

Stetson Ridge Metropolitan District No. 3 Debt Issuance

City Council Work Session
May 11, 2020

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Background and Summary



- Metropolitan district with residential uses approved in 2006 - about 155 acres
- Residential portion of the project is built out
 - About 40,000 SF of commercial remaining
- Marketed tax exempt bond issues totaling about \$8.1M
- Million to refinance 2012 bonds and reimburse some additional costs
 - About \$4.9 in refunding
- Series A and B bonds
- Within maximum authorized debt of \$11,000,000
- 27.832 debt service mills, Gallagher-adjusted
 - Cap of 33.398 pledged
- Subject to and compliant with 40-year maximum debt service mill levy imposition term
- Redemption options

Series A Bonds



General Obligation Limited Tax Refunding and Improvement Bonds, Series 2020A

- Estimated **\$7,010,000** principal amount
- Principal amount not to exceed \$8,500,000
- Investment grade- rated bonds (anticipated Baa2), likely with bond insurance
- Estimated true interest cost of (TIC) 3.03%
 - Interest rate not to exceed 6.50%
- Final maturity 12/1/2047, discharge date of 12/15/2047
- Redemption Option

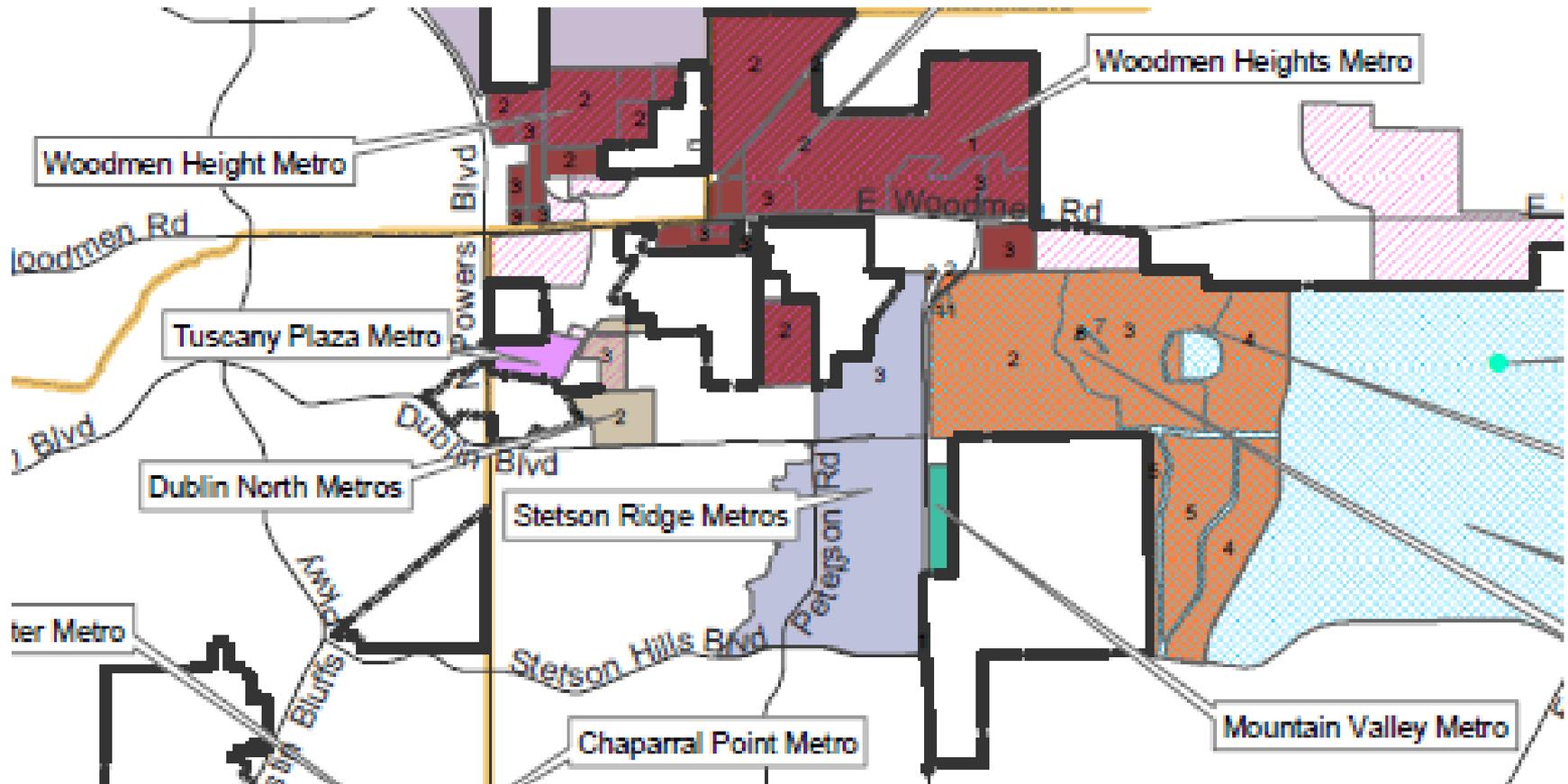
Series B Bonds



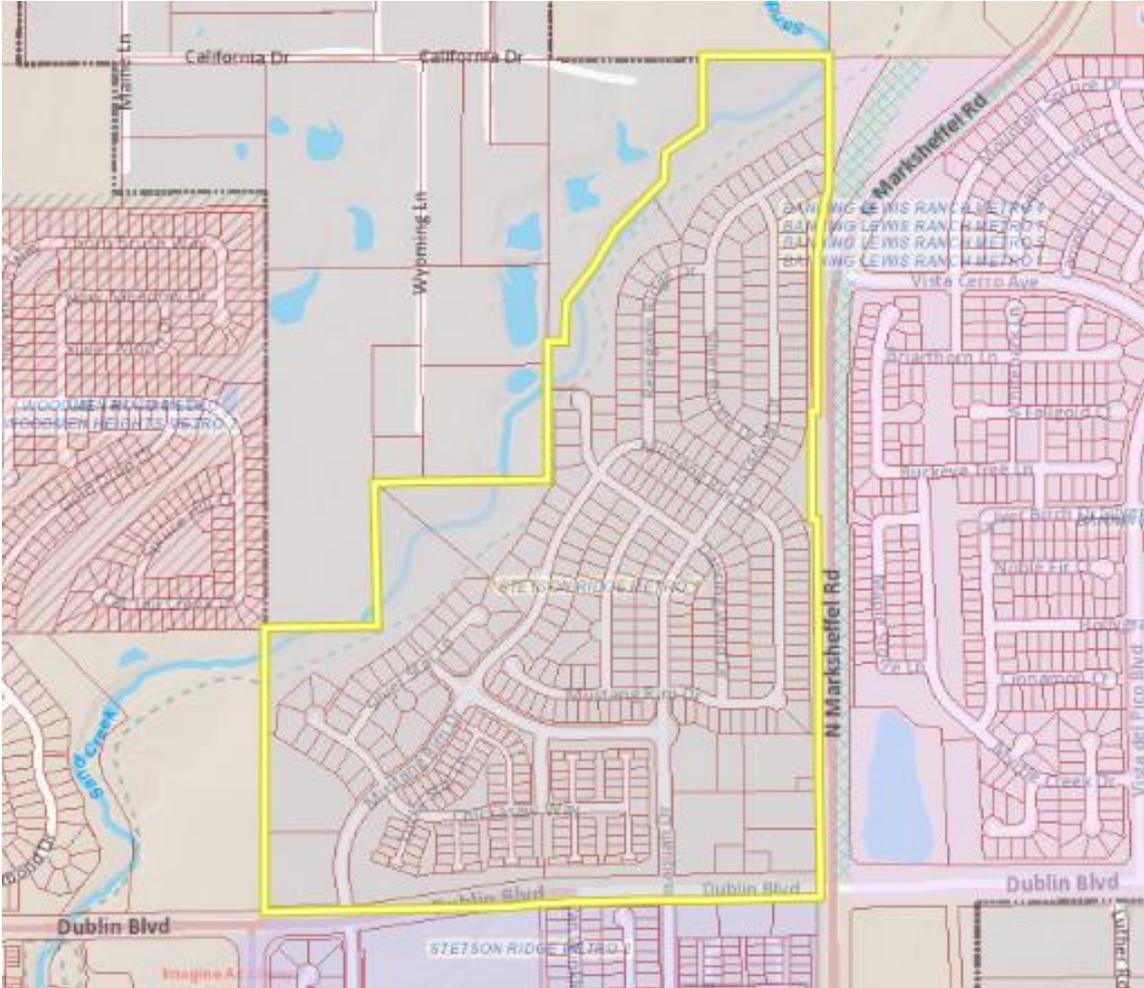
Subordinate General Obligation Limited Tax Refunding and Improvement Bonds, Series 2020B(3)

- Estimated **\$1,119,000** principal amount
- Principal amount not to exceed \$2,000,000
- Subordinate, cashflow bond, paid from revenues left after payment of senior debt service
- Estimated Interest Rate of 8.00%
- Interest Rate Not to Exceed 9.50%
- Final maturity 12/15/2042, discharge 12/15/2047
- Redemption option

Vicinity Map



District Map



Additional Improvement Costs to be Funded



- Engineer's certification provided
- About \$7.2 Million in additional costs
 - Water, sewer, stormwater, streets
 - On and off site

City Council Budget Committee



- April 28, 2020
 - Asked clarifying questions including whether there are any resident property owners on the board
 - Requested verification that 2047 discharge date is consistent with maximum 40-year debt service mill levy imposition term

Supporting Materials



- Cover memo
- Draft Council resolution
- Draft Indentures
- Term Sheets
- Schedules of revenue and debt service
- Form of District counsel opinion (pending)
- Cost documentation for reimbursements

Next Steps and Questions?



- May 26, 2020 City Council
 - Requires at least 6 affirmative votes
 - One year to issue
 - \$ 10.5 Million not to exceed cap in draft resolution
 - New approval required if bonds were to be privately placed