



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
AUGUST 7, 2019 AT 1:00 P.M.**

Pursuant to posted notice, the joint meeting of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 was held on Wednesday, August 7, 2019 at 1:00 p.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903.

In attendance were Directors:

Lindsay J. Case, President
Les Krohnfeldt, Vice President/Treasurer
James Morley, Secretary
Randle W. Case, Asst. Secretary
Kyle Geditz, Asst. Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear (by phone)
Kevin Walker, WSDM
Lori VonFeldt, WSDM
Kristina Kulick, WSDM
Dave Mersman

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 Director Krohnfeldt at 1:08 p.m.

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

President Case 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. Ms. VonFeldt 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 Board to act.

3. Approval of the Agenda:

Director Geditz moved to approve the Agenda; seconded by Director Morley. Motion passed unanimously.

4. Approval of the Minutes:

The minutes will be approved at the next meeting.

5. District Manager Report:

a. Marksheffel Rd Extension Status:

Mr. Walker said they are moving forward with the contract and are planning to start mid to late September. Director Morley asked if the District is paying for any of this. Mr. Walker said the District agreed ten years ago to retain and earmark funds for the road extension. Director Morley said he doesn't recall why the District had reserved \$160,000 for the extension cost if the RTA is paying for it. Mr. Allen said that if the Board had previously determined to voluntarily fund \$160,000, the current Board could explore a reconsideration. Mr. Walker said he thinks it is debatable whether they can get recovery, but they have not asked for the funds, and nothing has been released. Director Morley argued that the District should not pay them anything. Mr. Walker explained the City Attorney thinks the Developers will be charged back on this, so it is still an open question. The Board discussed not releasing any of the retained funds until the issue is resolved. Director Case discussed the Marksheffel development documents that said PPRT was doing it. Director Case added that he is excited that they have started it. He noted it is inhibiting some people coming to the project, commercial-wise. Director Morley agreed and said he has been holding off on his small section off Marksheffel because of it.

b. East Park land planning and construction:

Mr. Walker explained the dedication and development that is required for the annexation agreement and that the parcel has been a park for a long time. The City has been holding this item to force Aspen View to make commitments, so as a District, we could take the obligation. Mr. Walker recommended the District take control of the park development. He explained how the District could start the process so Aspen View can move forward with their 100 lots east of the creek. Mr. Walker asked for permission from the Board to move forward with making this the District's park and obligation. Director Morley asked if the money the developers have put in is going to build the park instead of Aspen View paying for it. Mr. Walker clarified that it is a second park in addition to the other park we are currently collecting money for, and this park is not in the middle of Aspen View's property. Mr. Walker said the annexation agreement has the obligation of the District, and we would have to reimburse Aspen View if they built it anyway. Director Morley said he would like

to have bids to build the park. Mr. Walker confirmed they would get bids, and the District would be in control of who builds it. Director Morley said he doesn't remember this park ever being a part of the agreement. Mr. Walker explained that there is a Resolution that states we are collecting on every plat that goes to this park in the east. President Case confirmed he remembers the Resolution. President Case said it is congruent with what we have already done. The Board discussed the plans for the park and noted the City would have to approve the plans. Mr. Walker noted that we are under in parks based on the District's master plan. Director Krohnfeldt moved to authorize Mr. Walker to proceed with communicating to the City that the park design and construction will be the responsibility of the District. Director Morley voted no on the motion. Director Case said he would like to understand the resistance from Director Morley since the Resolution states we are collecting for the park. Director Morley said he voted no since he already contributed money. The motion was seconded by Director Geditz. The Board discussed they would convey the title from Aspen View, and the District will take it over with the funds already collected or less. The motion passed.

c. Proposed BID for SE corner of Marksheffel and Woodmen:

Mr. Walker explained the area under contract with Topsy's. Mr. Walker said their plat is 12 acres, and he thinks they are buying the entire 35 acres. Mr. Walker said he got a call from the current owner asking his opinion about development impacting Woodmen Heights or Woodmen Road districts. Mr. Walker said he is unclear if it is a 12 acre or 35-acre BID. President Case said if they are doing it with 5 mills, he would not care or worry. Mr. Walker explained that what they are proposing is the BID owns all the parking lots and landscaping, which would leave us with untaxable property, and they would not pay taxes. President Case said he would not agree to that. Mr. Walker informed them the District has a fiduciary responsibility when choosing projects, and the Board could object. The Board discussed that they are trying to take 8 acres of 12 out of the tax role and not pay taxes on it and still use the land in the commercial sense. President Case asked if the City would even allow it. He added it would not be a level playing field, and he doesn't think the Board could even approve something like that. The Board agreed they are supportive of business improvement districts, but not the matter in which they are determining their land allocation. The Board has no problem with the concept of a BID, but if the BID is now owning property, which would be tax-exempt, that would reduce the District's tax income. The Board supports the business improvement concept subject to being taxable. Mr. Walker explained BIDs are formed by the City and the City would be the Board of Directors. President Case recommended informing the bondholders. Director Case moved to support the concept of business improvement in that area subject to the property being taxed uniformly with other properties in the District. Director Geditz added to direct Mr. Walker to speak to them, so they understand the Board does not support having property go tax exempt. The motion was seconded by Director Geditz. Motion passed unanimously.

d. Additional improvements reimbursements for future developer costs:

Mr. Walker discussed public improvements such as Marksheffel Road and the possibility that a developer could build Marksheffel Road and request reimbursement. He went over that they would reimburse as long as they understand the other reimbursements ahead of them. President Case said our District is the only one who assembled a piece of the City

with six complex parcels with intersections, and we overcame the costs by the District that should have been paid by the City and they should reimburse our District. Director Krohnfeldt noted the taxes will be paid. Director Case said he requested this item was on the Agenda because there are areas that could make this a topic in the future. He wanted the Board to be reminded that we can still add to the pool. Mr. Allen confirmed it would be a reimbursement agreement. The Board discussed that reimbursements would fall behind the \$38 Million ahead of them. The Board discussed that there are still public improvements that could be built that would benefit the District.

e. District 1 inclusions/exclusions and director qualifications:

The Board discussed the need to redraw district boundaries and maintain director parcel eligibility due to pending land sales with the development.

f. Quail Brush Creek Update:

Mr. Walker reported that the District has proceeded ahead with the land maintenance of Quail Brush Creek.

g. Market Status of Ground or Developers:

Mr. Walker reported the two convenient stores at Black Forest and Woodmen are moving forward, and the car wash is going up as well. Keller and Challenger continue to sell houses in their new filings, and there may be an adjustment of boundary needed later. He added that there is continued discussion about a large apartment complex west of Tutt.

6. Financial Statement and Payables:

a. Financial Statement and Payables:

Ms. VonFeldt presented the Financials. She noted bills for landscaping and irrigation repairs. Director Krohnfeldt moved to approve the Payables; seconded by Director Geditz. Motion passed unanimously.

7. Public Comment:

Mr. Mersman asked about an update on the fire district. Mr. Walker said they were held up by the City, but both Black Forest and Falcon are moving forward and hoping to have it done by the end of the year. Mr. Mersman said that is good news because that is not fair to the homeowners.

8. Other Business:

a. Next Regular Meeting Date: September 4th, 2019 at 1:00 p.m., if needed.

9. Adjournment:

Director Case moved to adjourn at 1:58 p.m.; seconded by Director Krohnfeldt. Motion passed unanimously.

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary

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