05/02/16

Rachel,

Regarding the Magnolia Student Housing development, we would like to outline some of the measures we have taken to work with the neighbors and address any concerns.

Initially we held a neighborhood meeting on December 1st 2015, prior to any formal submittal to the City. There was a large showing of neighbors at the meeting. After our formal submittal, we agreed to hold a small "working group" meeting consisting of a handful of neighborhood representatives who were asked to voice the concerns on behalf of the neighborhood, as well as Challenger Homes representatives and our consultants assigned to the project.

From the working group we identified some key issues and at the request of the neighbors had some additional documents created that have been submitted with this letter.

Neighborhood Comments:

Traffic report not a true analysis of the neighborhood. The count date must be done on a regular day (no snow or cold conditions). Assumptions/Adjustments need to be made as largely student population. (Provide a different perspective). An updated traffic letter was provided to the City showing counts on a different day as well as analysis of the traffic patterns based on several scenarios.

Add a lighting plan sheet along with lighting details. A photometric plan has been done showing LED full cut-off fixtures and light spillage limited beyond the property. Additionally, on-building lighting has been limited to wall sconces at the breezeway entrances.

Provide more bike racks for the site (different locations) since the goal is for students to bike, and walk instead of using the vehicle(s). Neighbors note that students generally drive to other places other than to school. *Additional bike racks have been added.*

Drainage for the site. Provide a written explanation of how the shallow pond is adequate for the site and the surrounding properties based on historic release rate. Also, explain how the drainage area is visually screened. Per our civil engineer, the pond provided on-site is for water quality only, not detention. Downstream inlets were sized for development of this site. Screening is provided by seven 6'+ (at installation) Blue Spruce trees. The water quality area is shown as a native seed consisting of a blend of low-growing grasses that are low maintenance and will handle seasonal inundation in the area.

Discuss the rules for the tenants: No pets, smokers vs. non-smokers, parties on site, noise, and who to contact. Possible to recycle trash, covered biking racks (lockers). Respond. Recycling will be provided for the residents. At this time, we do not anticipate allowing tenants to keep pets and leases will be structured to limit disturbing behavior. On-site disturbances will first be reported to the on-site manager who then is empowered to make the decision of notifying authorities. Residents will be responsible to keep from disturbing neighbors and helping to keep a clean property.

Talk about the size/reduction of the balconies on south and north street facing sides of the building vs. the interior court yard facing balconies. Balconies will be limited in size to limit possible disturbing behavior. Two-bedroom unit balconies will be less than 40 square feet in size and three-bedroom units will be around 58 square feet in size.

Discuss the mining and the mitigation for the site. Question came up on Examination of a bond of 1 million to be provided. Discuss the legal response from Challenger. Our site mitigation will be per the geologic hazard reports performed by CTL Thompson and reviewed by the Colorado State Geologic Society. Our legal counsel has advised against any bond stating there is no such requirement in the State of Colorado.

Gated parking area(s) and increase the number of guest parking spaces. Response. We feel permit parking will be an easier way of policing the site. On-street parking is provided for guests. Per City of Colorado Springs parking standards, 102 parking space would be required for non-student focused housing, (twenty 2-bedroom units x 1.7 stalls per unit plus thirty-four 3-bedroom units x 2.0 stalls per unit). Since this is student-focused housing, one stall per bedroom is provided, plus two additional (144 on-site). Per our estimates of exiting on-street parking, there is room for another 48 guest parking stalls along Magnolia, Hancock, and Westmoreland on the apartment side of the street only. Combined, there is a total of 192 parking space on-site or directly adjacent to the site.

Provide a response about the redesign of the parking and buildings for the site vs. underground parking with the reduction of building height. The original site design (proposed in 2014) showed a 4-story building with underground parking (three stories on the uphill side). In response to neighborhood objections as well as the purchase of the additional lots adjacent to the original four lots, we as a developer decided to limit ourselves to a three-story product on the site (two-story on the uphill side). This also allowed us to push parking to the west side of the site and push it down into the site more to minimize its visibility from the uphill portion of the neighborhood. Originally 40 units were proposed on the site. With the addition of over twice the amount of land, we only added fourteen additional units.

We look forward to continue working with the community in the development of this site. Please let me know if you have any questions or concerns.

Sincerely,

Nicole Fagundo

Challenger Homes