

FREESTYLE METROPOLITAN DISTRICT
MEADOWWORKS METROPOLITAN DISTRICT
CITY OF COLORADO SPRINGS BUDGET COMMITTEE



For both proposed district financings discussed (Freestyle and Meadowworks), each District, in coordination with the Underwriter (D.A. Davidson), has shown two proposed financing structures:

- Option 1: Senior Current Interest Bond; Subordinate Cash Flow Bond
 - Option 2: Senior Cash Flow Bond (**preferred structure**)
 - Both of these options are financing structures that have been pursued previously by metropolitan districts in the City of Colorado Springs
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- For each proposed financing, the preferred transaction structure would be to issue a single series of Senior Cash Flow Bonds (Option 2).
 - However, based on the current municipal high-yield market at the time of sale will dictate whether the market will choose to accept that structure.
 - Accordingly, each District has asked the Underwriter to prepare an alternative, more conventional amortizing senior/subordinate structure to be discussed concurrently with the City Council for its approval, should the Districts need to change structure between the time of approval and sale, based on then-current market conditions and investor preferences.

FREESTYLE METROPOLITAN DISTRICT

BUGDET COMMITTE MEETING

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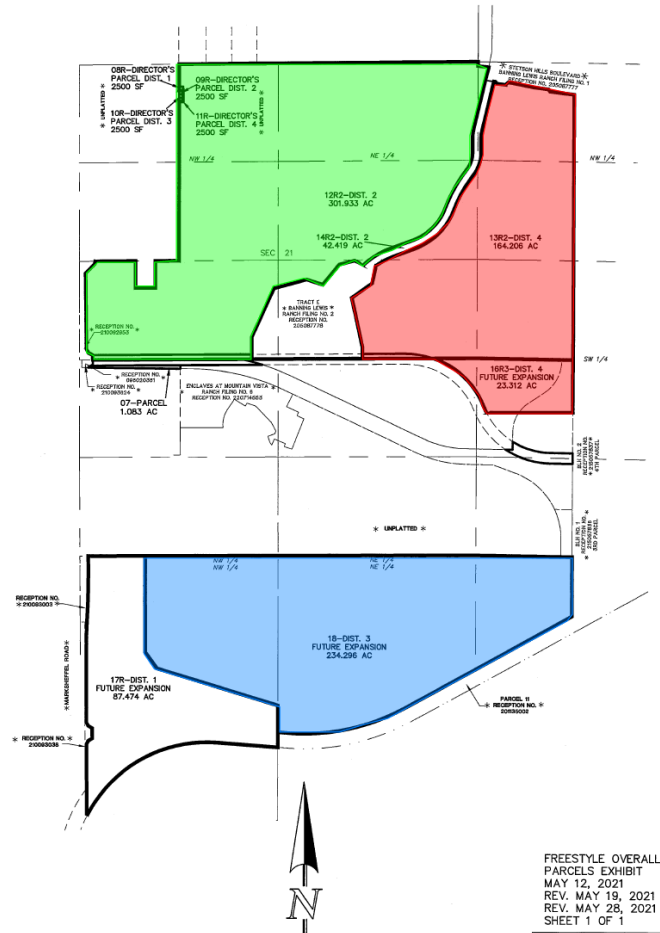
1. DISTRICT BOUNDARIES
2. DEVELOPMENT PHASING
3. BOND STRUCTURE & PARAMETERS
4. PUBLIC IMPROVEMENTS



