HAVING A CHORD BEARING AND DISTANCE OF N 14° 15' E, 1475.39 FEET, A CENTRAL ANGLE OF 1 DEGREE 54 MINUTES 42 SECONDS, A RADIUS OF 5800 FT., FOR AN ARCH DISTANCE OF 193.53 FEET;

THENCE NORTH 46 DEGREES 25 MINUTES 11 SECONDS E, 780.04 FEET;

THENCE S 22 DEGREES 22 MINUTES 28 SECONDS E, 219.81 FEET;

THENCE S 89 DEGREES 10 MINUTES 21 SECONDS E, 1071.23 FEET;

THENCE S 00 DEGREES 10 MINUTES 51 SECONDS E, 705.04 FEET;

THENCE CONTINUE S 00 DEGREES 10 MINUTES 51 SECONDS E, 151.74 FEET;

THENCE N 88 DEGREES 55 MINUTES 44 SECONDS W, 1314.29 FEET TO THE POINT OF BEGINNING.

PARCEL 2 LEGAL DESCRIPTION:

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 13 SOUTH, RANGE 64 WEST OF THE SIXTH P.M. E. BASO COUNTY, COLORADO, BEING A PORTION OF THAT TRACT OF LAND DESCRIBED UNDER RECEPTION NO. 202731510 OF THE RECORDS OF SAID COUNTY, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF "ARROWHEAD ESTATES PLING NO. 1" AS DESCRIBED IN PLAT BOOK Y3 AT PAGE 39 OF THE RECORDS OF SAID COUNTY, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF LOT 13, OF SAID "ARROWHEAD ESTATES PLING NO. 1"

THENCE S 00 DEGREES 46 MINUTES 12 SECONDS W, 197.28 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED;

THENCE CONTINUE S 00 DEGREES 46 MINUTES 12 SECONDS W, 988.14 FEET;

THENCE S 88 DEGREES 00 MINUTES 46 SECONDS W, 327.52 FEET;

THENCE S 00 DEGREES 25 MINUTES 05 SECONDS W, 881.17 FEET;

THENCE N 89 DEGREES 59 MINUTES 43 SECONDS W, 430.45 FEET;

THENCE N 00 DEGREES 14 MINUTES 15 SECONDS E, 1475.39 FEET;

THENCE N 50 DEGREES 05 MINUTES 41 SECONDS E, 125.34 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE BEING CONCORD TO THE NORTHWEST, HAVING A CHORD BEARING AND DISTANCE OF N 48 DEGREES 13 MINUTES 15 SECONDS E, 178.19 FEET, A CENTRAL ANGLE OF 1 DEGREE 45 MINUTES 37 SECONDS, A RADIUS OF 5800 FEET, FOR AN ARCH DISTANCE OF 178.20 FEET;

THENCE S 41 DEGREES 58 MINUTES 50 SECONDS E, 798.01 FEET TO THE POINT OF BEGINNING.



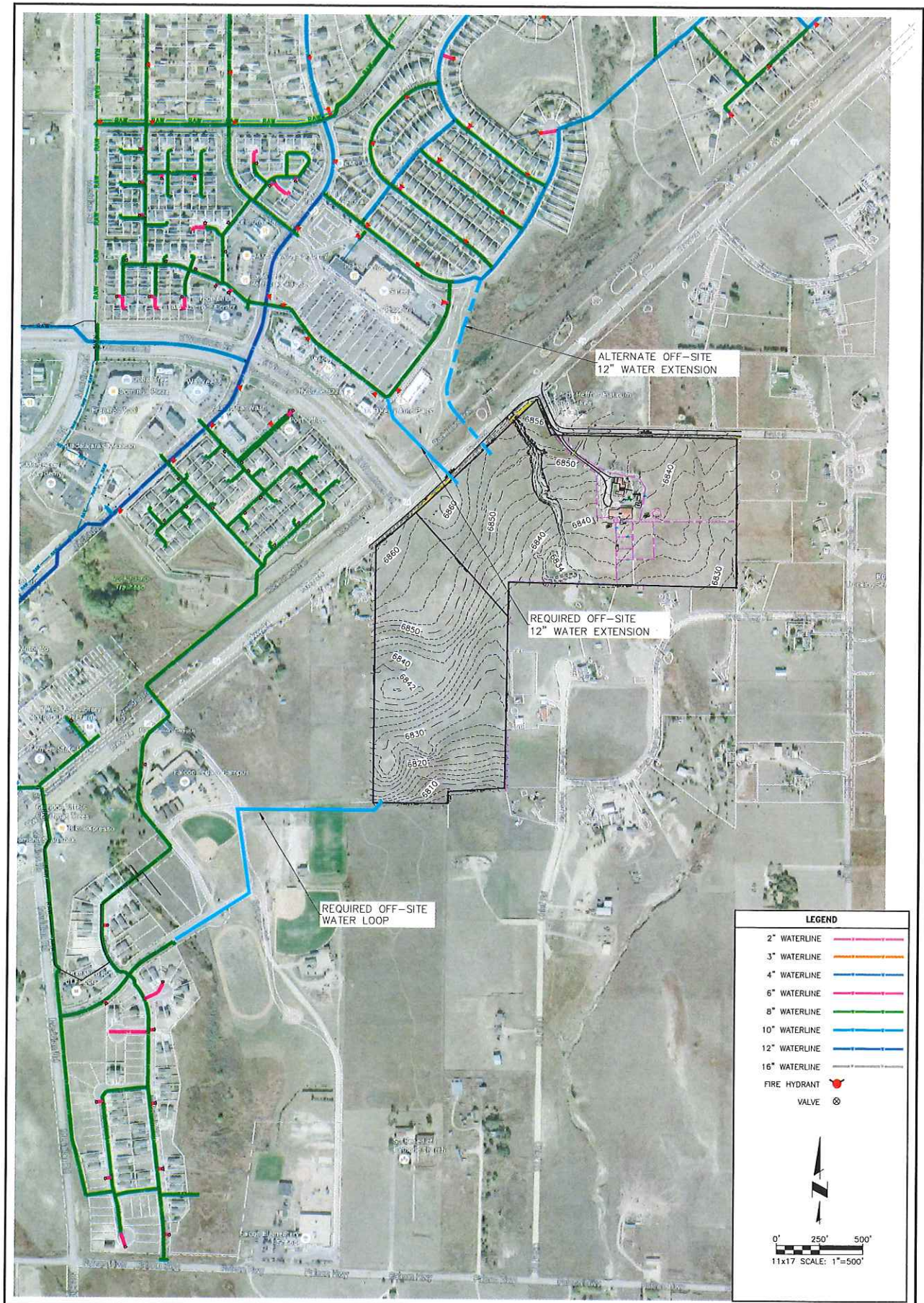
NO.	DESCRIPTION	BY	APP.	DATE
1				
2				
3				
4				
5				
6				
7				

