

**Allison Valley Metropolitan District #1
c/o Allison Valley Development Company, LLC
1755 Telstar Drive, Suite 211
Colorado Springs, CO 80920**

December 15, 2016

City of Colorado Springs
City Clerk's Office
PO Box 1575
30 S. Nevada Avenue, Suite 101
Colorado Springs, CO 80903

Re: Allison Valley Metropolitan District #1 – Issuance of Debt Instrument

To Whom it May Concern;

This letter shall serve as Allison Valley Metropolitan District #1's ("District") request to the Colorado Springs City Council for approval of its initial debt financing for public improvements within its district boundaries. Per Section V.A. 10 Total Debt Issuance Limitation, of the Amended and Restated Consolidated Service Plan for Allison Valley Metropolitan District No. 1 & Allison Valley Metropolitan District No. 2, approved by City of Colorado Springs Resolution 87-15, on September 8, 2015, the issuance of all bonds or other debt instruments of the District shall be subject to the approval of the City Council. It is the intent of the District to obtain the City Council's review and approval of the proposed debt instrument to ensure compliance with the Service Plan and all applicable laws.

This initial financing is proposed to be in the amount of \$16,500,000 and the funds will be utilized for public improvements associated with the phased construction costs necessary to provide services to its future residents and businesses. The attached information provides pertinent information about the terms and conditions of the financing, the proposed uses of the funds, and the forecast build-out of residential and commercial projects within the District.

The District appreciates the City Council's review of the enclosed information and will be available to discuss any questions or comments concerning this proposed financing at its convenience.

Sincerely,



Mike Ruebenson, Secretary-Treasurer
Allison Valley Metropolitan District #1

c. Carl F. Schueler, Comprehensive Planning Manager

Enclosures/Attachments:

Vectra Bank Term Sheet & Loan Agreement
RBC Capital Markets Financial Advisor Letter
District Build-out Forecast
District Initial Public Improvement Budget
District Bond Counsel Service Plan Compliance Letters
Draft Authorizing Resolutions