DISTRICT TAX BOUNDARIES



- District 2
- District 3
- District 4



DEVELOPMENT SUMMARY PROJECTION



Freestyle Metropolitan District #2- Development Projection
Residential

| Statutory Actual Value ('22) | N Parcel 1 | N Parcel 2 | N Parcel 3 | N Parcel 4 | N Parcel 5 | N Parcel 6 | N Parcel 7 | N Parcel 8 | N Parcel 9 | Total Residential |
|-------------------------------------|----------------|----------------|----------------|---------------|-----------------|----------------|--------------|----------------|----------------|-------------------|
| | \$625,000 | \$625,000 | \$625,000 | \$625,000 | \$625,000 | \$450,000 | \$625,000 | \$575,000 | \$490,000 | |
| 2022 | | | | | | | | | | |
| 2023 | | | | | | | | | | |
| 2024 | | | | | | | | | | |
| 2025 | 100 | 45 | | | | | | | | 145 |
| 2026 | | 45 | | | | | 120 | 70 | | 235 |
| 2027 | | | 56 | 20 | | 75 | | 70 | | 221 |
| 2028 | | | 19 | 20 | 83 | | | | 18 | 140 |
| 2029 | | | | | 28 | | | | 72 | 100 |
| 2030 | | | | | | | | | | |
| Total Units | 100 | 90 | 75 | 40 | 111 | 75 | 120 | 140 | 90 | 841 |
| Total Statutory Actual Value | \$62.5M | \$56.3M | \$46.9M | \$250M | \$69.4 M | \$33.8M | \$75M | \$80.5M | \$44.1M | \$493.4M |

DEVELOPMENT SUMMARY PROJECTION



**Freestyle Metropolitan District #3- Development Projection
Residential**

| Statutory Actual Value ('22) | S Parcel 1 | S Parcel 2 | S Parcel 3 | S Parcel 4 | S Parcel 5 | S Parcel 6 | S Parcel 7 | S Parcel 8 | S Parcel 9 | Total Residential |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|
| | \$450,000 | \$550,000 | \$450,000 | \$625,000 | \$625,000 | \$550,000 | \$450,000 | \$625,000 | \$625,000 | |
| 2022 | | | | | | | | | | |
| 2023 | | | | | | | | | | |
| 2024 | | | | | | | | | | |
| 2025 | 38 | | | | | | | | | 38 |
| 2026 | 113 | 75 | | | | | | | | 188 |
| 2027 | | | 70 | 100 | 38 | | | | | 208 |
| 2028 | | | | | 113 | 100 | 80 | 38 | | 331 |
| 2029 | | | | | | | | 38 | 113 | 151 |
| 2030 | | | | | | | | | 38 | 38 |
| Total Units | 151 | 75 | 70 | 100 | 151 | 100 | 80 | 76 | 151 | 954 |
| Total Statutory Actual Value | \$68.0M | \$41.3M | \$31.5M | \$62.5M | \$94.4 M | \$55.0M | \$36.0M | \$47.5M | \$94.4M | \$530.5M |

DEVELOPMENT SUMMARY PROJECTION



| Freestyle Metropolitan District #4- Development Projection | | | | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|----------------|-------------------|
| Residential | | | | | | | |
| Statutory Actual Value ('22) | N Parcel 10 | N Parcel 11 | N Parcel 12-13 | N Parcel 14 | N Parcel 16 | N Parcel 13 | Total Residential |
| | \$350,000 | \$490,000 | \$575,000 | \$350,000 | \$350,000 | \$240,000 | |
| 2022 | | | | | | | |
| 2023 | | | | | | | |
| 2024 | 75 | 96 | 110 | 56 | 115 | | 452 |
| 2025 | 75 | | | 75 | 115 | 340 | 605 |
| 2026 | | | | 19 | | | 19 |
| 2027 | | | | | | | |
| 2028 | | | | | | | |
| 2029 | | | | | | | |
| 2030 | | | | | | | |
| Total Units | 150 | 96 | 110 | 150 | 230 | 340 | 1,076 |
| Total Statutory Actual Value | \$52.5M | \$47.0M | \$63.3M | \$52.5M | \$80.5 M | \$81.6M | \$377.4M |



Bond Financing Summary:

- The District is considering two different structures for the bond issue. The bond market has been dynamic and the District would like the flexibility to issue either of the two different structures depending on which structure is the most advantageous and provides the most proceeds to construct public improvements.
- Option 1: Senior Current Interest Bond on parity with Convertible Capital Appreciation Bond; Subordinate Cash Flow Bond
- Option 2: Senior Cash Flow Bond
- All Bonds being sold to the market

Option 1. General Obligation Bonds, Series 2022

| | Series 2022A-1 | Series 2022A-2 | Series 2022B |
|---------------------------------------|--|--|--|
| Tax Status | Tax-Exempt | Tax-Exempt | Tax-Exempt |
| Delivery Date | 3/24/2022 | 3/24/2022 | 3/24/2022 |
| Par Amount (\$) | 25,255,000 | 13,975,419 | 9,561,000 |
| Project Fund (\$) | 19,227,400 | 12,218,787 | 9,417,585 |
| Capitalized Interest Fund (\$) | 3,788,250 | | |
| Debt Service Reserve Funds | 2,109,000 | 1,397,000 | |
| Cost of Issuance (\$) | 548,825 | 359,631 | 143,415 |
| Debt Service Mill Levy | 30.000 | 30.000 | 30.000 |
| Interest Rate | 5.00% | 5.25% | 8.00% |
| Final Maturity | 12/1/2052 | 12/1/2052 | 12/1/2052 |
| Optional Redemption | 3/1/2027 at 103%, declining 1% per year | 3/1/2027 at 103%, declining 1% per year | 3/1/2027 at 103%, declining 1% per year |

¹Preliminary estimates based on current market conditions; subject to change. D.A. Davidson makes no commitment to underwrite at these levels



Bond Financing Summary:

- The District is considering two different structures for the bond issue
- Option 1: Senior Current Interest Bond on parity with Convertible Capital Appreciation Bond; Subordinate Cash Flow Bond
- Option 2: Senior Cash Flow Bond
- All Bonds being sold to the market

Option 2. General Obligation Bonds, Series 2022

| | Series 2022 |
|---------------------------------------|---|
| Tax Status | Tax-Exempt |
| Delivery Date | 3/24/2022 |
| Par Amount (\$) | 48,760,000 |
| Project Fund (\$) | 47,770,600 |
| Capitalized Interest Fund (\$) | 0 |
| Debt Service Reserve Funds | 0 |
| Cost of Issuance (\$) | 989,400 |
| Debt Service Mill Levy | 30.000 |
| Interest Rate | 5.75% |
| Final Maturity | 12/1/2052 |
| Optional Redemption | 3/1/2027 at 103%, declining 1% per year |

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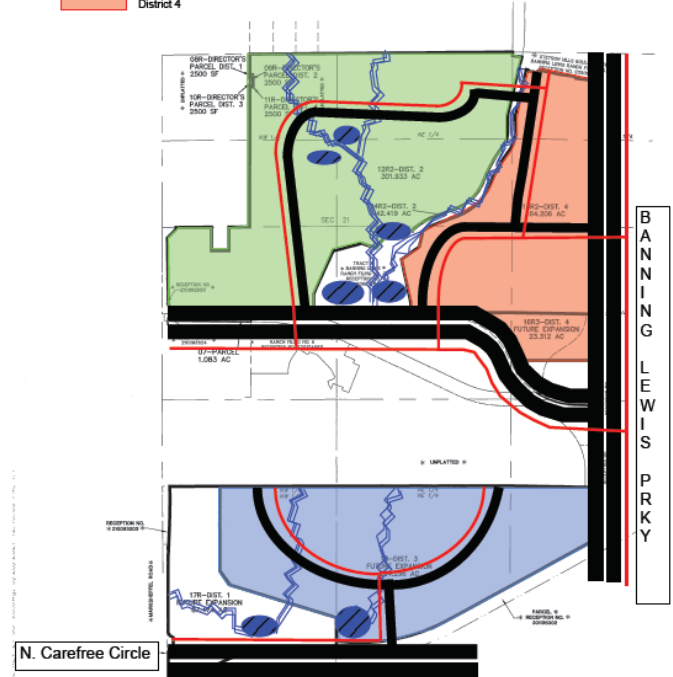
Parameters:






- Maximum Par Amount not to exceed \$53.6 million
- Termination 40 years from first imposition date (2062)
- Service Plan debt issuance limitation: \$185,000,000

MAP OF PUBLIC IMPROVEMENTS



- District 2
- District 3
- District 4



| Legend | Major Infrastructure |
|---|----------------------|
|  | Arterial Roadway |
|  | Major Utilities |
|  | Drainage Corridor |
|  | Detention Facility |
|  | Collector Roadway |

FREESTYLE OVERALL
 PARCELS EXHIBIT
 MAY 12, 2021
 REV. MAY 19, 2021
 REV. MAY 28, 2021
 SHEET 1 OF 1



619 N. Cascade Avenue, Suite 203 (719) 785-0700
 Colorado Springs, Colorado 80903 (719) 495-0709 (fax)

MEADOWWORKS METROPOLITAN DISTRICT

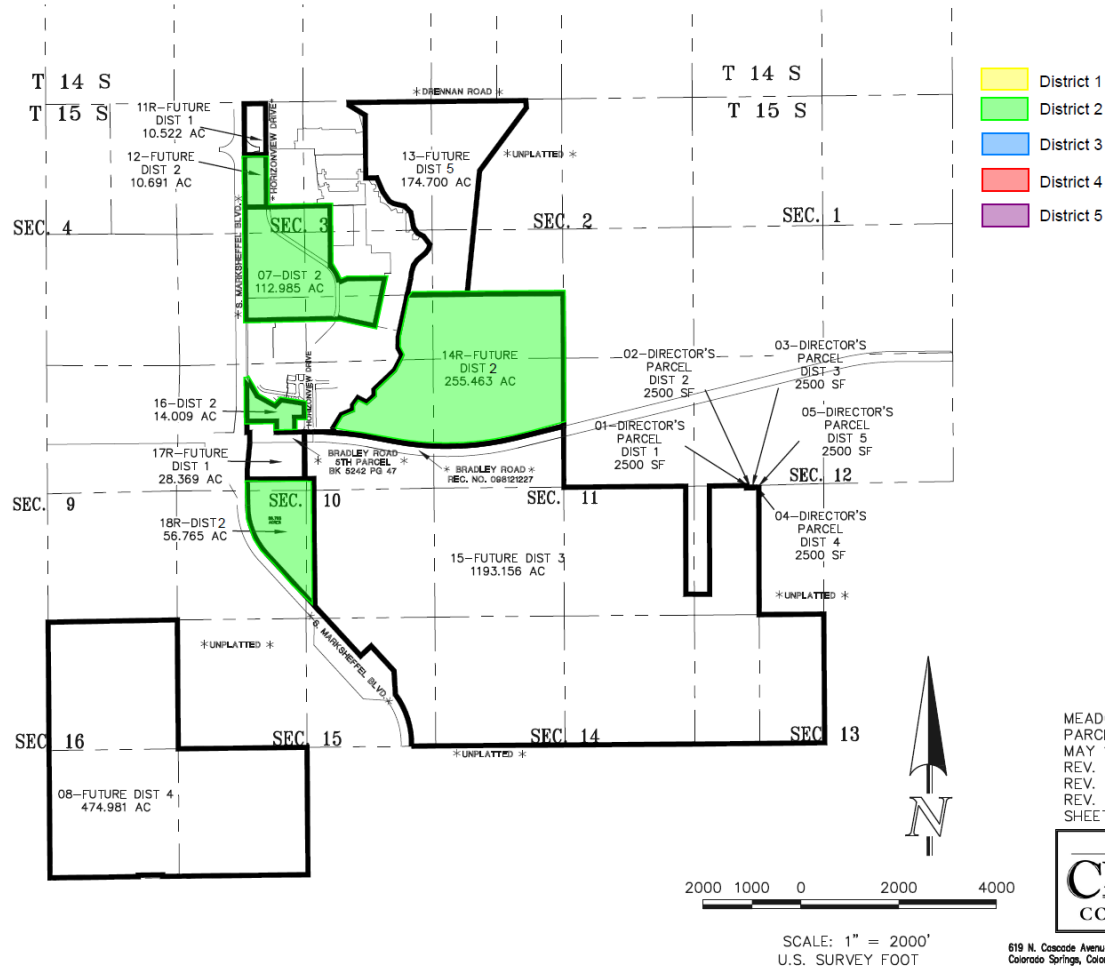
BUDGET COMMITTEE MEETING

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2. DEVELOPMENT PHASING
3. BOND STRUCTURE & PARAMETERS
4. PUBLIC IMPROVEMENTS