Project No. 112.03
Date: 03/05/19
Drawn: JIM
Checked: GJS
Checked: JIM

WOODMAN HILLS METROPOLITAN DISTRICT
FALCON FIELD
EXHIBIT A TO INCLUSION AGREEMENT


JDS-HYDRO CONSULTANTS, INC.
 5540 TECH CENTER DR., SUITE 100
 COLORADO SPRINGS, COLORADO 80919
 (719) 227-0072

EXHIBIT B
(Off-Site Facilities)



LEGEND

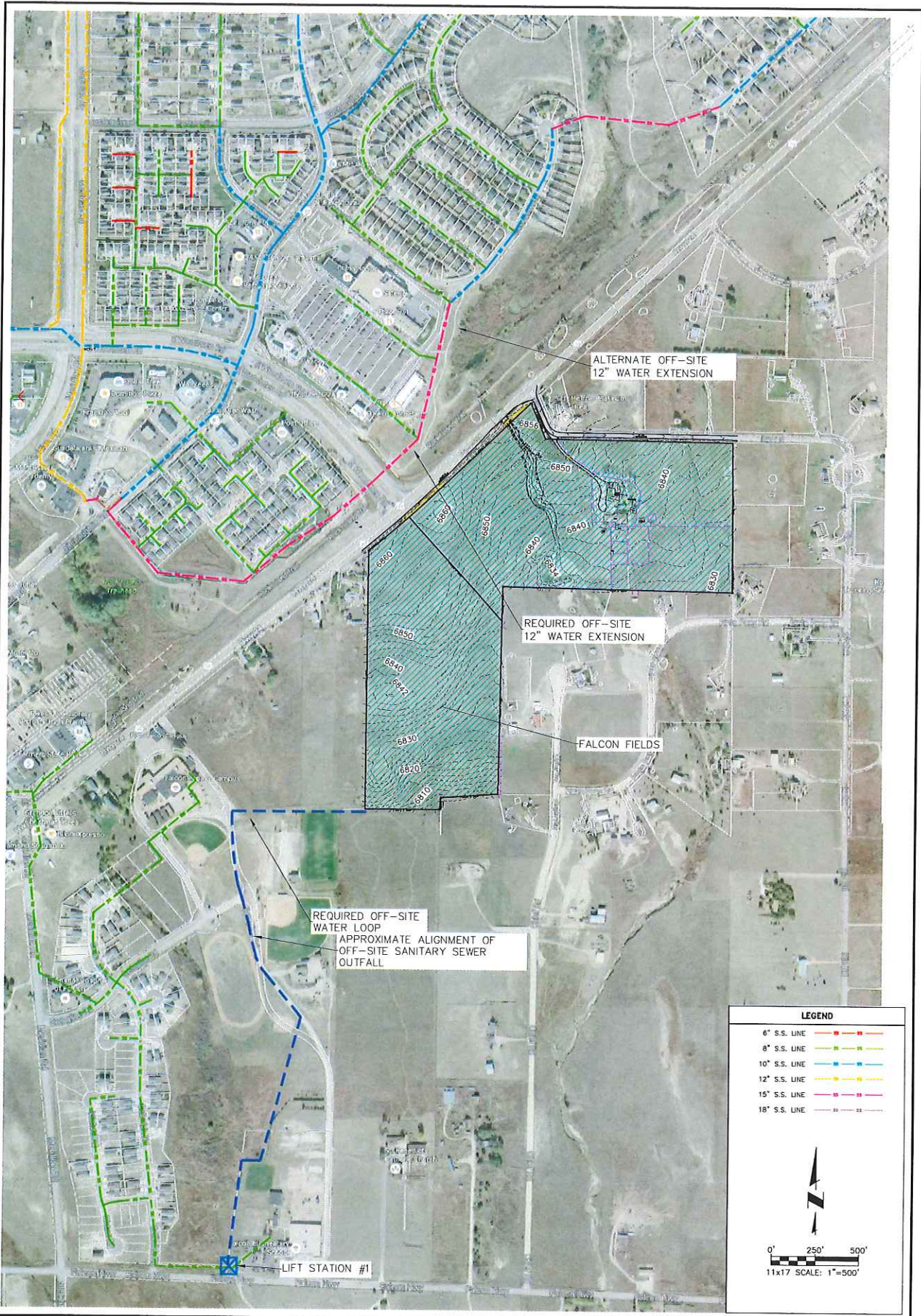
- 2" WATERLINE —
- 3" WATERLINE —
- 4" WATERLINE —
- 6" WATERLINE —
- 8" WATERLINE —
- 10" WATERLINE —
- 12" WATERLINE —
- 16" WATERLINE —
- FIRE HYDRANT ●
- VALVE ⊗


