



Gold Hill Mesa Statement on Gazette article

As many of you have seen or heard by now, the Gazette published a long article on Gold Hill Mesa in Sunday's newspaper. Because of the history of this property, Gold Hill Mesa has always been highly visible and subjected to scrutiny. Every few years, renewed interest and intrigue arises about the property and its history. As the Colorado Springs population has increased, and Gold Hill Mesa has grown to nearly 500 homes, media and public interest in Gold Hill Mesa has become relevant once again.

Gold Hill Mesa welcomes and encourages oversight. For example, we accepted the Gazette's request for an interview for this story and facilitated photographs around Gold Hill Mesa. We have always strived to do what is right and implement best practices and compliance to the highest standards, and that includes transparency and working closely with the Colorado Department of Public Health and Environment, the City of Colorado Springs, all other governing regulatory agencies, our residents and neighboring communities.

Gold Hill Mesa appreciates the Gazette's interest in this site and development. However, there are significant inaccuracies and misrepresentations in Sunday's story, and Gold Hill Mesa reserves any and all rights that it has under Colorado law to defend itself against any inaccuracies or misleading statements in the recent Gazette articles and any future articles. There are many misrepresentations in the article; here are corrections to the most significant inaccuracies, with facts and clarification following:

- A. Health and Safety:** Gold Hill Mesa adheres to the strictest health and safety standards through the Colorado Department of Public Health and Environment.
- B. Sinking and Heaving:** We are not aware of unusual settlement in Gold Hill Mesa.
- C. Development is in Progress:** Gold Hill Mesa's Development is NOT halted.
- D. Filing 11 Review:** Gold Hill Mesa's Filing 11 is currently in the normal review process and Colorado Geological Survey's concerns are being addressed.
- E. "Independent" Report:** The Gazette based much of its story on an engineering report commissioned by one side in a dispute that occurred several years ago, while referring to this report as being "independent".

About Gold Hill Mesa: Gold Hill Mesa is the site of the former Golden Cycle Mill. Long undeveloped and a blight on the westside of Colorado Springs, the property has been developed over the past 15 years as a traditional neighborhood development, with careful attention given to both the aesthetic and functional appeal of the community, as well as the particular considerations of constructing at a site with this unique history.

A. Health and Safety:

- **Health and safety of our residents has always been a top priority for Gold Hill Mesa**, and we have demonstrated that through our long and extensive work with the Colorado Department of Public Health and Environment (“CDPHE”).
- **The Gazette article misleadingly uses a quote from a CDPHE official to insinuate that Gold Hill Mesa can ignore a voluntary clean-up plan (or “VCUP”), that is overseen by CDPHE.** That is factually incorrect.
- **Fact:** CDPHE cannot compel a landowner to clean up a parcel if the land is not being used. VCUPs are voluntary only in the sense that CDPHE doesn’t have the ability to force action on the part of a landowner who is otherwise sitting on the land and not developing it.
- **Fact:** When a parcel is slated for redevelopment, it must be cleaned up and released under strict guidelines and supervision from CDPHE. This is absolutely the case for Gold Hill Mesa.
 - VCUPs are used in places where the land can be rehabilitated. The conditions in each VCUP is specific to the site and uses proposed for that site.
 - In order for land to be redeveloped, as has been done at Gold Hill Mesa, CDPHE must approve a “No Action Determination.”
 - Inspections are required on every filing at Gold Hill Mesa and a “No Action Determination” request is only approved once CDPHE has been satisfied that the conditions in the VCUP have been met.

The conditions in our VCUP are extensive. To summarize, Mr. Paul Casey, PE, President and Principal Engineer of Casey Resources, Inc. makes the following statement regarding Gold Hill Mesa:

“The whole premise of the Gold Hill Mesa project was to clean up a blighted piece of property which was untouched for over 40 years and represented a health and safety risk to the residents of Colorado Springs. Now, with a viable engineered cap placed in accordance with the State approved clean-up plan, the property is safe for the residents living there, as the exposed tailings have been capped, eliminating exposure pathways. We have full confidence in the safety of the property as evidenced by the ‘No Action Determination’ letters provided by the Colorado Department of Public Health and Environment with its review of cleanup plan compliance documentation on a filing by filing basis.”

Mr. Casey has implemented 100 VCUP projects since 1995, including Stapleton Redevelopment, Pepsi Center, and Elitch Gardens to name a few. Mr. Casey began working on the Gold Hill Mesa Project in 1999.

B. “Sinking and Heaving”:

- The Gazette article references multiple times that “flooding,” “heaving” and “sinking” is a significant issue at Gold Hill Mesa, even trying to claim that as many as 24 homes have been impacted. As evidence for these claims, the Gazette article refers to minutes from a meeting that apparently occurred in February 2016.
 - We are not aware of the specific homes that are claimed to have experienced distress. Rather, out of the nearly 500 homes in Gold Hill Mesa, we are aware of only a handful that have experienced issues with water intrusion. To our knowledge, most of those homes had minor issues based on insufficient drainage around the home and those

issues were satisfactorily resolved directly with their homebuilder. Such issues are not uncommon in the building process.

- Common sense suggests that if there were issues with the community itself, one would expect challenges with homes to become apparent over entire areas, such that neighboring homes would exhibit similar symptoms. In this case, however, a handful of distinct homes, separated geographically, out of a community of more nearly 500 homes, with occurrences spanning over a decade, confirms that these were isolated cases of construction challenges—and not any inherent issue with the land itself.

C. Gold Hill Mesa Development is Not “Shut Down”:

- **The article implies that all of Gold Hill Mesa is ‘shut down’ from development. This is False.** Gold Hill Mesa is not globally “halted”. We continue to proceed through the approval process for Filing 11. We still have lots under development and homes in construction in previously approved Filings 7, 8, and 9.
 - Filing 10 is in the process of being amended to accommodate design changes that we initiated. In the meantime, we continue to perform grading work in anticipation of that upcoming filing release.
 - In the commercial area, we are mitigating old structures in preparation for future development.

D. On-Going Review of Filing 11 Application:

- **Filing 11 is going through the city’s review process, and we are in the second round of responses.**
 - The City Planning and Development Department uses the Colorado Geological Survey (CGS) as their “consultant” in geotechnical matters. As of 2017, this process is required for most development on the westside of Colorado Springs.
 - When Gold Hill Mesa submitted the development plan for Filing 11, CGS raised questions. The nature of those questions surprised us because **those issues had already been studied** (2004 CTL Thompson geotechnical report) **and acceded to by CGS** at the inception of the project.
 - Further, the sources and methods underlying CGS’s questions were surprising to us.
 - **CGS utilized as a primary source, a 4 year old plaintiff’s attorney sponsored report (without seeking rebuttal evidence to said report) about a single home unrelated to Filing 11 as the foundation in the authoring its initial round of questions to the Filing 11 application.** The Mike West report is referenced in the CGS report to the City of Colorado Springs regarding Filing 11 and referenced throughout the Gazette article is that report.
 - Nonetheless, Gold Hill Mesa and our geotechnical engineer, Bill Hoffmann with CTL Thompson, promptly responded to the CGS questions, and for the past five weeks, together with CTL Thompson, we have been seeking to meet with CGS so that we can better understand and address their questions on the Filing 11 application. We question why CGS has been non-responsive to our ongoing requests to meet with our engineer and address their questions, while it has apparently made time to meet on multiple occasions with the Gazette.

- We received the latest CGS letter responding to CTL's response this morning and, as we always have, we will continue to work to address the questions CGS has raised.
- Work to address the concern raised about liquefaction during a maximum credible earthquake study was already performed in 2004 before the overall development got started. Again, CGS reviewed and acceded to this work in 2004.
- The Gazette is conflating the recommendation by CGS for a new liquefaction study, which is only relevant in the event of a future maximum earthquake, with the false representation that homes are sinking at Gold Hill Mesa.

E. "Independent" Reviews:

- **The Gazette used an engineering report commissioned by a plaintiff's attorney several years ago as the majority basis for its story, while it discredited other reports and experts who provided a balance to this source.**
 - The Gazette article makes several mentions to the Mike West report—**referencing it initially as an "independent expert's report."** However, the reporter knew full well that the Mike West report had been commissioned by a plaintiff's attorney.
 - Not until much later in the article is there any mention that the report from 2015 was actually commissioned by a plaintiff's attorney, and the reporter never connected the previous mention of an "independent expert's report" to the fact that it was actually a report prepared for the plaintiff's lawyer.
 - **By contrast**, the story referred to Alan Claybourn, who also provided a report as part of the same case at Gold Hill Mesa, as being "hired by defendants."

Former Polmer/Rudge Residence:

- **The Gazette article focuses on a single home at Gold Hill Mesa, inaccurately claiming that this house had unusual sinking and required "extensive repairs" before it could be resold.**
- According to homebuilder Wayne Intermill, owner of Hi-Point Homebuilders, there were **no "extensive repairs" to the structure or foundation.** Rather, the repairs were primarily cosmetic in nature before the house was put on the market. According to Mr. Intermill, those repairs consisted of:
 - Removing the window well on the north east side of the home to scope the French drain in all directions to look for any kind of issue (clogged, smashed). The camera revealed perfect condition all the way to the underdrain tie in point.
 - Adding a pit so that it could act as an inspection point for water. Mr. Intermill states that he went by the home this week and observed that the pit was dry.
 - Replaced about 3 feet of the basement drywall that the restoration company cut out because of it being wet. Repainted the walls after replacing the drywall in the basement.
 - Installed new pad and carpet in the basement.
 - Repaired, recaulked, and painted a small water leak in the ceiling where the fireplace jack goes out the roof.
 - Replaced appliances removed from the kitchen by previous owners.
 - Cleaned debris from the trench drain in the patio area.

- Caulked the outside patio railing.
- Replaced one of the compressors that is in the geothermal pump.
- Replace the downstairs bathroom vanity that was destroyed by the restoration company.
- Replaced burned out or missing light bulbs throughout the home.
- Touched up grout in bathroom vanities and showers.
- Installed new base and casing in the basement.
- **Neither of the two most recent owners of this residence have expressed to us dissatisfaction with its condition.**

What's Next:

The management of Gold Hill Mesa will continue to provide additional information necessary to bring to light the other numerous misrepresentations in Sunday's Gazette article.

Throughout this 15-year redevelopment, Gold Hill Mesa has grown into a strong and vibrant community, which is key to our mission of taking this long-dormant and blighted property and improving it through a responsible environmental clean-up plan. Gold Hill Mesa has been successful at healing and restoring the land, providing homes close to the core of our city, creating jobs, and developing a thriving community.

We thank you, our residents, community supporters, and stakeholders, for supporting that mission by choosing Gold Hill Mesa to be your home and embracing us as a part of the broader Colorado Springs community. We will continue to progress this vision, and we thank you for your patience and understanding while all of us at Gold Hill Mesa work through this damaging attack on our beautiful community.

If you have any questions or concerns about this story or about any issue in our community, please do not hesitate to contact me at stephanie@goldhillmesa.com.

Thank you,

Stephanie Edwards

Executive Vice President

Stephanie@goldhillmesa.com

Gold Hill Neighborhood, LLC

142 S. Raven Mine Drive, Suite 200, Colorado Springs CO 80905