

ELEPHANT ROCK VILLAS

PRELIMINARY LETTER OF INTENT

October 12, 2022

APPLICANT/PROPERTY OWNER/DEVELOPER

Todd Dorman, CCIM
Dorman Properties, LLC
Montebello 2205, LLC
2760 North Academy Blvd., Suite 302
Colorado Springs, CO 80917
Office: (719) 213-9100
Email: todd@dormanrealestate.com

DEVELOPMENT CONSULTANT

Ingrid Richter
c/o Olive Real Estate Group, Inc.
102 North Cascade Avenue, Suite 250
Colorado Springs, CO 80903
Office: (719) 598-3000
Mobile: (719) 660-2001
Email: ingridrichter@olivereg.com

TRANSPORTATION CONSULTANT

Jeff C. Hodson, PE, Principal
LSC Transportation Consultants, Inc.
2504 East Pikes Peak Avenue, Suite 304
Colorado Springs, CO 80909
Office: (719) 633-2868
Email: jeff@lsctrans.com

ARCHITECT

Christy Riggs, AIA, Owner/Architect
308, LLC
815 S 25th Street, Suite #203
Colorado Springs, CO 80906
Office: (719) 505-6635
Email: christyriggs@308llc.com

PLANNER/LANDSCAPE ARCHITECT

Chris Lieber, Principal, PLA
N.E.S., Inc.
649 North Cascade Ave., Suite 200
Colorado Springs, CO 80903
Office: (719) 471-0073
Mobile: (719) 440-5102
Email: clieber@nescolorado.com

CIVIL ENGINEER

Rich Gallegos, PE, CFM, ENV SP
RESPEC
121 South Tejon Street, Suite 1110
Colorado Springs, CO 80903
Office: (719) 266-5212
Mobile: (719) 492-8296
Email: richard.gallegos@respec.com

GEOTECH CONSULTANT

Kelli Zigler, Geologist
RMG – Rocky Mountain Group
2910 Austin Bluffs Parkway, Suite 100
Colorado Springs, CO 80918
Office: (719) 548-0600
Email: kmzigler@rmg-engineers.com

WATER ATTORNEY

Chris D. Cummins, Esq.
Monson, Cummins & Shohet, LLC
13511 Northgate Estates Dr., Ste. 250
Colorado Springs, Colorado 80921
Office: (719) 471-1212
Email: cdc@cowaterlaw.com

Site Location & Proposed Development:

The proposed development site is a 13-acre vacant tract of land zoned PUD (Planned Unit Development) known as Lot 2 in Rancho Iracema Subdivision Filing No. 2, in the Town of Palmer Lake, County of El Paso County, State of Colorado (the "Property" or "Elephant Rock Villas"). The Property has El Paso County Tax Schedule No. 71090-12-011 and is currently undeveloped.

The site is triangular shaped with the jagged northern, hypotenuse side of the triangle situated directly adjacent to a 14± acre parcel operated as **The Recovery Village**. A portion of the northern boundary is also adjacent to the Union Pacific Railroad. The southeastern side of the triangle of is adjacent to a 34± acre parcel owned by Curtis Reese currently zoned RA (Residential Agricultural) and the southwestern leg of the triangle is directly adjacent to Highway 105. Directly across Highway 105 to south, outside of the Town of Palmer Lake boundary, is an approximately 49-acre property owned by D&B Miller Family

ELEPHANT ROCK VILLAS

Trust currently zoned RR-5 (Residential Rural 5-acre lots). Also, across Highway 105 to the north, sits an approximately 7+ acre parcel owned by Randy Brenneman currently zoned R1 (Low Density Residential).

The overall site is wooded with clusters of pine trees in a few generalized areas with the highest elevation on the northwest portion of the site, offering panoramic views. The site slopes approximately thirty feet (30') southeast to an existing drainage channel and cement culvert underneath Highway 105 located approximately two hundred feet (200') northwest of the bottom right angle of the triangle. The lower area of the site offers beautiful views of the Front Range to the south with Raspberry Mountain and Mount Herman in the foreground and Elephant Rock to the north.

Most of the proposed development area sits approximately thirty feet (30') lower in elevation than The Recovery Village, the nearest developed neighbor to the north, ensuring the north neighbors' south facing views are not compromised. Architecture of the units will ensure compatibility and consistency with the scale, blocking, style, and color palette of The Recovery Village. Amenities include natural open space areas, as well as a neighborhood pocket park. The site does not contain any wetlands, creeks or riparian areas, and the nearest creek is over 1,500' to the southwest, limiting the likelihood that Preble's meadow jumping mice are present on the site. A soils and geology study of the site is pending from RMG Geotechnical Engineers.