 0' 250' 500'
 11x17 SCALE: 1"=500'

Project No: 1121.03
Scale: AS NOTED
Date: 10/24/18
Design: RHM
Drawn: TLM
Checked: JHM
Revised:

EXHIBIT B-1
OFF-SITE WATER IMPROVEMENTS
 FALCON FIELD

JDS-HYDRO CONSULTANTS, INC.
 545 EAST PIKES PEAK AVENUE, SUITE 300
 COLORADO SPRINGS, COLORADO 80903
 (719) 227-0072



LEGEND

- 6" S.S. LINE
- 8" S.S. LINE
- 10" S.S. LINE
- 12" S.S. LINE
- 15" S.S. LINE
- 18" S.S. LINE

0' 250' 500'

11x17 SCALE: 1"=500'

Project No. 112.103
Scale AS NOTED
Date 10/19/18
Design: SMM
Drawn: LJA
Checked: JPM
Reviewed:

EXHIBIT B-2
OFF-SITE SEWER IMPROVEMENTS
 FALCON FIELD

JDS-HYDRO CONSULTANTS, INC.
 545 EAST PIKES PEAK AVENUE, SUITE 300
 COLORADO SPRINGS, COLORADO 80903
 (719) 227-0072

RESOLUTION NO. 07-272
EXHIBIT A
SPECIAL DISTRICT POLICIES

I. PURPOSE, INTENT AND APPLICATION

- A. Purpose.** The purpose of these policies is to provide a framework for the evaluation of applications for new, amended and updated special district service plans as authorized by C.R.S. Title 32 and which are under the jurisdiction of the El Paso County Board of County Commissioners.
- B. Intent.** It is the intent that applications for new and revised service plans should be drafted to both address and be consistent with these policies. However, the applicant(s) for a proposed district or districts, or amendment to any existing service plan shall have the right to seek relief or modification from any of these stated policies, based on proper justification, to the extent allowable by law. The County, for its part, maintains its discretion to apply additional evaluation criteria, policies and limitations to the formation of new and revised districts, as the County may deem applicable.
- C. Model Service Plans.** New service plans and any major amendments thereof shall adhere to the applicable Model Service Plan formats as further addressed in Resolution No. 07-273 (June 25, 2007) as may be amended. The purposes of the model plan approach include standardizing the organization of information, and inclusion of standard language and limitations consistent with current Board policy. Additionally, this approach is intended to focus on variations from standard language and/or policy. The appropriate Model Service Plan template (i.e. Single District, Multiple District, and Master District) should be utilized and then modified as appropriate to address the particular needs and circumstances associated with a given application. Title 32 Special Districts which are not metropolitan districts should adhere to the Model Service Plan template to the extent possible.
- D. Required Hearings.** Prior to a hearing of the Board of County Commissioners, all service plans for new Title 32 Special Districts and Major Amendments thereof shall first be considered at a hearing of the Planning Commission in accordance with Colorado Revised Statutes and as further described in the El Paso County Land Development Code and its accompanying Procedures Manual. Any request

for a service plan amendment which does not meet the definition of a Major Amendment does not require a hearing by the Planning Commission unless a need for this hearing is specifically determined by the Development Services Department Director. The above policy is intended to apply retroactively to any previously approved Service Plans which may have had conditions requiring all requests for Material Modifications to first be heard by the Planning Commission.

E. Special Justification. Certain matters shall be specifically and comprehensively justified based on the unique needs and circumstances associated with the particular Service Plan application. Matters requiring special justification include but are not necessarily limited to the following, as further addressed in these policies:

1. Use of Master Districts;
2. Authorization of mill levy caps in excess of the caps as set forth in Section III.F;
3. Specific authorization of special purpose mill levy caps which have the effect of increasing the Maximum Combined Mill Levy Cap above 60 (sixty) mills as set forth in Section III.F.5 and 6;
3. Processing of service plans prior to approval of underlying land use approvals as set forth in Section III.I.;
4. Use of a district or districts for covenant enforcement in lieu of Homeowners Associations (HOAs), where a Master District arrangement is proposed and/or where the district or districts are not otherwise being used to provide ongoing services.

F. Procedures. The detailed procedures governing the application process for new and amended service plans shall be maintained by the Development Services Director in a Procedures Manual (to be subsequently adopted by the BoCC and as may be amended).

II. BACKGROUND

A. History. Prior to 2007, El Paso County followed Special District policies which were initially adopted on September 2, 2004, and subsequently amended on September 22, 2005, and on December 28, 2006 to address limited changes. El Paso County has processed approximately 40 new and amended Service Plan Applications between 2000 and mid- 2007, involving about 70 separate districts. During this period, policy issues have continued to evolve. In October of 2006

the Board of County Commissioners directed the Long Range Planning Division Staff to review the County's existing policy language for additional updates and pursue the adoption of a Model Service Plan approach.

- B. Formation of Special District Task Force.** Since the County recognizes the value Special Districts provide in developing community infrastructure and services, a Special District Task Force was formed in early 2007, comprised of special district attorneys and managers, members of the development community, El Paso County Administration and Commissioners, and citizen representatives.
- C. Objectives of Special District Task Force.** The initial, 2006 objectives of the Task Force were (1) to recommend an updated Annual Report form; and (2) make a policy recommendation pertaining to developer advances. Additional objectives for 2007 included revising existing County policy and preparation of Model Service Plans. It was contemplated the Task Force may also be utilized to provide beneficial input regarding potential future legislative and technological changes. The importance of using the County Web site as a vehicle for communication and disclosure was also agreed upon.
- D. Outcome of Special District Task Force.** An updated Annual Report Form was prepared to include a single combined Annual Report and Disclosure form, approved by the Board of County Commissioners on December 18, 2006. County staff worked together to reference this document on the Assessor's tax bill and allow for internet availability. The developer funding agreement policy was proposed and approved by the Board of County Commissioners on December 28, 2006. Special District Model Service Plans and revised Policies were approved by the Board of County Commissioners on June 25, 2007.

III. OVERALL SERVICE PLAN POLICIES

- A. Conformity.** All proposed service plans shall be evaluated by both the applicant and County staff for conformity with the applicable standards contained in C.R.S. 32-1-203. Evaluation shall consist of more than a simple listing of the standards and/or statement that the service plan complies.
- B. Consistency.** All proposed service plans shall also be evaluated by the County for consistency with applicable elements of the El Paso County Master Plan, and with respect to these Special District Policies.

- C. Applicable Statutes and El Paso County Preferences.** It shall be the responsibility of the applicant to assure that service plans are drafted to meet all of the minimum requirements contained in C.R.S. Title 32, specifically including C.R.S. 32-1-202 (2) as well as all other applicable State requirements.
1. Districts which include water supply as one of their purposes shall be strongly encouraged to join the El Paso County Water Authority upon formation.
 2. The preference of El Paso County is for the formation of conventional districts which accord full electoral representation to residents and property owners within the district(s) and/or service area(s).
- D. Application and Schedule.** Although the County will endeavor to be reasonably flexible in accommodating the scheduling needs of special district applicants, it is the ultimate responsibility of the applicants to allow sufficient time to meet the County's procedural guidelines and requirements for application processing.
- E. Review.** Service plans shall be drafted and processed in a manner that allows for coordination and input of all affected elected officials and County departments and other external agencies, specifically including the Clerk and Recorder, the Assessor and the Treasurer.
- F. Mill Levy Caps**
1. All proposed districts that rely significantly on future development to meet financing projections shall include mill levy caps as part of their service plans. To the extent permitted by law, such caps may be lifted once the district achieves the ratios of assessed valuation to debt and other requirements which would allow these caps to be removed. However, actual removal of a Board-imposed mill levy cap is subject to approval of the Board of County Commissioners at the time the cap is proposed to be removed. Removal of mill levy caps should be supported by justifications including, but not limited to, data establishing ratios of assessed valuation to debt that meet statutory criteria for the issuance of bonds without a mill levy cap, and enhancement of a district's ability to refinance debt at a more favorable rate (if proposed in connection with a refunding of debt).
 2. The Maximum Debt Service Mill Levy Cap for Full Service Districts shall normally be 50 (fifty) mills, subject to Gallagher adjustment as permitted by law. Debt Service Caps for Limited Service Districts should be

correspondingly lower based generally on the proportion of services and facilities the district will be providing compared with a Full Service District.

