



**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3
HELD FEBRUARY 9, 2021
AT 9:00 AM**

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, February 9, 2021 at 9:00 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and at the tele/videoconference platform of GoToMeeting link: <https://global.gotomeeting.com/join/382944325>.

Attendance

In attendance were Directors:

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

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron (by phone)
Kevin Walker, WSDM
Eric Smith, Interim District Engineer (by phone)
Ray O'Sullivan, Bradley Ridge (by phone)
Kyle Thomas, D.A. Davidson (by phone)
David Neville, Property Owner (by phone)

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 – The meeting was called to order by President Case II at 9:00 a.m.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters - President Case II indicated that a quorum of the Boards was present and stated that each Director has been qualified as an eligible elector of the Districts pursuant to Colorado law. The Directors confirmed their qualification. Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Walker reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Allen inquired into whether members of the Boards had any additional disclosures of potential or existing

conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

3. Approval of Agenda: Director Lindsay Case moved to approve the Agenda as presented; seconded by Director Long. Motion passed unanimously.
4. Approval of the December 8, 2020 Meeting Minutes: Mr. Allen and Mr. Walker confirmed they coordinated to draft the minutes. Director Lindsay Case moved to approve the December 8, 2020 Meeting Minutes; seconded by Director Robert Case. Motion passed unanimously.
5. District Manager Report: Mr. Walker presented the District Manager Report. He noted they have been actively working on the bond issues and providing financial documents.
6. President of the Board Report: President Case II presented the President of the Board Report. He noted they continue to advance many administrative items forward including engaging District Manager services and other items to be discussed later in the Agenda. President Case II reported he spoke to all of the property owners in the area including Redemption Hill Church, Challenger Homes representatives, and adjacent property owners who are not in the District.
7. Consultant Update – District Manager Proposal: Mr. Walker requested the Board table this item until the next Board meeting.
8. Development Status Review
 - a. Redemption Hill Church: President Case II reported he exchanged emails with the lead pastor of Redemption Hill Church, and they own approximately 35 acres on the northeast side of the District. They are moving forward with a proposal for 9.8 acres of their site to be sanctuary and parking. They remarked that they have had a difficult time with some of the City’s processes with stormwater.
 - b. Challenger Homes (50 Acre-180 Lot): President Case II reported they have a 50-acre site with 180 lots they are moving forward with processing and a proposed layout on an adjacent piece of land they do not currently own. Director Lindsay Case expressed concerns that Challenger Homes was not represented at the Board meeting.
 - c. Bradley Ridge (773 Lots): Mr. O’Sullivan discussed the 150 acres project and noted the parcel at the entrance is multi-family and they are planning to do townhomes and duplexes there. The density may be slightly low but does not anticipate it to be problematic. He discussed the 25-acre project and noted they are doing smaller, higher density 35-foot-wide lots. The future lots will be 50 and 60-foot-wide lots.

Mr. O’Sullivan expressed interest in acquiring the 62-acres above the Collector Road if the sellers are ever so inclined. Mr. O’Sullivan discussed the ponds and said he hopes they can be qualified as metro district reimbursables and dedicated to the District for maintenance. The Board discussed needing to develop a use of funds and priority. Director Lindsay Case stated that his first priority for the bond proceeds is for a road from Bradley down to Marksheffel, one build and not contingent on a developer. Mr. O’Sullivan commented that as they develop their property, they will be putting that road in as required and would expect to get qualified reimbursements. Mr. Allen recommended that for the next Board meeting, the Board discuss a bond project priority of structure summary. Mr. Allen noted that Mr. O’Sullivan will need to enter into an infrastructure acquisition reimbursement agreement with the District if there are costs incurred that are public infrastructure eligible for which he wants reimbursement. Mr. O’Sullivan commented that based on

conversations, he understood that public costs would be reimbursed equitably amongst the properties with the understanding that the priority was the main road between Marksheffel and Bradley, and he has no complaints with that. He discussed the exhibit he was given that shows the potential eligible reimbursements, and he understands that he would only get reimbursed based on money available. Mr. O’Sullivan also commented that he is thrilled that the District will be building the main road and it takes tremendous pressure off him.

Mr. Allen noted that Mr. Smith could assist on providing information about public infrastructure costs for this project. Mr. Smith reported that he has been in discussions with HR Green as it relates to the Challenger development and drainage. Mr. Smith discussed items he will be working on including cost estimates for all the district improvements so the Board can prioritize, as well as a proposal for the design work on the spine roadway that he will submit to the Board at the next meeting.

Mr. O’Sullivan discussed impact fees and noted that he provided values for his finished product, unit counts and absorptions for the modeling and he would be happy to provide that for the 62 acres if he is able to engage that parcel. The Board discussed a 3-level fee structure to include single-family fee, high density single-family fee, and a multi-family fee for apartments. Mr. O’Sullivan confirmed he like the 3-level fee structure. Mr. O’Sullivan thanked the Board and left the meeting.

9. Financial Matters

- a. Bond issuance – General review - DA Davidson: Mr. Thomas presented a general review of the bond issuance to the Board. The Board discussed setting up the proper district structure and boundaries. Mr. Thomas discussed the assumed interest rate is 5.25% on the senior bonds and 7.75% on the subordinate bonds. Mr. Thomas discussed the proposed schedule of the bond issuance with closing scheduled for the end of May. Mr. Thomas presented the proposal from MetroStudy for the market study and the quoted cost is \$20,000. Mr. Thomas discussed the current financial market and noted it has been very strong for high-yield large issuance municipal bonds.
- b. Review and approval of bond issue team
 - a. Underwriter engagement – DA Davidson: Director Robert Case moved to approve DA Davidson as Underwriter; seconded by Director Lindsay Case. Motion passed unanimously.
 - b. District Engineer – Matrix Engineering: Director Lindsay Case moved to approve Matrix Engineering as District Engineer; seconded by Director Long. Motion passed unanimously.
 - c. Bond Counsel – Sherman & Howard, Tiffany Leichman: Director Lindsay Case moved to approve Sherman & Howard as both Bond Counsel and Disclosure Counsel; seconded by Director Long. Motion passed unanimously.
 - d. Disclosure Counsel – Sherman & Howard
 - e. Market Study – MetroStudy: Director Lindsay Case moved to approve the \$20,000 cost for MetroStudy’s market study; seconded by Director Long. Motion passed unanimously.
 - f. Municipal Advisor: Mr. Thomas summarized the two levels of involvement for the municipal advisor including one that is more involved and another more price comfort option. The Board directed Mr. Thomas to provide RFP’s for both options of municipal advisors for review at next Board meeting.
- c. Preliminary bond process schedule: Mr. Thomas discussed the proposed schedule with closing scheduled for the end of May.

- d. Discuss establishment of a Capital Facility Fee for platting and building permits: The Board will review and adopt the Resolution for the fees at the next meeting. Director Lindsay Case requested that the District Manager reaches out to each property owners and Challenger Homes to confirm they understand the fee structure and infrastructure schedule. The Board discussed the church and main infrastructure plans.
 - e. Bond Capital Infrastructure Investment Plan – District Construction of Public Improvements vs. Landowner/Builder Construction with Reimbursement: Mr. Allen confirmed with the Board there are two types of construction happening, district-direct and developer-direct construction.
 - f. Review and approve Financial Statements: Mr. Walker reported there are no financials at this time.
 - g. Review and approve Current/Interim Payables: Mr. Walker reported there are no payables at this time.
 - h. Administrative Matters: There was no discussion.
10. Marksheffel Woodmen Investments, LLC – Advances
- a. 2016 Agreement for Operation/Maintenance Advances: Mr. Allen explained the 2016 Agreement for Operation/Maintenance Advances to pay administrative costs and invoices. Mr. Walker will provide a summary of the property tax revenue that comes in off the operational mill levy.
 - b. Discuss Infrastructure Acquisition and Reimbursement Agreement (Capital)/ Cost: Mr. Allen explained the Infrastructure and Acquisition and Reimbursement Agreements for the District, and requested the Board identify who will need an agreement.
11. Other Business
- a. Director Vacancy: Mr. Allen explained the Notice of Vacancy publication to qualify and appoint a new Director. The Board directed Mr. Allen to publish the Notice of Vacancy.
 - b. Next Regular Meeting Date: Director Lindsay Case moved to schedule regular monthly meetings on the second Tuesday of the month at 9:00 a.m.; seconded by Director Robert Case. Motion passed unanimously.
12. Adjourn: The Board adjourned the meeting at 10:20 a.m.

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary