



**MINUTES OF A CONTINUED MEETING
OF THE BOARD OF DIRECTORS OF THE
CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
HELD FEBRUARY 11, 2020 AT 9:30 A.M.**

Pursuant to posted notice, the continued meeting of the Board of Directors of the Central Marksheffel Metropolitan District was held on Tuesday, February 11, 2020 at 9:30 a.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO.

Directors in attendance were:

Lindsay J. Case, President
Randle W. Case II, Vice-President
James Morley, Assistant Secretary
Dave Hammers, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White, Bear & Ankele, Tanaka & Waldron (by phone)
Kevin Walker, WSDM
Kristina Kulick, WSDM

1. Call to Order: The meeting was called to order at 9:38 a.m. by President Case. Director Long was excused.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters: President Case indicated that a quorum of the Board was present, and each Director confirmed their respective eligibility as an eligible elector of the District pursuant to Colorado law. Mr. Walker noted that the Directors' disclosures of their potential conflicts of interest were filed pursuant to state law for the meeting.

3. Approval of the Agenda: The Board approved the agenda.

4. Approval of the November 5, 2019 meeting minutes: After review, Director Morley moved to approve the November 5, 2019 meeting minutes; seconded by Director Hammers. Motion passed unanimously.

5. Market Status: Director Hammers discussed breaking ground on his project in June or July if they are not delayed by County. Director Hammers passed out the final plan of the 8.5 acres of what will be developed. He explained they will be separate buildings, and some can be condos. Director Hammers discussed the market and that the first few 10,000 lots are sold with 75% of deals on some sort of SPA package. The Board discussed Mr. DeYoung's man cave project in Bent Grass Metropolitan District. The Board discussed development at Woodmen and Meridian and the proposed King Soopers. Director Case II noted the City also wants to annex that corner. Director Morley discussed the 9 acres at the northeast corner of Meadowbrook and Marksheffel is under contract to build 83 townhomes and is in County process right now. He noted they are not sure when they will be built, but they have submitted to the County.

6. Manager's Report:

- a. Update on Transportation Advisory Committee request for adjustment: Mr. Walker reported that the TAC met and considered the District's request to be paid on a time basis. They would pay the District \$400,000 this year and then they would be able to pay off everyone else except for the Watsons in Mesa Ridge. He explained they would take money coming in and pay on a semi-annual, 50/50 basis going forward with about \$1 Million being paid off by April of 2021. Mr. Walker said he has a draft Resolution for the Board. President Case asked if we mirrored the pay-off, would that free up money. Mr. Walker explained the County may start to bond projects, but he will talk to County Commissioners about bonding. The Board discussed possible road projects and noted that Research to Black Forest is complete. After discussion, Director Morley moved to accept the concept amendment to the County IGA with the County to reflect the \$400,000 payment for 2020 and then splitting 50/50 with the creditor the remainder of the funds until we are paid off; seconded by Director Hammers. The Board noted this is a great compromise and is supported. Director Case II said in full disclosure, he is the traffic impact fee committee chair. Motion passed unanimously.
- b. Review of bond mill levy: Mr. Walker explained the history of the bonds and went over the remaining bond payments and current mill levy analysis. Mr. Walker discussed the potential loss to annual district bond taxes if they reduced the mill levy but noted it would be possible. Mr. Allen noted if we lowered the mill levy it could help commercial growth. The Board discussed the refinance in Woodmen Heights Metropolitan District and asked if there is a possibility to do a refinance. Mr. Walker noted the interest rate on these bonds are around 2% so it may not save money. President Case said he would like Mr. Bishop's opinion on lowering the mill levy. Mr. Allen noted they will need to have all the information before the budget hearing in the Fall. Mr. Walker said he thinks we are close enough to paying them off and the 27 mills will drop off in 2024. Mr. Allen explained the Board could lower or raise the mill levy without a vote. Director Hammers said he would also like to run the numbers with Mr. Bishop. Mr. Walker said he will have Mr. Bishop do a research study for the Board to review. Director Hammers discussed how lowering the mill levy could be used as a sales tool since it is currently a high mill levy for commercial properties. Mr. Walker noted it will drop off in 2024 which is also a good sales pitch.
- c. Claremont Development Reimbursement: Mr. Walker explained the Claremont development reimbursement and that he looked and there is not a \$150,000 payment to the District and the other payments were platting fees. President Case explained the County had Director Morley contribute, and he contributed his \$150,000 as a credit enhancement. President Case stated that no other lands were part of the District at the time and it was an enhancement to the District, so we should give a prorata share from the District. Director Morley said the \$150,000 went to the County and that was money for the road, and it enhanced the deal and the District. He added that there were no platting fees back then and builders may have had to pay something, but no fees related to the actual. Director Morley said he thinks he put in \$100,000 when President Case formed the District. \$150,000 went purely for the roads and the County. Mr. Walker said that may be eligible for reimbursement through the County or if the District got credit on the \$5 Million cost of Marksheffel, so it may be a reimbursement through the District. Mr. Allen said he will have to look through his records, but the underlying requirement for the District to reimburse is it must be an eligible expense or a credit expense. Mr. Walker said he will continue to research what the 2 payments of \$75,000 were for and if we have all the records, we will figure it out. President Case stated since the District got \$5 Million back, Director Morley should get his prorata share as well.

7. Financial Statement and Payables:

- a. Current and Interim Payables: Current and Interim Payables: Mr. Walker presented the Financials and noted they are from last month and he just wanted the Board to see what was paid.
- b. Permit Income Status: There were no updates.

8. Other Business: There was no discussion.

9. Adjournment: The meeting was adjourned at 10:24 a.m.

Respectfully Submitted,

By: Kevin Walker for the Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 11, 2020 MINUTES OF THE CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Lindsay Case, President

Randle W. Case II, Vice-President

James Morley, Assistant Secretary

Bryan Long, Treasurer/Secretary

Dave Hammers, Assistant Secretary