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May 13, 2024

VIA E-MAIL TO CITYCLERK@COLORADOSPRINGS.GOV

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

Re: Transmittal Letter – (Proposed) Ovation Metropolitan District

Dear City Clerk:

This firm serves as legal counsel to La Plata Communities, Inc., proponent of the formation of the Ovation Metropolitan District (“Petitioner”). We are submitting the enclosed formal submittal materials for the (Proposed) Ovation Metropolitan District (“District”) to be formed in conformance with the Special District Act, C.R.S. 32-1-101, *et seq.* The enclosed Service Plan for the District utilizes the City’s new model service plan for a single district as the template. A check in the amount of \$1,100 for the District’s application fee will be delivered under separate cover.

The proposed development will bring an anticipated 290 new single family homes of varying sizes to the east of the City over a three year period from 2026 to 2029 (the “Project”). The Project will contain only residential uses. The Petitioner proposes a single District with the capacity to finance public infrastructure in a timely manner. We do not anticipate significant regional improvements. If contribution to regional improvements is necessary, regional improvements will be addressed through intergovernmental agreements with other governmental entities in the area of the Project.

The Project will require substantial investment in project infrastructure, including but not limited to street and streetscape improvements, water and sanitation system improvements, stormwater and drainage improvements, and park and recreation improvements. The District will provide a mechanism to ensure that certain project infrastructure is constructed and maintained at a level commensurate with other first-class residential development located within the City of Colorado Springs. A financial analysis prepared by Piper Sandler is included as an exhibit to the proposed Service Plan. 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

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Section 32-1-203(2.5), C.R.S. Below is a summary of how the proposed formation of the District and the Service Plan meet the four required criteria and the five discretionary factors.

Section 32-1-203(2) required factors:

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

The purpose of the District 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. The Project will bring a projected 290 residential structures to the City.

- B. The existing service in the area to be served by the District 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 District is capable of providing economical and sufficient service to the area within its proposed boundaries.

The formation of the District 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 District will help lower the costs of constructing and financing the public improvements and facilities.

- D. The area to be included in the District 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 District are set forth in the Service Plan. The District will be limited to issuing debt within the confines of the Service Plan and will be limited to the amount the District can reasonably pay from the revenue derived from the debt service mill levy and other legally available revenue.

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Section 32-1-203(2.5) discretionary factors:

- A. Adequate service is not or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

The District is located west of Powers Boulevard and north of Old Ranch Road. Although the District will be within the City and in the vicinity of other metropolitan districts (Upper Cottonwood Creek, Flying Horse, among others), none of those other entities will find it desirable, feasible or practical to undertake the planning and financing of the public improvements needed to support 290 new residential units and an estimated 725 residents. The expectation is that the new District and its residents will pay their own way.

- B. The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204(1).

The proposed facility and service standards will meet or exceed the City's standards and those of comparable developments in the immediate area. The proponent expects that the City will monitor and demand compliance with its standards through the development process and as described in the Service Plan.

- C. The proposal is in substantial compliance with a master plan adopted pursuant to section 30-28-106, C.R.S.

The District is wholly within the City and will comply with all City Master Plan requirements, including the Briargate Master Plan, which the Project is within. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.

The District will be served by Colorado Springs Utilities pursuant to the Briargate annexation agreement.

- D. The creation of the proposed special district will be in the best interests of the area proposed to be served.

The District is an efficient and effective means to fund and construct public infrastructure in a timely and comprehensive manner so that homes can be built, sold



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and occupied in support of the City's need for more housing. The area to be served is conveniently located near new thoroughfares and is similar to and compatible with adjacent developments which are mostly residential.

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.

Very truly yours,

SPENCER FANE LLP

A handwritten signature in blue ink, appearing to read "Lisa K. Mayers".

Lisa K. Mayers

Enclosure