The undulating topography of the site lends itself to larger building footprints rather than smaller lots. Several larger areas of the site are level, and the proposed development of duplexes and triplexes will lessen the need for extensive grading and/or relocation of soil. Clustering of the units will also allow for preservation of existing trees. A private loop road is proposed to create a looped water system for both water pressure and fire suppression, as well as a sense of connectivity within the community. The proposed roadway will be designed as rural-residential with drainage swales instead of curb and gutter and hammerhead dead ends that allow vehicles to turn around while limiting the amount of paved impervious surface, resulting in additional infiltration of precipitation into the ground and enhance stormwater discharge quality. The internal roadway will be maintained by the Property Owner, with proposed access to the development directly from Highway 105.

Current required building setbacks along the north and southeastern side of the property are twenty-five feet (25'), with a fifty-foot (50') setback along the Highway 105 frontage. However, the Property Owner is proposing a one-hundred-foot (100') setback from Highway 105 creating open space, a natural drainage area, and a rural two-lane entrance separated by a landscaped median into the proposed site. The expanded setback from Highway 105 will decrease roadway noise and offer aesthetically pleasing south facing views for residents. Preservation of the existing clusters of pine trees is a high priority. The Property Owner will attempt to transplant existing trees that require clearing into the one-hundred-foot (100') setback area adjacent to Highway 105. In addition, new native grasses and trees will be added in the setback area to provide a natural visual buffer to the highway. Care will be taken to ensure any plantings minimize fire risks to buildings or surrounding areas utilizing Firewise recommendations.

Elephant Rock Villas is a single-family attached, clustered townhome community with a mix of fifty-seven (57) non-owner-occupied duplexes and triplexes. Construction will be crawl space foundations with building heights of eighteen feet (18') for single story townhomes and twenty-eight feet (28') for two-story townhomes.

18 duplexes, totaling 36 single family townhomes are planned to include the following variations:

- One-story with ~1,200 SF to include 2 bedrooms, 2 bathrooms and a 2-car garage.
- Two-story units with ~2,200 SF to include 3 bedrooms, 2.5 bathrooms and a 2- car garage.
- One-story units with ~1,600 SF to include 3 bedrooms, 2.5 bathrooms and a 2-car garage.

ELEPHANT ROCK VILLAS

7 triplexes, totaling 21 single family townhomes are planned to include the following variations:

- One-story with ~1,200 SF to include 2 bedrooms, 2 bathrooms and a 2-car garage.
- Two-story units with ~2,200 SF to include 3 bedrooms, 2.5 bathrooms and a 2- car garage.
- One-story units with ~1,600 SF to include 3 bedrooms, 2.5 bathrooms and a 2-car garage.

The townhomes are planned to rent at a market rate range of ~\$1,700 to ~\$2,300 per month depending on the size of the townhome and mix of bedroom/bathroom/garage amenities and final development/construction costs. Utilities will be paid by residents and common area community expenses (such as trash, snow removal and landscaping) will be managed by the Property Owner. Lease terms for approximately ninety percent (90%) of the dwelling units will be for a minimum of one year and approximately ten percent (10%) of the dwelling units will be used for short term rentals of no more than 30 days.

Elephant Rock Villas will be developed, owned, managed, and maintained by Dorman Properties, LLC and Montebello 2205, LLC who purchased the property on September 30, 2021. Todd Dorman is the principal of these entities and is the founder and majority owner of Dorman Real Estate, Inc., a real estate management company based in Colorado Springs, CO with a branch in Woodland Park, CO. Mr. Dorman invested in Palmer Lake because he desires to be part of the Palmer Lake community and saw a need for high-quality rental homes in the Tri-Lakes area.

Since 2009, Dorman Real Estate, Inc. has grown from 5 people managing ~250 homes to 39 employees with several divisions specializing in residential management of 800+ units, HOA management of over ~60 associations, commercial property management, short-term corporate and vacation rental management, along with a property maintenance division. With Dorman Real Estate's resources and expertise in managing and maintaining similar projects and associations, the vision for Elephant Rock Villas is to become a legacy project, a crown jewel of success for the Palmer Lake community offering a sense of pride for its residents. The vision is to create an attainable, desirable living community befitting of a small mountain community that will be impeccably maintained, keeping property values stable for itself and all neighboring properties, for generations to come.

Request and Justification:

This request is for consideration of 57 attached dwelling units on 13 acres of PUD zoned property. Elephant Rock Villas will be single family attached, non-owner occupied, long-term rental townhomes suitable for retirees, families, local workforce, and young professionals. The proposed in-fill development site falls within the Town of Palmer Lake's PUD zone district currently in effect (Interactive Zoning Map).