3. A Maximum Operational Mill Levy Caps of up to 10 (ten) mills shall be allowed if supported by the Service Plan and accompanying Development and Financial analyses. Unless a special district has been “de-TABORED” with respect to its operational mill levy, the Maximum Operational Mill Levy Cap shall not subject to Gallagher adjustment.
4. All service plans for metropolitan districts shall specify a Maximum Combined Mill Levy cap. Unless otherwise provided for and justified below, the Maximum Combined Mill Levy shall be 60 (sixty) mills
5. If justified and fully documented by supporting information, an increase in the Maximum Operational, Debt Service and/or Maximum Combined Mill Levy Caps to allow up to 15 (fifteen) additional mills may be specifically authorized for the purpose of funding ongoing fire protection services where either the District itself will be providing these services or the District(s) propose to contract with another district to provide these services. Such additional mill levy caps shall only be allowed in cases where the property within the proposed district is not presently included in an organized fire protection district.
6. If justified and fully documented by supporting information, an increase in the Maximum Combined Mill Levy Caps of up to 5 (five) additional mills may be specifically authorized as a Special Purpose Mill Levy for the purpose of funding ongoing covenant enforcement and/or maintenance of common facilities in the absence of a Homeowners Association, or if such covenant enforcement, in the alternative, is to be undertaken by the District.
7. In cases where districts are subject to a mill levy cap and will be relying significantly on future development to meet financing projections, notice shall be provided in the service plan or its approval to the effect that repayment periods for bonds and/or other district obligations are subject to extension in the event revenues come in at a rate lower than anticipated.

G. Disclosure, Notice and Annual Reports

1. It is the policy of El Paso County to further and encourage full, balanced, clear, convenient and constructive disclosure of special district information to all potentially effected parties especially including existing and potential future residential property owners.
2. Notice and disclosure should specifically address topics including but not necessarily limited to unique representational issues (e.g. master districts), dissemination of contact and basic financial information to property owners, and apprising tax and rate payers of their potential maximum financial risk and exposure associated with owning property in the district(s)
3. All districts shall file an Annual Report and Disclosure form in accordance with Resolution 06-472, as may be amended.

H. Non-Proliferation and Need for Districts. Notwithstanding the many factors which may create a justification to form one or more new and independent special district(s), it is the policy of the County to discourage the unnecessary proliferation of additional districts in the County.

1. All proposals for new districts shall clearly and comprehensively justify their need compared with alternatives including using existing districts or non-special district options.
2. Plans for new districts shall be designed and implemented to allow reasonable options for inclusion of additional property; thereby reducing the necessity of creating additional districts in the future.
3. Although the County supports the reasonable and judicious inclusion of additional territory by existing and proposed new districts, conditions should be placed on new and revised service plans to limit the potential for inclusion of remote properties unless these actions were anticipated in the original service plan.
4. Service Plans should be written with contingences that contemplate eventual annexation of territory by a municipality, in cases where this is a significant possibility.

I. Land Use Approvals. Applicants for developer-initiated districts are encouraged to obtain Underlying Land Use Approvals prior to, or at a minimum, in conjunction with service plan application. In those cases where an applicant desires to process a service plan prior to final action on underlying land use approvals, the

burden shall be on the applicant to justify the necessity of this timing, sufficient conditions shall be placed on the service plan to address potential subsequent denial or modification of the land use applications, and notations shall be added making it clear that the County has no obligation whatsoever to approve subsequent land use applications in cases where applicants may chose to process service plans in advance of obtaining underlying land use approvals.

J. Fees. Within the limits of State Statutes, it is the policy of the County to establish and charge fees commensurate with the actual cost of processing and reviewing of new and amended service plans. Such fees are established by separate Board resolution, and may be waived or reduced by the Board of County Commissioners either in advance of or in conjunction with the hearing on a given service plan. Justifications for fee waiver or reduction include, but are not limited to:

1. County-initiated or partnered service plans.
2. Reduced fee based on limited non-controversial modification to an existing Service Plan.
3. Processing of service plans for volunteer initiatives and/or for districts with limited proposed indebtedness and revenue generation.

IV. SERVICE PLAN REQUIREMENTS & PROCEDURES

A. Development and Financial Analysis. A development analysis shall be required prior to formation or full authorization of all proposed districts which rely significantly on future development to meet financial projections

1. At a minimum, the development analysis shall include a summary of the anticipated development within the district described by applicable category and with development absorption projected throughout the applicable forecast period.
2. A summary financial analysis shall be provided to correspond with the development analysis. This financial analysis shall include, a first year revenue budget, a summary of projected revenues, expenditures, and proposed debt issuances over the forecast period, and at a minimum shall address the requirements of C.R.S. 32-1-202 (2) (b) and (f).
3. The development analysis and financial plan shall address the “most probable” market absorption assumptions at a minimum, but shall also specifically address contingencies in the event initial development is

significantly delayed and/or market absorption occurs at significantly lower rates than anticipated.

4. Service Plans for newly developing areas shall specifically address the potential vulnerability of the development forecasts to short-term market downturns at the beginning of the forecast period.

