



**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3
HELD MARCH 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, March 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/547622885>.

Attendance

In attendance were Directors:

Randle Case II, President
Bryan Long, Vice President
Lindsay Case, Treasurer/Secretary
Robert Case, Assistant Secretary

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)
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 Long moved to approve the Agenda as presented; seconded by Director Robert Case. Motion passed unanimously.
4. Approval of the February 9, 2021 Meeting Minutes: After review, Director Long moved to approve the February 9, 2021 Meeting Minutes; seconded by Director Robert Case. Motion passed unanimously.
5. District Manager Report: Mr. Walker presented the District Manager Report. He reported that he has been working this month on getting the bond process underway.
6. President of the Board Report: President Case II noted the items to be discussed later in the Agenda.
7. Consultant Proposal Services: District Manager; District Engineer-Construction Manager: Mr. Walker presented the Walker Schooler District Managers proposal for district management services including accounting services and board meeting preparations. The monthly fee is \$2,000 per month. After review, Director Long moved to approve the Walker Schooler District Managers proposal as presented; seconded by Director Robert Case. Motion passed unanimously.
8. Development Status Review
 - a. Redemption Hill Church: Mr. Walker reported he met with the Church yesterday and they are awaiting final approval of their development plan. The delay has been stormwater improvements next to their property, but they are hoping for approval in the next 60 days to start construction. Mr. Smith said he will follow-up on timing with them. He also noted they are not building the full roadway and the City has allowed them to do a driveway. They agreed to pay for half of the roadway once Challenger makes the connection to the subdivision and will work with Challenger to get that constructed. Mr. Walker noted that he sent them a note yesterday suggesting they pay development fees as well as a payment in lieu of taxes.
 - b. Challenger Homes (50 Acre-180 Lot): Mr. Walker noted that the Challenger Homes representatives have a standing conflict with this meeting, so they met separately after the last meeting to discuss plans. Mr. Walker referenced the Challenger Homes plans and discussed that their expectation is to have a submittal done before the end of the month for development plan approval of the single-family area. Mr. Walker confirmed that Challenger Homes is aware of the fee schedule and they are prepared to participate and coordinate with the road being built.
 - c. Bradley Ridge (773 Lots): President Case II reported he met with Mr. O'Sullivan yesterday morning. Mr. Walker noted he had a discussion with Bradley Ridge last week regarding the timing of the roadway and the parcel that is established for a right of way. Mr. Walker noted he reached out to the City on their process to distribute the parcels back to the marketplace and is waiting to hear back. Mr. Walker discussed hiring a traffic engineer to help the District coordinate. Mr. Walker noted he introduced the fee schedule to them as well during their discussions.
9. Bond Matters
 - a. Bond issuance – General review - DA Davidson: Mr. Thomas updated the Board on the bond issuance and referenced the term sheet, schedule of events, financing plan, and distribution list that was distributed to the Board for review. Sherman & Howard will distribute the Disclosure Questionnaire this week for the District to complete as well as the

Walker Schooler District Managers

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- developer partners. Mr. Thomas noted that he and Mr. Walker will be meeting with Mr. Carl to discuss getting on the agenda for the first budget committee meeting on March 23rd.
- b. Updated Bond Process Schedule: Mr. Thomas discussed the schedule and noted the market study is already underway so it should not cause delays. The City's next work session is April 12th and City Council on April 27th. The closing is currently scheduled for the end of May. Mr. Thomas discussed that they are structuring it based off the two development plans and units from Challenger and Bradley Ridge. Mr. Thomas discussed that the real estate market has been very strong along the front range, and they are seeing many projects similar to this that are moving forward and are issuing bonds at this stage of development. Mr. Thomas discussed the bond structure and explained the structure will not change but the City will state the maximum principal amount that can be issued in the resolution. The Board discussed the approved concept plan and the future development of the District. The Board asked Mr. Thomas why structure it this way with only 1000 of the 2000 units. Mr. Thomas explained that in the bond offering they can include the development plan that is more imminent which are the 1000 units, or they can include a larger development plan. 2000 units would most likely be an 8-to-10-year build-out, and with longer build-outs it becomes less sufficient from a bond capacity standpoint and you will not generate as many proceeds per lot. Two bond issuances can sometimes be a more efficient method on a per lot proceed basis, but it is up to the Board to decide. Director Robert Case requested that Mr. Thomas complete a model that includes the 2000 lots. Mr. Thomas said that would not be a problem and confirmed it is within the realm of bond offerings in the market. Mr. Thomas noted that if they decide to include the 2000 lots, the service plan debt limit will be reached which is \$35 Million. Director Lindsay Case commented that he would like to make sure both builders confirm the finance and fee structure.
 - c. Meeting with City of Colorado Springs Budget Committee tentative 3-23-21: Mr. Walker noted if they are unable to meet then the schedule will be delayed 30 days.
 - d. Discuss establishment of a Capital Facility Fee for platting and building permits: Mr. Walker presented the Capital Facility Fee for platting and building permits. Single-family detached under 6 dwelling units per acre is \$2,999 per unit. Moderate density with 6.1 units per acre up to 14 dwelling units per acre is \$2,499 per unit. \$1,999 per unit for apartment complexes above 14.1 dwelling units per acre. \$0.85 per square foot for commercial and institutional due at building permit. Non-residential that is still in the residential district is \$0.95 per square foot. Mr. Allen confirmed the Board can take action today on the proposed Capital Facility fees. Director Lindsay Case moved to approve the Capital Facility Fee as presented with the total number of unit and price per unit shall be refined with the developers and builders and the bond company in the next 30 to 60 days. President Case II explained the fee structure is not based on the bond with 1000 lots. The fee structure was based on market conditions and the fee has been accepted by land owners as an alternative to mill levy. Director Robert Case moved to impose Capital Facility fees due at building permit based on a density as presented; seconded by Director Long. Motion passed unanimously.
 - e. Update on Bond Capital Infrastructure
 - a. Facilities to be constructed by District and/or by Developer with reimbursement: Mr. Allen requested a working list that shows what the District is going to contract for and bill directly versus what improvements may be built by land owners and seek reimbursement to help organize. Mr. Walker confirmed that as of right now the District will be the construction agent on everything.
 - b. Cost estimate process: The Board discussed the road priorities. Mr. Smith noted that his focus for the next few weeks is to come up with these costs to be able to apply to Mr. Thomas' proceeds to begin the prioritization process discussion. He noted \$1,000 per linear foot may be too high.

- f. Preliminary District expenditure through bond issuance: Mr. Walker discussed in detail what the District's expenses will be up until they get to the bond issue. Mr. Allen explained a 2016 Agreement allows advances for operations and administrative costs. If the advances are for capital improvements, then a capital reimbursement agreement is required and when the bonds are issued, some of the proceeds can be used to repay the capital costs.
 - g. Municipal Advisor Proposals: The Board tabled this item until next meeting.
 - h. Public Infrastructure Cost Estimate: There was no additional discussion.
 - i. Use of Proceeds Priority Report: There was no additional discussion.
 - j. Discuss Boundary Changes Prior to Bond Issue: The Board previously discussed not making any boundary changes.
10. Financial Matters
- a. Review and approve Financial Statements: The Board tabled this item.
 - b. Review and approve Current/Interim Payables: The Board tabled this item.
 - c. District manager proposal: The Board previously approved the District Manager proposal.
 - d. 2020 Audit/Audit Exemption: Mr. Walker reported he will be preparing the Audit Exemption documents.
11. Marksheffel Woodmen Investments, LLC – Advances
- a. 2016 Agreement for Operation/Maintenance Advances: Mr. Allen explained the 2016 Agreement allows for operation and maintenance advances.
 - b. Discuss Infrastructure Acquisition and Reimbursement Agreement (Capital)/ Cost: Mr. Allen will prepare a Capital Advance and Reimbursement Agreement for the Board's review and approval at next meeting.
 - c. Other Developer Capital Infrastructure Acquisition and Reimbursement Agreements: Mr. Allen explained if the District will be constructing and directly contracting for all infrastructure construction then there is no need for Other Developer Capital Infrastructure Acquisition and Reimbursement Agreements. President Case II noted that Redemption Hill Church plans to build the section of the entry road.
12. Other Business
- a. Director Vacancy/Publication of Vacancy Notice: Mr. Walker reported that he received an email from Mr. Jim Byers nominating himself to the Board. President Case II noted that Mr. O'Sullivan may also be interested. Mr. Allen confirmed they will need to advertise for the vacancy.
 - b. Next Regular Meeting Date: April 13, 2021 at 9:00 a.m.
13. Adjourn: The Board adjourned the meeting at 10:32 a.m.

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary