



NICOLE PEYKOV
DIRECT DIAL: 303-839-3715
npeykov@spencerfane.com

June 11, 2025

Kevin Walker
Planning + Neighborhood Services Director
City Administration Building
30 S. Nevada Avenue
Colorado Springs, Colorado 80903
Kevin.walker@coloradosprings.gov

Re: Contrarian Airport Metropolitan District Nos. 1-6 Service Plan

Dear Mr. Walker:

This office serves as legal counsel to Contrarian Airport, LLC ("Petitioner"). On behalf of the Petitioner, enclosed are the formal submittal materials for the (Proposed) Contrarian Airport Metropolitan District Nos. 1-6 (the "Districts") pursuant to the "Special District Act," Section 32-1-101, *et seq.*, of the Colorado Revised Statutes. The enclosed materials include the Service Plan and a redline comparison to the City's Model Service Plan. A check in the amount of \$1,100 for the application fee will be delivered to your office.

The anticipated development is located to the east of the Colorado Springs Airport, and is generally located west of Marksheffel Road, east of Highway 24, south of Highway 94, and North of Drennan Road (the "Project"). The Project will contain residential, commercial, and industrial uses. We are proposing a multiple-district structure with six metropolitan districts to serve the Project, given the total acreage of the Project consists of approximately 320 acres and due to the mixed-use nature of the development. Development of the Project will also require substantial investment in project infrastructure, including, but not limited to, water system improvements, sanitary sewer and storm drainage improvements, street and roadway improvements, traffic and safety protection improvements, park and recreation improvements, and landscaping.

Accordingly, the Service Plan for the Districts will serve the best interests of the residents, taxpayers, property owners, and the overall development of the property within the Project and will maximize both development and absorption within the Districts and the City without delays in development. The formation of the Districts will allow for financing and development to pay for only those improvements and costs which are a direct benefit to the property within the Districts. The Service Plan does not deviate from the City's Model Service Plan, with the exception of the Districts' request to have the authority to create special improvement districts pursuant to Section 32-1-1101.7, C.R.S., the purpose of which is to provide the Districts the ability to finance

June 11, 2025
Page 2

the extensive public improvements needed for the Project in a manner that is most efficient and that reduces the costs to future homeowners and property owners. Any assessments imposed in a special improvement district would be paid prior to transfer to an end user.

The proponent for the formation of the Districts intends that the Service Plan shall be in conformity with the applicable standards and criteria contained in C.R.S. § 32-1-203(2), which are set forth below:

1. *There is sufficient existing and projected need for organized service in the area to be served by the Districts;*

The Districts will allow for much needed medium-density and high-density housing as well as commercial and industrial development to be constructed in the strategic location between the Colorado Springs Airport and the Peterson Air Force Base. The total estimated population of the Districts upon completion of development is anticipated to be 4,994 (2.5 units x 1,998 residences) people. It is anticipated that the Districts will include a total of approximately 1,548,993 square feet of commercial and industrial development.

The purpose of the Districts are to finance and construct certain public improvements and to provide other additional services necessary to support the Project. There are currently no other governmental entities located in the 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 to serve the Project. As noted above, to develop the area, significant investment is needed in public infrastructure with a total estimated cost of approximately \$245,024,000, including, but not limited to, water system improvements, sanitary sewer and storm drainage improvements, street and roadway improvements, traffic and safety protection improvements, park and recreation improvements, and landscaping. Included within the public improvements is the widening of Marksheffel Road and auxiliary lanes as well as the construction of five detention ponds. Financing and constructing these public improvements through the Districts will lower costs and ensure the costs are spread among those in the community that will benefit from such development.

Additionally, it is anticipated that the Districts may provide the following services that are set forth in Exhibit E to the Service Plan:

June 11, 2025
Page 3

- Operation and maintenance services related to landscaping, stormwater and detention facilities, monumentation, and or improvements or property the Districts will own;
- Operation and maintenance of park and recreational facilities within the Districts;
- Streetscaping;
- Sidewalk and public space maintenance and amenities;
- Covenant enforcement and design review services;
- Public art amenities; and
- Mosquito control.

2. *The existing service in the area to be served by the Districts is inadequate for present and projected needs;*

The area within the boundaries of the Districts is currently undeveloped. The proposed improvements and services are not and will not be available to the community through the City of Colorado Springs, or other existing municipalities, counties, or quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis. There are no other governmental entities 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 to serve the Project.

3. *The Districts are capable of providing economical and sufficient services to the area within their proposed boundaries;*

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

4. *The area to be included within the Districts has or will have the financial ability to discharge the proposed indebtedness of the Districts on a reasonable basis.*

The estimated costs of the improvements and facilities to be constructed, installed, and/or acquired by the Districts are estimated to be approximately \$245,024,000.

June 11, 2025
Page 4

The Districts will be limited to issuing debt within the confines of the Service Plan and limited to the amount the Districts can reasonably pay from the property tax revenue derived from the debt service mill levy (50 mills, as adjusted) and other legally available revenue, including special assessment bonds issued by special improvement district(s). The anticipated issuance of debt and repayment will be based upon the projected development within the Districts' boundaries, which will allow the Districts to finance the public improvements identified in the Service Plan and allow the Districts to discharge the proposed indebtedness on a reasonable basis. The financial plan attached to the Service Plan demonstrates one example of how the Districts may finance the public improvements.

The Petitioner requests that the enclosed Service Plan and supporting documentation be presented to the City Council at the next available meeting for consideration and further action. Please do not hesitate to contact this office if you have any questions or need anything further. Thank you for your consideration.

Best regards,

SPENCER FANE LLP

/s/ Nicole Peykov
Nicole Peykov

Enclosures