B. Eligible Improvements.

1. It is the policy of the County to encourage the use of financing districts for Regional Public Improvements which provide a benefit to a significant share of residents and businesses within a larger development and/ or to areas outside the development.
2. Special districts may be authorized to fund Local Public Improvements, where a need is demonstrated, and if a plan for this financing can be justified in the Service Plan.
3. Districts shall not be authorized to finance non-public improvements, nor shall district facilities be used for non-public purposes without proper remuneration to the district(s).
4. In cases where districts are used to finance Local Public Improvements which are tied to the subdivision process, any Service plans and/or subdivision agreements shall be structured in order to prevent a loss of sales tax revenue from sales of construction materials which would otherwise accrue to the County or other local government taxing entities.

C. Acquisitions and Eminent Domain

1. The policy of the County is to generally discourage the use of districts as a mechanism to reimburse developers for the cost of facilities or other costs already committed to a land development project unless such reimbursement was contemplated in previous County approvals.
2. The contemplated use of eminent domain and/or dominant eminent domain should be addressed in the service plan with reasonable limits placed on thereon, based on the intended use of the district(s). Such limits may include the requirement for express prior approval of the Board for any purposes not explicitly identified in the service plan.
3. In no case shall the authorized eminent or dominant eminent domain powers of the district(s) be used to acquire land or other assets for the purpose of private economic development of such property, where such

acquisition is not clearly necessary to support the essential facility and service provision purposes of the districts (s).

4. Pursuant to Colorado Revised Statutes, districts shall not be authorized to acquire water rights by condemnation.

D. Authorization of Debt and Issuance of Bonds

1. Districts shall be encouraged to prudently phase the issuance of debt, especially in situations where future development will be substantially relied upon for to generate revenue to pay such debt.
2. The pre-authorization of debt shall be reasonably limited.
3. In cases where there will be a Master District arrangement, consideration may be given to limitations which require prior Board of County Commissioners approval for re-authorization of debt if and when the original authorization expires.
4. Districts shall evaluate their proposed mill levy and debt in relationship to the current and potential future combined mill levies and debt which may be levied by all overlapping and eligible taxing entities for the affected area.
5. Where applicable and appropriate, districts are encouraged to rely on a combination of property taxes, fees and charges both to diversify their revenue sources and to reduce some of the repayment impact on future property owners, particularly in the case where the district(s) will be used to fund Local Public Improvements.
6. Districts are encouraged to limit the term of bond issuances to the shortest time period that is reasonable and practical. The term of each individual bond issue should be limited to thirty (30) years or less unless specific justification for a longer duration is provided.
7. In cases where developers or other directly interested parties may be purchasing developer-held bonds, an opinion letter from an external financial advisor shall be provided to ensure that interest rates for these bonds are competitive as compared with bonds sold on the open market.
8. Districts shall not be authorized to directly accept sales or use tax revenues (i.e. from tax increment financing arrangements) without express prior approval of the Board).

- E. Developer Funding Agreements.** Districts shall be allowed to prudently use developer funding agreements and/or capitalized interest as a means of compensating for delays in receipt of property tax and other revenues in newly developing districts.
1. The proposed and potential use of Developer Funding Agreements shall be addressed as part of the Service Plan for new districts and Major Amendments, as well as for other non-Major Amendments if this topic is deemed by the Development Services Director to be pertinent to the amendment.
 2. To the extent Developer Funding Agreements are included in an approved Service Plan (or any amendment thereof), such Agreements may provide for the earning of simple interest thereon, but under no circumstances shall any such Agreement permit the compounding of interest. The Service Plan may permit an interest rate that does not exceed the prime interest rate plus two points thereon
 3. Unless specifically addressed in the original Service Plan or a Board of County Commissioners-approved amendment of the Service Plan, the maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the Special District becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the Special District (including privately placed bonds). Any extension of such term must be approved by the Board.
 4. Required disclosure notices shall clearly identify the potential for a Special District to enter into obligations associated with Developer Funding Agreements.

F. Multiple Districts.

1. Multiple District Service Plans shall include the following:
 - a. Provide justification that the total number of proposed districts is the minimum necessary to effectively manage the infrastructure and operational needs of the service area.

- b. Clearly and comprehensively address the relationships among separate districts, including proposed intergovernmental agreements and contingencies for potential dissolution or combination.
 - c. Clearly address intent to fairly and equitably distribute costs and benefits among separate districts.
2. If justified in the Service plan(s) the Board may consider Multiple District concepts for the following purposes:
 - a. Accommodating the phasing of infrastructure financing for distinct major phases of a larger land development project
 - b. Allowing for differential mill levies between non-residential and residential areas within a larger project for the purposes of addressing the impact of the Gallagher Amendment.

G. Master Districts. Service plans which contemplate Master District concepts shall provide justification that the total number of proposed districts is the minimum necessary to effectively manage the infrastructure and operational needs of the service area. Master District approvals shall be allowed subject to specific justification of the unique need for these limited representation arrangements.