DISTRICT TAX BOUNDARIES



MEADOWWORKS OVERALL
 PARCELS EXHIBIT
 MAY 12, 2021
 REV. MAY 20, 2021
 REV. MAY 28, 2021
 REV. JUNE 17, 2021
 SHEET 1 OF 1



619 N. Cascade Avenue, Suite 200 (719)785-0790
 Colorado Springs, Colorado 80903 (719)785-0799 (fax)

DEVELOPMENT SUMMARY PROJECTION



Meadowworks Metropolitan District #2- Development Projection Residential

| Statutory Actual Value ('22) | Ph1.1.1 - RL | Ph1.1.2 - RL | Ph1.1.3 - RL | Ph1.1.4 - RL | Ph1.1.5 - RL | Ph1.1.6 - RL | Ph1.1.7 - RL | Ph1.1.8 - RL | Ph1.1.9 - RL | Ph1.1.10 - RM | Ph1.1.1 - RM | Ph1.1.2 - RM | Total Residential |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|-------------------|
| \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$550,000 | \$475,000 | \$475,000 | |
| 2022 | | | | | | | | | | | | | |
| 2023 | 43 | | | | | | | | | | | | 43 |
| 2024 | 42 | 91 | 46 | | 50 | 50 | | | | | 42 | | 321 |
| 2025 | | | 46 | | 50 | 50 | 50 | 50 | | | 83 | 125 | 544 |
| 2026 | | | | 90 | | | 50 | 50 | 50 | 50 | | | 200 |
| 2027 | | | | | | | | | 50 | 50 | | | 100 |
| 2028 | | | | | | | | | | | | | |
| 2029 | | | | | | | | | | | | | |
| 2030 | | | | | | | | | | | | | |
| Total Units | 85 | 91 | 92 | 90 | 100 | 100 | 100 | 100 | 100 | 100 | 125 | 125 | 1,208 |
| Total Statutory Actual Value | \$46.8M | \$50.10M | \$50.6M | \$49.5M | \$55.0M | \$55.0M | \$55.0M | \$55.0M | \$55.0M | \$55.0M | \$59.375M | \$59.4M | \$645.7M |

DEVELOPMENT SUMMARY PROJECTION



Meadoworks Metropolitan District #2- Development Projection

Residential

| Statutory Actual Value ('22) | Ph2.1.1 - RH (10 DU/AC) | Ph2.1.2 - RH (10 DU/AC) | Ph2.1.3 - RH (10 DU/AC) | Ph2.1.4 - RH (10 DU/AC) | Ph2.1.5 - RH (10 DU/AC) | Ph2.1.1 - RH (15 DU/AC) | Ph1.1.8 - RL | Ph1.1.9 - RL | Ph2.1.2 - RH (15 DU/AC) | Total Residential |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|--------------|-------------------------|-------------------|
| | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$550,000 | \$325,000 | \$325,000 | \$325,000 | |
| 2022 | | | | | | | | | | |
| 2023 | | | | | | | | | | |
| 2024 | | | | 80 | 80 | 65 | 50 | | | 275 |
| 2025 | 43 | | | | | | 100 | 150 | 67 | 360 |
| 2026 | 87 | 129 | 43 | | | | | | 66 | 325 |
| 2027 | | | 86 | | | | | | | 86 |
| 2028 | | | | | | | | | | |
| 2029 | | | | | | | | | | |
| 2030 | | | | | | | | | | |
| Total Units | 130 | 129 | 129 | 80 | 80 | 65 | 150 | 150 | 133 | 1,171 |
| Total Statutory Actual Value | \$48.8M | \$48.4M | \$48.4M | \$30.0 M | \$30.0M | \$35.4M | \$48.8M | \$48.8M | \$43.2M | \$382.0M |



Bond Financing Summary:

- The District is considering two different structures for the bond issue. The bond market has been dynamic and the District would like the flexibility to issue either of the two different structures depending on which structure is the most advantageous and provides the most proceeds to construct public improvements.
- Option 1: Senior Current Interest Bond; Subordinate Cash Flow Bond
- Option 2: Senior Cash Flow Bond
- All Bonds being sold to the market

Option 1. General Obligation Bonds, Series 2022

| | Series 2022A-1 | Series 2022B |
|---------------------------------------|---|---|
| Tax Status | Tax-Exempt | Tax-Exempt |
| Delivery Date | 3/24/2022 | 3/24/2022 |
| Par Amount (\$) | 33,910,000 | 7,329,000 |
| Project Fund (\$) | 25,949,739 | 7,219,065 |
| Capitalized Interest Fund (\$) | 5,086,500 | |
| Debt Service Reserve Funds | 2,677,000 | |
| Cost of Issuance (\$) | 758,650 | 109,935 |
| Debt Service Mill Levy | 30.000 | 30.000 |
| Interest Rate | 5.00% | 8.00% |
| Final Maturity | 12/1/2052 | 12/1/2052 |
| Optional Redemption | 3/1/2027 at 103%, declining 1% per year | 3/1/2027 at 103%, declining 1% per year |

¹Preliminary estimates based on current market conditions; subject to change. D.A. Davidson makes no commitment to underwrite at these levels



Bond Financing Summary:

- The District is considering two different structures for the bond issue
- Option 1: Senior Current Interest Bond on parity with Convertible Capital Appreciation Bond; Subordinate Cash Flow Bond
- Option 2: Senior Cash Flow Bond
- All Bonds being sold to the market

Option 2. General Obligation Bonds, Series 2022

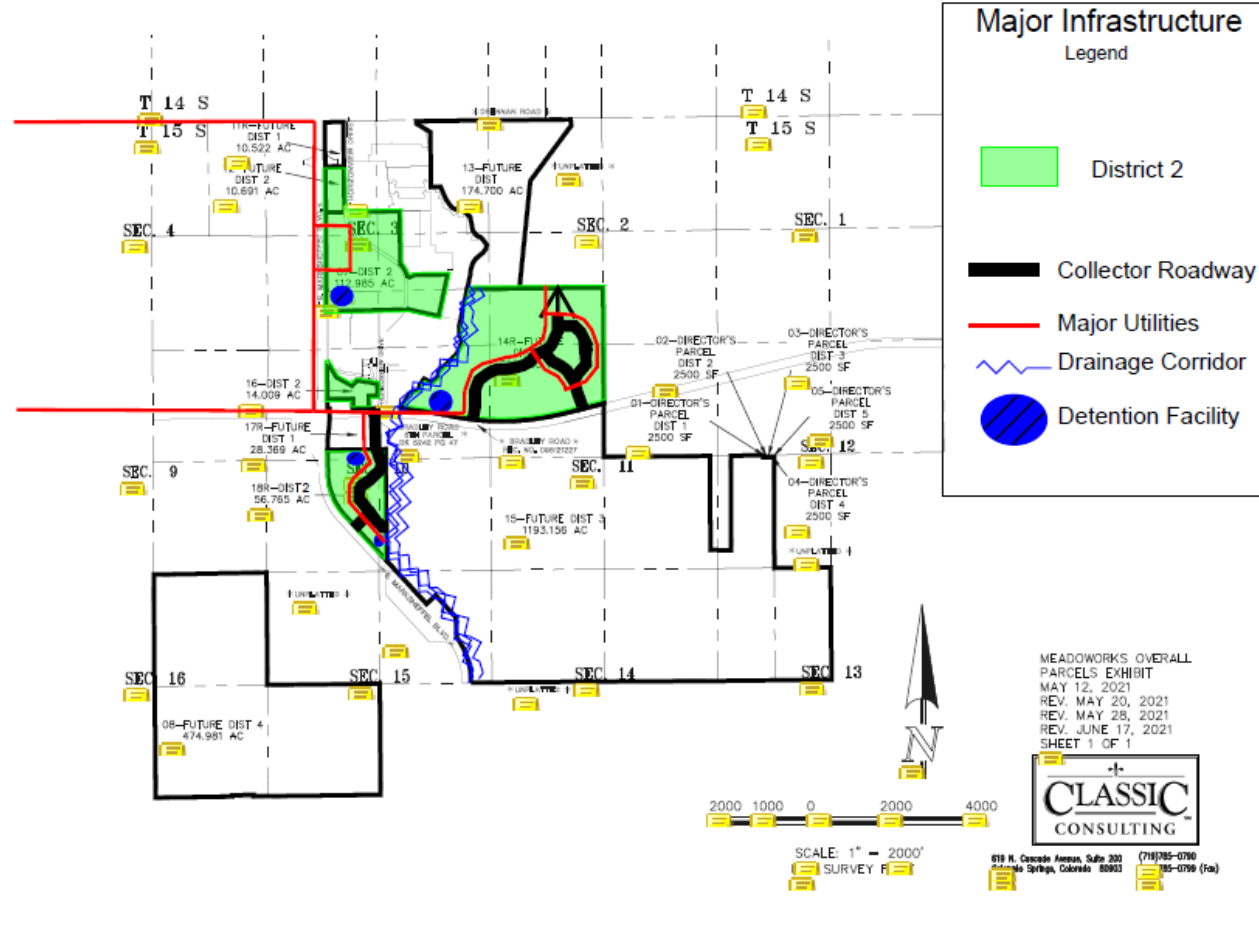
| | Series 2022 |
|---------------------------------------|---|
| Tax Status | Tax-Exempt |
| Delivery Date | 3/24/2022 |
| Par Amount (\$) | 38,987,000 |
| Project Fund (\$) | 38,148,195 |
| Capitalized Interest Fund (\$) | |
| Debt Service Reserve Funds | |
| Cost of Issuance (\$) | 838,805 |
| Debt Service Mill Levy | 30.000 |
| Interest Rate | 5.75% |
| Final Maturity | 12/1/2052 |
| Optional Redemption | 3/1/2027 at 103%, declining 1% per year |

