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July 29, 2022

VIA E-MAIL

City Clerk's Office
P.O. Box 1575
30 S. Nevada Ave., Suite 101
Colorado Springs, Colorado 80901
Cityclerk@coloradosprings.gov

Re: Transmittal Letter - (Proposed) Kettle Creek North Metropolitan District Nos. 1 - 4

Dear City Clerk:

This firm serves as legal counsel to Jovenchi-I, LLC, ("Petitioner"). On behalf of the Petitioner, enclosed are the formal submittal materials for the (Proposed) Kettle Creek North Metropolitan District Nos. 1 - 4 (the "Districts") pursuant to the "Special District Act," Section 32-1-101, et seq., of the Colorado Revised Statutes. The enclosed Service Plan for the Districts utilizes the most recent draft of the City's new model service plan as the template. We will make revisions to the Service Plan as necessary to conform to the City Council's final approved model service plan. A check in the amount of \$1,100 for the District application fee will be delivered to your office.

The anticipated development consists of approximately 307.5 acres of land located near the intersection of Interquest Parkway and North Powers Boulevard (the "Project"). The Project will contain both residential and commercial uses. Ultimately, it is anticipated that the commercial portion of the Project will be located within the boundaries of District Nos. 1 & 2 and the residential portion of the Project will be located within the boundaries of District Nos. 3 & 4. The Project will require substantial investment in project infrastructure, including but not limited to sanitary sewer, water, storm sewer, roadway and street, traffic and safety control, signage, and landscaping improvements and facilities. The Districts will provide a mechanism to ensure that certain project infrastructure is constructed and maintained at a level commensurate with other first-class residential and commercial development located within the City of Colorado Springs. The Petitioner requests the City Council approve the proposed Service Plan in order to allow for the Project infrastructure to be eligible for tax-exempt financing.

The Service Plan establishes the four criteria required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, as well as the five additional discretionary factors pursuant to Section 32-1-203(2), C.R.S. Below is a summary of how the proposed formation of the Districts and the Service Plan meet the criteria.

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

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The purpose of the Districts is to finance and construct certain public improvements and to provide other additional services necessary to support the Project. The proposed improvements and services are not available to the community through the City or other existing quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis.

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

The proposed improvements and services are not and will not be available to the Project through the City or other existing quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis.

- C. The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries.

The formation of the Districts will ensure that the public improvements and other services are sufficient and constructed within a reasonable period of time for the benefit of the property owners, residents, and taxpayers located in the community. In addition, the public financing tools available to the Districts will help lower the costs of constructing the public improvements and facilities.

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

The estimated costs of the public improvements and facilities to be constructed, installed, and/or acquired by the Districts are set forth in the Service Plan. The Districts will be limited to issuing debt within the confines of the Service Plan and will be limited to the amount the Districts can reasonably pay from the revenue derived from the debt service mill levy and other legally available revenue.

Petitioner requests that the proposed Service Plan be presented to the City Council for consideration and further action at the next available meeting. Please do not hesitate to contact us if you have any questions. Thank you for your consideration.

Best regards,

/s/ Nicole Peykov

Nicole Peykov

cc: Carl Schueler
Enclosures