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November 16, 2021

VIA E-MAIL – CARL.SCHUELER@COLORADOSPRINGS.GOV

City of Colorado Springs
30 S. Nevada Avenue, Suite 105
Colorado Springs, CO 80901
Attention: Carl Schueler, AICP

Re: One Place Metropolitan District Nos. 1-3
Submittal of Consolidated Service Plan

Dear Mr. Schueler:

Our firm serves as legal counsel to 310 Cascade, LLC (“**310 Cascade**”), the petitioner for the proposed One Place Metropolitan District Nos. 1-3 (collectively, the “**Districts**”).

On behalf of 310 Cascade, we hereby submit for consideration by the City Council for the City of Colorado Springs (the “**City**”) the Consolidated Service Plan for One Place Metropolitan District Nos. 1-3 (the “**Service Plan**”). One Place Metropolitan District Nos. 1 and 3 are referred to herein as the “**Commercial Districts**,” and One Place Metropolitan District No. 2 is referred to herein as the “**Residential District**”

Contact information for the relevant parties is as follows:

Counsel for the Petitioners:

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Petitioner: 310 Cascade, LLC
Attn: Patrick Stephens
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patrick.stephens@ogcos.com

The project is generally located north of West Costilla Street, east of Sahwatch Street, south of Vermijo Avenue, south of Vermijo Avenue, and west of Cascade Avenue in the City of Colorado Springs. The total developable area of the Districts will be approximately 1.85 acres. The Residential District is anticipated to be developed with approximately 310 apartments. With an average of 2.5 people per unit, the community would consist of approximately 775 people. The Commercial Districts are anticipated to consist of approximately 150,000 square feet of rentable office space and ground floor retail.

The public improvements the Districts intend to finance and construct within the Project include but are not limited to water, sanitation, streets, transportation, safety protection, drainage, parks and recreation, mosquito control, fire protection, television relay and translation, security services, and solid waste disposal (“**Public Improvements**”).

In order to finance the Public Improvements and operations and maintenance costs, the Residential District will be authorized to impose a combined mill levy cap of no more than 40.000 mills and Commercial Districts will be authorized to impose a combined mill levy cap of no more than 60.000 mills, both subject to adjustment, in accordance with the Service Plan.

Below is a summary of justifications for the Districts’ formation and an explanation of how the Service Plan meets the statutory criteria set forth in Section 32-1-203(2), C.R.S.

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

The Districts’ purposes are to construct, finance, operate and maintain certain public facilities and improvements. The creation of the Districts will ensure the costs of the Public Improvements are shared by the property owners and taxpayers directly benefitting from such Public Improvements. The Districts will finance the Public Infrastructure construction through municipal bond market, which allows the District to achieve reduced borrowing costs and shift a portion of the Public Improvement costs from the non-tax deductible sale price of the property to a bond that is paid off through tax deductible property tax payments over a period of thirty (30) or forty (40) years.

A. The existing services in the area to be served by the proposed Districts are inadequate for present and projected needs.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts 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. This project brings with it significant improvements to infrastructure that will benefit the future inhabitants and taxpayers of the Districts and the City, including approximately 650 parking spaces, outdoor amenity space and other improvements.

B. The proposed Districts are capable of providing economical and sufficient service to the area within its proposed boundaries.

The formation of the Districts will allow the public facilities and improvements to be constructed in a timely manner and at reduced borrowing costs. The Districts have public financing tools available to them that will lower the costs of construction of the facilities and improvements.

C. The areas to be included in the proposed Districts have, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

As noted in the Service Plan, the estimated cost of the Public Improvements to be constructed is approximately \$35,019,775. The Districts intend to finance the proposed facilities, improvements, and services through the issuance of tax-exempt bonds, to be repaid from *ad valorem* property taxes and fees.

The maximum debt authorization is based on financing projections prepared by Piper Sandler and is proposed to be \$47,000,000. The proposed debt capacity is sufficient to cover the costs of the expected infrastructure improvements and the financing projections demonstrate that this debt can be supported by the development of the project.

Enclosed with this letter is a copy of the Service Plan and a redlined comparison of the Service Plan with the Colorado Springs Model Multi-District Service Plan. A check for \$1,100.00 made out to the "City of Colorado Springs" will be provided separately by 310 Cascade.

If you have any questions or concerns regarding this submittal or need any additional information, please let me know.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



William P. Ankele, Jr.
Shareholder

Enclosure