



July 16, 2021

Mr. Carl Schueler
City of Colorado Springs
PO Box 1575
Colorado Springs, CO 80947

Re: Transmittal letter for service plan approval for Vistas of West Mesa Metropolitan District

Mr. Schueler,

Please find attached the documents necessary for the City to review and approve the Service Plan for the District.

The documents include:

1. Transmittal Letter
 - a. -transmittal letter should specifically address the 4 required statutory criteria – attached to this letter
 - b. -letter should also address any exceptions from model service plan/ Special District Policy of there are any – attached to this letter
2. -Application Fee – in delivery
3. -Redline against the model service plan – attached to submittal
4. -Final draft service plan with exhibits – attached to submittal
5. -Estimate of eligible costs that ties to maximum authorized debt limit in service plan – attached to submittal

Please contact me if you have any questions.

Thank you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'K Walker', with a long horizontal flourish extending to the right.

Kevin Walker
WSDM, LLC

Transmittal Letter Attachment
Vistas at West Mesa Metropolitan District
Statutory Criteria for District Establishment

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

The purpose of the District is to construct, finance, operate and maintain certain public facilities and improvements. These include streets, utilities, landscape and storm water improvements. It is anticipated that the Districts will own, operate and maintain the streets, landscape and certain stormwater facilities in addition to financing certain public utility and stormwater facilities that will be owned and maintained by the City. .

The implementation and utilization of metropolitan districts here will also help to make housing more affordable for buyers. By providing the opportunity to finance the construction of public infrastructure through the municipal bond market, metropolitan districts achieve reduced borrowing costs and shift a portion of the public improvement costs from the non-tax-deductible sale price of the home to a bond that is paid off through tax deductible property tax payments.

B. The existing services in the area to be served by the proposed special districts is 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.

C. The proposed special 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.

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

As noted in the Draft Service Plan, the estimated cost of the improvements to be constructed is \$3,200,000. Enclosed is a summary of estimated infrastructure costs for the project that details the eligible improvements. The District intends 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 D.A. Davidson & Co. and is proposed to be \$4,500,000. 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.

Transmittal Letter Attachment
Vistas at West Mesa Metropolitan District
Exceptions to the Model Service Plan

1. Requesting the maximum mill levy for operations and maintenance to be 20 mills instead of 10 mills and the total maximum mill levy to be 50 mills instead of 40 mills

10 mills is not adequate to allow the District to operate a district with the standard expectations of meetings, required government filings, bookkeeping and accounting as well as to maintain the amount of landscaping, parking , streets etc. needed to serve this type of development. In addition, the District will take on the responsibility of covenant enforcement and operations that would have been done in the past by an HOA. Allowing the District to manage these services has the impact of reducing the overhead to operate a development with this housing type.

2. Addition, at the request of City, of V.A.17 - 17. Concealed Carry Prohibition. The District shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area within the property or any building(s) owned or controlled by the District as provided in C.R.S. 18-12-214