



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3
HELD DECEMBER 12, 2017
AT 1:00 PM**

Pursuant to posted notice, the special meetings of the Board of Directors of the Bradley Heights Metropolitan District Nos. 1, 2 and 3 were held on Tuesday, December 12, 2017 at 1:00 p.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO.

Attendance

In attendance were Directors:

Randle Case II, President
Bryan Long, Vice-President
Lindsay Case, Secretary/Treasurer
Robert Case, Assistant Secretary
(by phone)

Also in attendance were:

K. Sean Allen, Esq., White Bear
Ankele Tanaka & Waldron (by phone)
Kevin Walker, WSDM
Lori VonFeldt, WSDM
Jacqueline Armendariz, WSDM

Combined Meeting:

The Boards of Directors of the Districts have determined to hold a joint meeting of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

1. Call to Order:

President Randle Case II called the meeting to order at 1:07 PM.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters:

President Randle Case II indicated that a quorum of the Board was present, and that each Director has been qualified as an eligible elector of the District pursuant to Colorado law. Directors in attendance confirmed their eligibility. Ms. VonFeldt noted that the Directors' disclosures of their potential conflicts of interest were filed pursuant to state law for the meeting. President Randle Case II noted that there is a vacancy on the Board.

3. Approval of the Agenda:

The agenda was approved.

4. Approval of Minutes:

Director Lindsay Case moved to approve the November 29, 2016 meeting minutes; seconded by Director Bryan Long. Motion passed unanimously.

5. 2017 Amended and 2018 Budget Discussion and Public Hearing:

a. 2017 Amended Budget Resolution

Ms. VonFeldt presented the 2017 Amended and 2018 Budgets to the Board. Director Lindsay Case asked about the revenue the District is making to which Ms. VonFeldt said there is very little. President

Randle Case II indicated that it is because the area is mostly grazing land. Ms. VonFeldt added that there is no residential area to Gallagherize because the land is agricultural. President Randle Case II said he hopes to kick off this project in 2018, which was delayed in 2017 by the Banning Lewis Ranch annexation.

The 2017 Amended and 2018 Budget Discussion Public Hearing was opened by President Randle Case II at 1:14 PM. There being no public comment the hearing was closed.

The Board discussed a five-year limit for administration operation. Mr. Allen said that District No. 1 and the Developer are parties to an administrative advance agreement until 2020 where a maximum of \$50,000 can be advanced per year subject to reimbursement from the Districts since the advances benefit all three districts

Director Lindsay Case moved to approve the resolutions regarding the 2017 Amended and 2018 Budget; seconded by Director Long. Motion passed unanimously.

b. 2018 Budget Resolution

See above.

6. Financial Statement and Payables:

a. Financial Statements

The Board discussed the amount in the Districts' account and its liabilities. Mr. Walker said the current assets are \$1,022.91 and said the Districts owe more than is in the account. President Randle Case II noted some of the costs to the Districts were bank charges, insurance fees and a little bit of legal that was paid.

b. Current/Interim Payables

Director Lindsay Case moved to approve the current and interim payables; seconded by Director Long. Motion passed unanimously.

7. Legal Matters:

a. 2018 Annual Administrative Resolution

Mr. Allen said the Annual Administrative Resolution sets forth the various tasks the Districts must perform, and which consultants will perform those tasks, most of which are done by WSDM and a few by his firm on behalf of the Board. Director Long moved to approve the 2018 Annual Administrative Resolution; seconded by Director Lindsay Case. Motion passed unanimously.

b. 2017 Special District Public Disclosure Pursuant to § 32-1-809, C.R.S.

Mr. Allen said this is a non-action item and explained to the Board that each year there is a required disclosure to be filed giving information about the next election, who are the Board members, what is the contact office; information for anyone interested in the District.

c. Amended and Restated Public Records Policy

Mr. Allen explained the policy adheres to a change in law that requires a custodian of record to, if absent good cause, provide a record in same format as which is it saved. Director Lindsay Case moved to approve the Amended and Restated Public Records Policy; seconded by Director Long. Motion passed unanimously.

d. May 2018 Director Election Resolution

Mr. Allen said the resolution calls for 2018 Director election 63 days before the election and if there are two or fewer nominations for the two open seats the election may be canceled. Director Lindsay

Case moved to approve the May 2018 Director Election Resolution; seconded by Director Long. Motion passed unanimously.

8. Market Status/Development:

Director Randle Case II said they have continued to show the property despite the Banning Lewis Ranch annexation issues and that the south end of the property could go to a third property. President Randle Case II went on further to say that in 2016 the school district acquired the former potato chip factory on the north side of Bradley for \$1,100,000 and converted it to a school building, which is a positive as the school district has vested in the area. President Randle Case II also added that the northwest corner of Foreign Trade Zone and Bradley is now owned by the Colorado Center Metro District, which is trying to market that raw ground for sale for residential purposes even though it is zoned for industrial use. President Randle Case II went on to say that the District has been contacted by the brokerage community with interest in the area, which is encouraging and that the airport adding extra flights has brought an extra interest in workforce housing which could come to Bradley Heights. President Randle Case II also said the VA cemetery is moving forward with a 2018 construction project, another positive for the area. President Randle Case II reported that the City repaved the road in front of the subject property at its expense and the City and PPTRA completed the realignment of Marksheffel and they are repaving the road next to the subject property and to its north. President Randle Case II also said he found encouraging that the City is spending money in and around the area following recent tax ballot questions and that the State Highway Department put a traffic signal at no expense to the District at Powers and Bradley and repaved a good portion of Powers. To the west of the District, President Randle Case II said, the Cignet piece – the southeast corner of Bradley and Powers – is under contract with the possibility of closing in the next several months, which would mean potential competing residential use in the County unincorporated area. The Board then discussed who might buy that property and access, which may need to go through the District. The Board also discussed whether there were any amendments to the master plan for the area and concluded there were not. President Randle Case II said the Board is cooperating with all the other owners to try to amend the annexation agreement and that the IGA is not done.

9. Other Business:

a. Next Regular Meeting Dates

The Board discussed its regular meeting schedule, which are the second or third Tuesday in the final month of a quarter as needed, which was stated as:

March 13, 2018

June 12, 2018

September 11, 2018

December 11, 2018

10. Adjourn:

The meeting was adjourned at 1:39 PM.

Respectfully Submitted,

By: Lori VonFeldt for the Recording Secretary