¹Preliminary estimates based on current market conditions; subject to change. D.A. Davidson makes no commitment to underwrite at these levels

Parameters:

- Maximum Par Amount not to exceed \$43.0 million
- Termination 40 years from first imposition date (2061)
- Service Plan debt issuance limitation: \$400,000,000

MAP OF PUBLIC IMPROVEMENT



SCHEDULE OF EVENTS



| ACTIVITY | DATE/TIME |
|--|---------------------------|
| Launch transaction | December 14, 2021 |
| Working Group launch call | Week of December 20, 2021 |
| Disclosure questionnaire distributed | December 21, 2021 |
| <i>Christmas Holiday Observed – Markets Closed</i> | <i>December 24, 2021</i> |
| Bond Counsel distributes draft documents | December 29, 2022 |
| Working Group comments due on bond documents | January 6, 2021 |
| Bond counsel distributes revised bond documents | January 10, 2022 |
| Deadline to submit materials to General Counsel for budget session | January 12, 2021 |
| Completed disclosure questionnaire due back to Disclosure Counsel | January 12, 2022 |
| <i>Martin Luther King Jr. Holiday – Markets Closed</i> | <i>January 17, 2022</i> |
| City Council Budget Session | January 25, 2022 |
| Disclosure Counsel distributes first draft PLOM | January 26, 2022 |
| Comments due on first draft PLOM | February 3, 2022 |
| City Council Work Session | February 7, 2022 |
| Disclosure counsel distributes second draft PLOM | February 10, 2022 |
| Market Study Released | February 11, 2022 |
| Draft Cash Flow Analysis Circulated | February 16, 2022 |
| <i>President's Day – Markets Closed</i> | <i>February 21, 2022</i> |
| City Council Regular Meeting | February 22, 2022 |
| Final comments due on second draft PLOM and Market Study | February 22, 2022 |
| Signoff PLOM distributed | February 28, 2022 |
| Working Group signoff on PLOM | March 1, 2022 |
| Post PLOM | March 2, 2022 |
| Board meetings to approve Parameters Bond Resolution | March (TBD), 2022 |
| Bond pricing | March 16, 2022 |
| Distribute closing documents | March 17, 2022 |
| Post LOM / Pre-Closing | March 21, 2022 |
| Closing | March 24, 2022 |



D.A. DAVIDSON SPECIAL DISTRICT GROUP

THANK YOU