ELEPHANT ROCK VILLAS

Proposed development of the site complies with the Town of Palmer Lake Planned Unit Development Code Chapter 17.52, which is currently the approved Development Code in place and what the property owner relied upon when the property was acquired in September 2021. The proposed site complies with the Development Code developed as follows:

1. **17.52.040 – Principal Permitted Uses**, subsection (A): Residential dwelling units in detached, attached or multi-family structures or any combination thereof.
2. **17.52.050 – Density**: The maximum density for any PUD residential development shall be fifteen (15) dwelling units per net acre (net of all publicly dedicated lands within the proposed development, e.g. street rights of way, parks, school sites, etc.) for attached dwelling units and eight (8) dwelling units per net acre for detached dwelling units. Maximum permissible densities for each development proposal will be determined as part of the PUD Plan approval for a PUD request. (This request proposes 4.39 dwelling units per acre.)

Allowable zoning for attached dwelling units (15 DU/AC) is 195 attached dwelling units and allowable zoning for detached dwelling units (8 DU/AC) is 104 detached dwelling units. The proposed density of the 13-acre site is approximately 57 dwelling units per acre (4.39 DU/AC) consisting of approximately 18 duplex buildings (36 units) and 7 triplex buildings (21 units). The townhomes will be non-owner occupied, long-term rental units managed by Dorman Real Estate, Inc., a subsidiary of the Property Owner. The development will be owned, developed, managed, and maintained by Dorman's entities. On May 26, 2021, El Paso County adopted **Your El Paso County Master Plan**, illustrating its intention to balance conservation with new growth and development and to serve as a foundation to lead decision making for the next 20 years. **Your El Paso County Master Plan** establishes a regulatory framework to guide in the evaluation of private development proposals. The proposed project complies and is compatible with the following Core Principles and Goals outlined in **Your El Paso County Master Plan** (2021), to include:

1. **Land Use & Development**: Manage growth to ensure a variety of compatible land uses that preserve all character areas of the County.
 - Goal 1.1 – Ensure compatibility with established charter and infrastructure capacity.
 - Goal 1.2 – Coordinate context-sensitive annexation and growth strategies with municipalities.
 - Goal 1.3 – Encourage a range of development types to support a variety of land uses.
 - Goal 1.4 – Continue to encourage policies that ensure “development pays for itself”.
2. **Housing & Communities**: Preserve and develop neighborhoods with a mix of housing types.
 - Goal 2.1 – Promote development of a mix of housing types in identified areas.
 - Goal 2.2 – Preserve the character of rural and environmentally sensitive areas.
 - Goal 2.3 – Locate attainable housing that provides convenient access to goods, services, and employment.
 - Goal 2.4 – Support again in-place housing options to meet residents’ needs through all stages of life.

Your El Paso County Master Plan focuses on Placetypes as land use building blocks and identifies different development and land use characteristics which serve as the base for long-range planning. Elephant Rock Villas could be considered an “isolated pocket” that is both vacant and underutilized. While the Master Plan does not specifically address a proposed placetype for this property because it lies with the Town of Palmer Lake boundary, areas of El Paso County surrounding this site are identified by the Plan for infill development and are designated as “suburban residential” allowing for single-family attached housing as a supporting land use. This request is consistent with the placetype designated in **Your El Paso County Master Plan** as a “suburban residential”.

ELEPHANT ROCK VILLAS

Proposed development of the site will comply with the specific requirements for development outlined in the El Paso County Engineering Criteria Manual (ECM), which will be specifically addressed in the forthcoming PUD Application to the Town of Palmer Lake with respect to minimum building setbacks, drainage, access, and utilities.

Various factors justify the development of the Elephant Rock Villas 13-acre site. Elephant Rock Villas offers a carefully planned, clustered townhome development project that promotes efficient land use, conservation of open space and reduction of infrastructure costs by utilizing larger building footprints and expanded natural buffers with rural neighborhood amenities and dwelling units tucked into natural setting. The proposed development is contiguous and compatible with projects in the surrounding Tri-Lakes and Palmer Lake area and offers a logical transition of density between Recovery Village to the north and the undeveloped Reese property to the south. The proposed site is designed to minimize impacts to adjoining property owners while complimenting the unique environmental conditions and established land use character of the area. The project also financially supports and promotes expansion of the existing water and wastewater infrastructure of the Town of Palmer Lake and Palmer Lake Sanitation District, respectively.

The Elephant Rock Villas clustered townhome, 'for rent' approach offers a new and unique type of development in response to post-pandemic demographic, economic and market changes offering housing options for a variety of lifestyles and employment options. As population and employment growth along the Front Range increases, the rate of development in the unincorporated areas of El Paso continues to correlate with the current economic expansion of the Pikes Peak Region; specifically, those areas in northern El Paso County with a closer proximity to Denver. Monument, Colorado has seen exponential growth over the past five years resulting in increased demand for new residential housing options close to transportation corridors but in natural settings with recreational opportunities, beautiful landscapes, and nearby amenities. Elephant Rock Villas supports a rural neighborhood lifestyle for families, young professionals and/or retirees whose dream of home ownership is currently out of reach.

Existing and proposed facilities, structures, and roads:

Utility Services

Water service is being requested from Town of Palmer Lake. The Applicant understands the Town is in the process of water system upgrades, which are required to provide sufficient flows and taps needed for this project. The Applicant and Town will need to work collaboratively to understand a realistic timeline of future water system upgrades and how those upgrades will coincide with future development plan approvals and installation of required infrastructure. The Applicant intends to install a looped water system during Phase 1 to serve the subdivision and provide sufficient fire flows. The Applicant's goal is to develop a community that pays mill levy to the Town of Palmer Lake and administrative revenue for water service.

Sanitary sewer service is being requested from Palmer Lake Sanitation District. Electric service will be provided by Intermountain Rural Electric Association. Natural gas service will be provided by Black Hills Energy. The site is located within the boundaries of the Town of Palmer Lake Fire and Police.

Drainage

The Applicant intends to utilize the existing drainage channel and concrete box culvert underneath Highway 105 located approximately two hundred feet (200') northwest of the bottom right angle of the triangle. Detention and water quality features will be integrated into the system utilizing criteria established by the Town and supplemented by El Paso County regulations.

ELEPHANT ROCK VILLAS

Internal Roadway

The Applicant will construct a two-lane entrance separated by a landscaped median. The interior rural roadways will loop through the community and will be designed to minimize disturbance. The road will be owned and maintained by the Applicant.

Access

State Highway 105 is the primary and singular existing transportation corridor affecting the Property. LSC Transportation recently completed a Traffic Impact Study and has initiated discussions with the Colorado Department of Transportation to request an Access Permit, which will be required based on the **Colorado State Highway Access Code**. One, full-movement access to/from State Highway 105 is being proposed with a two-lane entrance separated by a landscaped median into the proposed site. The proposed full-movement, single access point is approximately 550 feet southeast of The Recovery Village/Mission Training International access road and approximately 815 feet northwest of Red Rock Ranch Drive. Intersection sight distances are greater than 1,000 feet to both the east and west, which meet the prescribed distance in the **Colorado State Highway Access Code**. Based on projected traffic counts and trips generated by Elephant Rock Villas, the Traffic Impact Study notes acceptable Levels of Service will no requirement for auxiliary turn lanes.

Fire Evacuation/Emergency Access

Members of the Elephant Rock Villas Project Team met with various representatives from the Town of Palmer Lake to discuss fire evacuation and a secondary, emergency egress point through either The Recovery Village property to the north or the Reese property to the south. The Project Team has initiated conversations with both adjacent neighbors regarding these issues, who amenable to continued discussions. Since Phase 1 development totals 25 dwelling units (or less), the Applicant respectfully requests the secondary access requirement be part of Phase 2 development.

Structures

Fifty-seven (57) residential dwelling units are proposed comprised of eighteen (18) duplexes and seven (7) triplexes.

ELEPHANT ROCK VILLAS

Neighborhood Discussions:

The Property Owner intends to schedule meetings with surrounding neighbors and neighborhood associations in conjunction with the requirements of the PUD Application.

The purpose and need for the development	The proposed development will provide a new and unique single family attached, clustered townhome development for families, young professionals, and surrounding workforce.
The total number of acres in the request	13 acres
The total number of residential units and densities for each dwelling unit type	18 duplexes = 36 two-family dwelling units 7 triplexes = 21 three-family dwelling units
The total number of residential units and density	57 Residential Dwelling Units 4.39 units per acre
Typical lot sizes: length and width	PUD ECM minimum lot size is 7,000 SF
Type of proposed recreational facilities	Open space and neighborhood pocket park.
Drainage Detention and Water Quality Treatment and Tract Size	Approximately 0.75 acres
If phased construction is proposed, how phased	Project will be constructed in three phases.
How water and sewer will be provided	Water – Town of Palmer Lake Sewer – Palmer Lake Sanitation District
Proposed uses, relationship between uses and densities	Proposed use will be attached single family residential. Proposed density will be 4.39 acres per acre
Areas of required landscaping	Large areas of existing trees will be preserved to provide interior landscape areas and maintain a natural character. A 100' landscape buffer is provided along the Hwy 105 corridor. A 25' buffer is provided along adjacent parcels.
Proposed access locations	Primary access from State Highway 105.
Approximate acres and percent of land to be set aside as open space, not to include parking, drive, and access roads.	Approximately 3.9 acres of land (approximately 30%) of the property is proposed as open space.