1. The preference of El Paso County is for the formation of conventional districts that accord full electoral representation to residents and property owners within the district(s) and/or service area(s).
2. Service Plans that contemplate Master District concepts shall provide justification that the total number of proposed districts is the minimum necessary to effectively manage the infrastructure and operational needs of the service area.
3. In cases where one or more Master Districts will provide services or facilities to a larger defined service area, the applicants for the district shall use reasonable means (including mailings and/or informational meeting) to inform existing property owners of the proposed district arrangement.
4. Board of County Commissioners appointed Citizen Advisory Councils (CACs) should be actively considered as a means to allow a more formal role in the affairs of the Controlling Board of Directors, including, where appropriate, consideration of establishing the Chair of the CAC as either

an ex-officio or formal voting member of the Controlling Board of Directors.

5. If not initially required as a condition of Service Plan approval, and if so provided as part of such approval, at any time during the existence of the Controlling Board of Directors, the Board of County Commissioners, either on its own initiative or in response to citizen input, may exercise their prerogative to require the creation a Citizen Advisory Council (CAC) if it is determined to be in the best interest of the County, and/or the property owners within the service area. The Board may establish the Chair of the CAC as either an *ex-officio* or formal voting member of the Controlling Board of Directors.
6. Other than responsibility for the appointment process, the Controlling Board of Directors shall have responsibility for support of any CACs, which may be required.
7. In the event of insufficient interest in CAC membership, appropriate justification presented by the Controlling District Board of Directors, or for any other reason, the Board of County Commissioners, at its sole discretion, shall have the right to eliminate a prior requirement for a CAC.
8. Service plans which contemplate Master District arrangements shall include provisions to accommodate a transition back to a conventional district once the area served by the district(s) is fully developed.

H. Covenant Enforcement and Homeowner's Association Functions.

1. Any intent or reserved option to use the proposed District(s) for Homeowners Association (HOA) functions, including covenant enforcement or common area maintenance should be clearly described in the Service Plan. Such description should specify whether there is intent to use the District(s) in lieu of one or more HOAs or to contract with HOA(s) for provision of certain services.
2. Use of district(s) for ongoing covenant enforcement purposes should be specifically discouraged if there are expected to be no other ongoing needs for the perpetual existence of the District(s).

I. Service Plan Amendments & Material Modifications.

1. The Board of County Commissioners reserves the discretion to impose review standards and hearing requirements as deemed appropriate and

necessary for any application for amendment of an existing Service Plan, as otherwise allowed under State Statute.

2. In cases where one or more Major Amendments are proposed to be made to an existing Service Plan, a revised Service Plan submittal shall be required with hearings to be scheduled before both the Planning Commission and the Board of County Commissioners consistent with the review of a Service Plan for a new district, except where these procedures may be clearly inapplicable. Final action on a Major Amendment shall consist of approval of the new Service Plan which will have the effect of replacing the previous one, and any conditions or notations which may have been imposed on that plan by the Board of County Commissioners.
3. In cases where one or more Minor Amendments are proposed to be made to an existing Service Plan, the submittal shall not normally require a complete new Service Plan, but only those materials necessary to support and justify the amendment as determined by the Development Services Department Director in consultation with the County Attorney's Office. The hearing or hearings addressing Minor Amendments shall be scheduled directly before the Board of County Commissioners. Final action on a Minor Amendment shall consist of approval of a resolution specifically amending the language included in the existing Service Plan or the conditions or notations imposed on that plan by the Board of County Commissioners.
4. Material Modifications may be processed as either Major or Minor Amendments at the discretion of the Development Services Department Director in consultation with the County Attorney's Office.
5. Administrative amendments to approved Service Plans shall only be approved administratively (by the Development Services Department Director in consultation with the County Attorney's Office) in those cases where this authority is expressly delegated by the Board of County Commissioners.
6. Determinations as to the use and applicability of the Major or Minor Amendment process, as outlined above, shall be made by the Development Services Department Director for all Service Plans

approved prior to the date of adoption of these policies, based on a determination of the need for and appropriateness of the Minor versus Major Amendment processes.

7. Any administrative decisions concerning IV. J. 2-6 above may be appealed to the Board of County Commissioners pursuant to applicable procedures as outlined in the El Paso County Land Development Code, or as otherwise provided for in State Statute.

V. **DEFINITIONS**

The following terms are defined specifically and solely for use in conjunction with these El Paso County Special District Policies. The definitions may or may not completely correspond with definitions in State Statutes, the El Paso County Land Development Code, or other relevant documents:

- Board – The Board of County Commissioners of El Paso County, unless otherwise specified
- Citizens Advisory Council (CAC) – A five (5) member advisory board appointed by the Board of County Commissioners for the purpose of providing input to the Commissioners and to the Controlling Board(s) in the case of Master District arrangements.
- Complete Service Plan – A complete service plan filed in accordance with C.R.S. Title 32 and County requirements and these Policies, and specifically including a complete financial plan as well as a market study, if applicable
- Controlling Board of Directors – The board or boards of directors of that have the ability to directly influence the major financial decisions of a district or combination of related districts.
- Conventional Representative District – One or more Title 32 special districts, each of which is structured to allow all residents and property owners to participate in elections for the Controlling Board(s) of Directors, as otherwise allowed by Statute.
- County – El Paso County, Colorado, as represented by its Board of County Commissioners.
- Developer Funding Agreement – An agreement of any kind executed between a Special District (“District”) and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the District from a Developer, where such an agreement creates an obligation of any kind which may require the District to re-pay the Developer. The term “Developer” means any person or entity (including but not limited to corporations, venture partners,

proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property greater than or equal to ten percent (10%) of all real property located within the boundaries of the District. The term “Developer Funding Agreement” shall not extend to any such obligation listed above if such obligation has been converted to any bonds issued by the District to evidence the obligation to repay such Developer Funding Agreement, including the purchase of these bonds by a Developer.

