

MEGGAN HERINGTON, AICP, EXECUTIVE DIRECTOR

PLANNING AND COMMUNITY DEVELOPMENT

---

## EL PASO COUNTY PLANNING COMMISSION

### MEETING RESULTS (UNOFFICIAL RESULTS)

Planning Commission (PC) Meeting

Thursday, February 19<sup>th</sup>, 2026, El Paso County Planning and Community Development Department  
2880 International Circle, Colorado Springs, Colorado – Second Floor Hearing Room

**REGULAR HEARING at 9:00 A.M.**

**PC MEMBERS PRESENT AND VOTING:** BLAINE BREW, JIM BYERS, JAY CARLSON, BECKY FULLER, ERIC MORAES, TIM TROWBRIDGE, AND CHRISTOPHER WHITNEY.

**PC MEMBERS PRESENT AND NOT VOTING:** NONE.

**PC MEMBERS ABSENT:** SARAH BRITAIN JACK AND BRYCE SCHUETTPELZ.

**STAFF PRESENT:** MEGGAN HERINGTON, JUSTIN KILGORE, KARI PARSONS, CHARLENE DURHAM, ERIKA KEECH, TIM CHAMBERS, AND JESSICA MERRIAM.

**OTHERS PRESENT AND SPEAKING:** LAURA HEMRICK, DAVID O' LEARY, AND BLAINE HAWKINS.

---

### 1. REPORT ITEMS

**Mr. Kilgore** advised the board that the next PC Hearing is Thursday, March 5<sup>th</sup>, 2026, at 9:00 A.M.

**Mr. Kilgore** notified the board of a recent amendment to the land development code that was approved by the Board of County Commissioners pertaining to Special Districts.

**Ms. Merriam** notified the board of a recent appointment of an associate planning commission member, Jason Wulf.

---

**2. PUBLIC COMMENT FOR ITEMS NOT ON THE HEARING AGENDA**

---

NONE

---

**3. CONSENT ITEMS**

---

**A. Adoption of Minutes** for meeting held on February 5<sup>th</sup>, 2026.

**PC ACTION: THE MINUTES WERE APPROVED AS PRESENTED (7 - 0)**

**IN FAVOR: (7)** Brew, Byers, Carlson, Fuller, Moraes, Trowbridge, and Whitney.

**IN OPPOSITION: (0)** None.

---

**4. CALLED-UP CONSENT ITEMS:**

---

NONE

---

**5. REGULAR ITEMS**

---

**A. ID256**

**PARSONS**

**SPECIAL DISTRICT SERVICE PLAN****AMENDED AND RESTATED LORSON METROPOLITAN DISTRICT NO. 6**

A request from Spencer Fane, P.C., for approval of a Colorado Revised Statutes Title 32 Special District Service Plan for Amended and Restated Lorson Ranch Metropolitan District No. 6. The 291.9-acre area included within the request is zoned PUD (Planned Unit Development) and is located east of the intersection of Marksheffel Road and Fontaine Boulevard. The service plan includes the following: a maximum debt authorization of \$58,000,000.00, a debt service mill levy of 50 mills for residential, and an operations and maintenance mill levy of 10 mills for residential, and no special purpose mill levy for a total maximum combined mill levy of 60 mills for residential.

The statutory purposes of the district include the provision of the following:

- 1) street improvements, transportation, safety protection;
- 2) design, construction, and maintenance of drainage facilities;
- 3) design, land acquisition, construction, and maintenance of recreation facilities;
- 4) mosquito control;

- 5) design, acquisition, construction, installation, and operation and maintenance of television relay and translation facilities;
- 6) design, construction, and maintenance of water, including fire hydrants;
- 7) sanitation systems;
- 8) solid waste disposal;
- 9) security services; and
- 10) covenant enforcement.

(Commissioner District No. 4)

### **STAFF & APPLICANT PRESENTATIONS**

**DISCUSSION: Ms. Fuller** inquired about a slide presented by staff indicating the current mill levy is 67.3 mills, noting her understanding that the district was capped at 65 mills. She asked whether the district was originally approved with a higher mill levy. **Ms. Laura Hemrick**, with Spencer Fane LLC responded that the current rate is likely 67.3 mills due to a mill levy adjustment.

**Ms. Fuller** asked why the estimated project cost is \$47 million while the maximum bond authorization is \$58 million. She questioned whether the difference accounts for interest, working capital, or other associated costs. **Ms. Hemrick** explained that the maximum debt authorization includes a cushion to provide flexibility for future refinancing, inflationary cost increases, and bond issuance expenses. She further stated that the previously approved debt limit for the district has been reduced from \$80 million to \$58 million, resulting in a smaller allocation from the overall \$300 million program previously discussed. **Ms. Fuller** commented that the project appears largely built out and asked whether a 20 percent contingency is typical. She stated she is seeking to better understand the standard costs and practices associated with bond issuances. **Mr. David O'Leary**, with Spencer Fane LLC, explained that contingencies are common in bond issuances and serve several purposes. He stated that these bonds are structured as cash flow bonds issued to a developer-related private entity. He clarified that the bonds are tax-exempt and structured at one-to-one coverage, meaning revenues generated by the mill levy are the sole source of repayment. Unlike traditional public market bond issuances, these bonds do not require reserve funds or surplus funds. Mr. O'Leary stated that in a traditional market issuance,

reserve and surplus funds are typically required, and additional contingencies must be included. The contingency included here provides flexibility should the district pursue a future refinance or market issuance, particularly if net present interest savings could be achieved. He noted that refinancing standards require that any issuance maintain tax-exempt status and result in net present interest savings to residents. He further explained that the contingency could allow for capitalization of accrued but unpaid interest and provide flexibility if issuance costs increase in a future market offering. Mr. O'Leary added that because these are cash flow bonds without reserve requirements, the district was able to issue them at approximately 5.5 percent tax-exempt interest.

**Ms. Fuller** asked clarifying questions regarding the potential accrual of interest if the district does not build out as anticipated and mill levy revenues are lower than projected. **Mr. O'Leary** explained that the bonds are structured as cash flow bonds, meaning repayment is limited to available revenues. If assessed valuations do not reach projected levels, unpaid interest may accrue; however, the risk remains with the bondholder. He stated that homeowners' obligation is limited to the mill levy, and any unpaid balance would be discharged at the end of the 40-year term. Mr. O'Leary added that traditional public market bond issuances typically require reserve funds and additional coverage requirements, which can increase overall issuance costs. In this case, the cash flow structure avoids those additional reserve requirements.

**Mr. Blaine Hawkins**, with Piper Sandler, stated that his firm underwrites debt for special and metropolitan districts and offered clarification regarding the bond sizing. He explained that the \$58 million figure represents the maximum authorized amount tied to eligible improvements. However, the proposed bond issuance amount of approximately \$45.9 million is based on projected revenues generated from the debt service mill levy. Mr. Hawkins stated that the bond amount is limited by projected revenues derived from the anticipated build-out schedule and inflation assumptions. Based on those projections, revenues are expected to support bonds in the amount of approximately \$45.9 million. He added that the current metropolitan district board determines the financing structure within the constraints of the service plan, including term limits and debt service parameters.

**Mr. Moraes** asked for clarification regarding the service plan provision stating that the maximum debt maturity term is 40 years, not including refunding. **Mr. O'Leary** explained that the service plan allows refinancing or refunding if a majority-resident board votes to do so. He stated that such a decision

would not be made by a developer-controlled board but by a resident-controlled board. Refunding typically does not count against the original bond authorization limit or time period if it results in a net present interest savings. Mr. O'Leary stated that if market conditions improve and interest rates decrease, a resident board could elect to refinance in order to reduce interest costs, provided there is a demonstrated savings to residents. He emphasized that refinancing would only occur if it benefits taxpayers. In response to additional questions, Mr. O'Leary clarified that the total debt service mill levy term cannot exceed 40 years from the date the first debt service mill levy was imposed on residents. While the structure of refinanced bonds may adjust within that period, the overall repayment term cannot extend beyond the original 40-year limit from initial imposition.

**Mr. Carlson** asked whether reducing the total bond authorization while extending the repayment term would result in a lower annual mill levy obligation for homeowners, comparing the structure to a typical home loan scenario. **Mr. O'Leary** explained that prior extensions had already occurred, and the current request represents a modest extension beyond the existing term. He stated that unnecessary mill levy capacity from the original service plan has been eliminated, and the financing is now structured only around what is needed. **Mr. Hawkins** clarified that the current financing does not immediately reduce the debt service mill levy; however, the extended term provides future resident boards with greater flexibility to refinance under improved market conditions. He noted that potential annual savings to residents would most likely be realized through a future refinancing at lower interest rates rather than through the current issuance. **Mr. O'Leary** added that while the total authorized debt has been reduced from \$80 million to \$58 million, the aggregate mill levy imposed on residents is expected to decrease because excess mill authority is no longer needed. He further stated that if assessed valuations increase beyond projections, refinancing could occur and potentially shorten the payoff period or reduce costs, but under the current structure, the repayment term remains capped at 40 years from the initial imposition of the debt service mill levy.

#### **NO PUBLIC COMMENTS**

**PC ACTION: MORAES MOVED / BYERS SECONDED TO RECOMMEND APPROVAL OF REGULAR ITEM 5A, FILE NUMBER ID256 FOR A SPECIAL DISTRICT SERVICE PLAN, AMENDED AND RESTATED LORSON METROPOLITAN DISTRICT NO. 6, UTILIZING THE RESOLUTION ATTACHED TO THE STAFF REPORT WITH SIX (6) CONDITIONS AND ONE (1) NOTATION, THAT THIS ITEM BE FORWARDED TO THE BOARD OF**

**COUNTY COMMISSIONERS FOR THEIR CONSIDERATION. THE MOTION TO RECOMMEND APPROVAL PASSED (7 - 0).**

**IN FAVOR: (7)** Brew, Byers, Carlson, Fuller, Moraes, Trowbridge, and Whitney.

**IN OPPOSITION: (0)** None.

---

**6. NON-ACTION ITEMS**

---

NONE

**MEETING ADJOURNED** at 9:56 A.M.

**Minutes Prepared By:** Jessica Merriam