- District(s) – Any district or districts duly organized or contemplated to be organized under C.R.S. Title 32.
- Dominant Eminent Domain – Condemnation action undertaken by one governmental entity with respect to property owned by another governmental entity.
- External Financial Advisor – A consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place; and (iii) is not an officer or employee of the District for which External Advisor Services are being rendered, and (iv) has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.
- Full Service District – A 32 district which may be a metropolitan district and which provides a substantially full range of facilities and services to normally include central water and sewer, along with a combination of other purposes which may include road improvements, parks and recreation, and drainage. A Full Service District may contract or otherwise arrange with other entities to provide some of these facilities and services.
- Gallagher Adjustment – An allowed adjustment to the Maximum Debt Service Mill Levy, Maximum Operational Mill Levy, or Maximum Special Mill Levy intended to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the applicable District that would cause a reduction in the revenue otherwise produced from such Maximums based on the ratio between market value and assessed value as of January 1 in the year in which the applicable District’s organizational election is held.
- Limited Service District – A Title 32 district that may be a metropolitan district and which provides a more limited range of facilities, services or purposes than a Full Service

District, such that either other entities or the individual property owner are responsible for providing a significant share of the facility and service needs of the development.

- Local Public Improvements – Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.
- Major Amendment – An amendment to an existing approved Service Plan which is considered substantial enough to warrant the submittal of a revised Service Plan and the requirement for hearings by both the Planning Commission and the Board of County Commissioners, as determined by the Development Services Department Director in consultation with the County Attorney's Office. Such Amendments specifically include but are not limited to those amendments which are expressly stipulated as being Major Amendments, either in the text of the existing Service Plan or in the conditions or notations attached to its approval.
- Material Modification – Any variance or deviation from an existing approved Service Plan which meets the definition of this term as it is defined in C.R.S. 32-1-207 (2) and/or any other variance or deviation which is specifically identified as a Material Modification either in the text of the existing approved Service Plan or the conditions or notations attached to its approval. The procedure for Board of County Commissioners approval of Material Modifications may involve either a Minor or a Major Amendment as addressed in these policies.
- Master District – Any arrangement of districts with the intent of using one or more small directors parcels for the purpose of retaining control of the key financial decisions of the districts such that the majority of future property owners who will receive facilities and/or services of the district(s) will not be eligible to participate in the election of the Controlling Board of Directors.
- Maximum Debt Service Mill Levy Cap – The maximum Gallagher-adjusted ad valorem mill levy the district, or combination of districts which are part of a consolidated service plan, may certify against any property within the district(s) for the purpose of servicing any debt incurred by or on behalf of the districts (s).
- Maximum Operational Mill Levy Cap – The maximum Gallagher-adjusted ad valorem mill levy the district, or combination of districts which are part of a consolidated service

plan, may certify against any property within the district(s) for the purposes providing revenues for ongoing services, administration or any other allowable activities other than the servicing of debt.

- Maximum Combined Mill Levy Cap – The maximum combined Gallagher-adjusted ad valorem mill levy the district, or combination of districts which are part of a consolidated service plan, may certify against any property within the district(s) for any purposes.
- Minor Amendment – An amendment to an existing approved Service Plan which is not considered substantial enough to warrant the requirement for submittal of a complete revised Service Plan and the requirement for hearings by both the Planning Commission and the Board of County Commissioners, as determined by the Development Services Department Director in consultation with the County Attorney's Office. Such Amendments specifically include but are not limited to those amendments which are expressly stipulated as being Minor Amendments either in the text of the existing Service Plan or the conditions or notations attached to its approval.
- Model Service Plan – The applicable standardized format and content for a service plan as currently adopted by the Board of County Commissioners.
- Multiple Districts – Any combination of two (2) or more districts as part of a consolidated service plan for the purpose(s) of phasing the relinquishment of control by a developer-controlled board of directors and/or phasing the issuance of debt in accordance with a phased land use plan and/or accommodation of differential mill levies within the consolidated service area.
- Planning Commission – The El Paso County Planning Commission.
- Regional Public Improvements – Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.
- TABOR and deTABOR – “TABOR” is an acronym which refers to the Taxpayer Bill of Rights found in Article 10, Section 20 of the Colorado Constitution.
- Underlying Land Use Approvals – Any pre-existing approvals by the Board of County Commissioners of one or more sketch plans, generalized planned unit development (PUD) Plans, site-specific PUD plans, conventional rezonings, preliminary plans, final plats, or any combinations of the foregoing which are consistent with and support the development assumptions included in the Service Plan.