

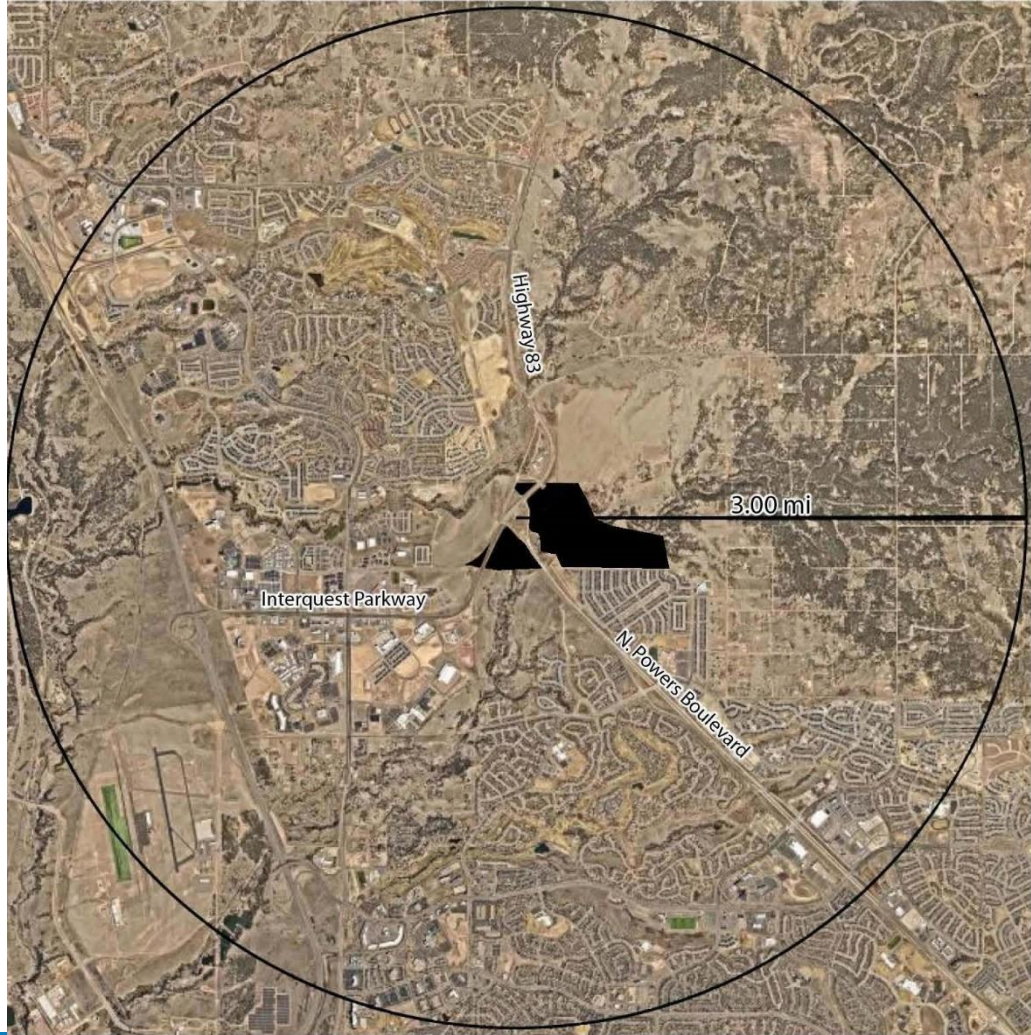
# KETTLE CREEK NORTH METROPOLITAN DISTRICT NOS. 1-4

Service Plan Consideration  
Colorado Springs Budget Committee Meeting  
February 28, 2023

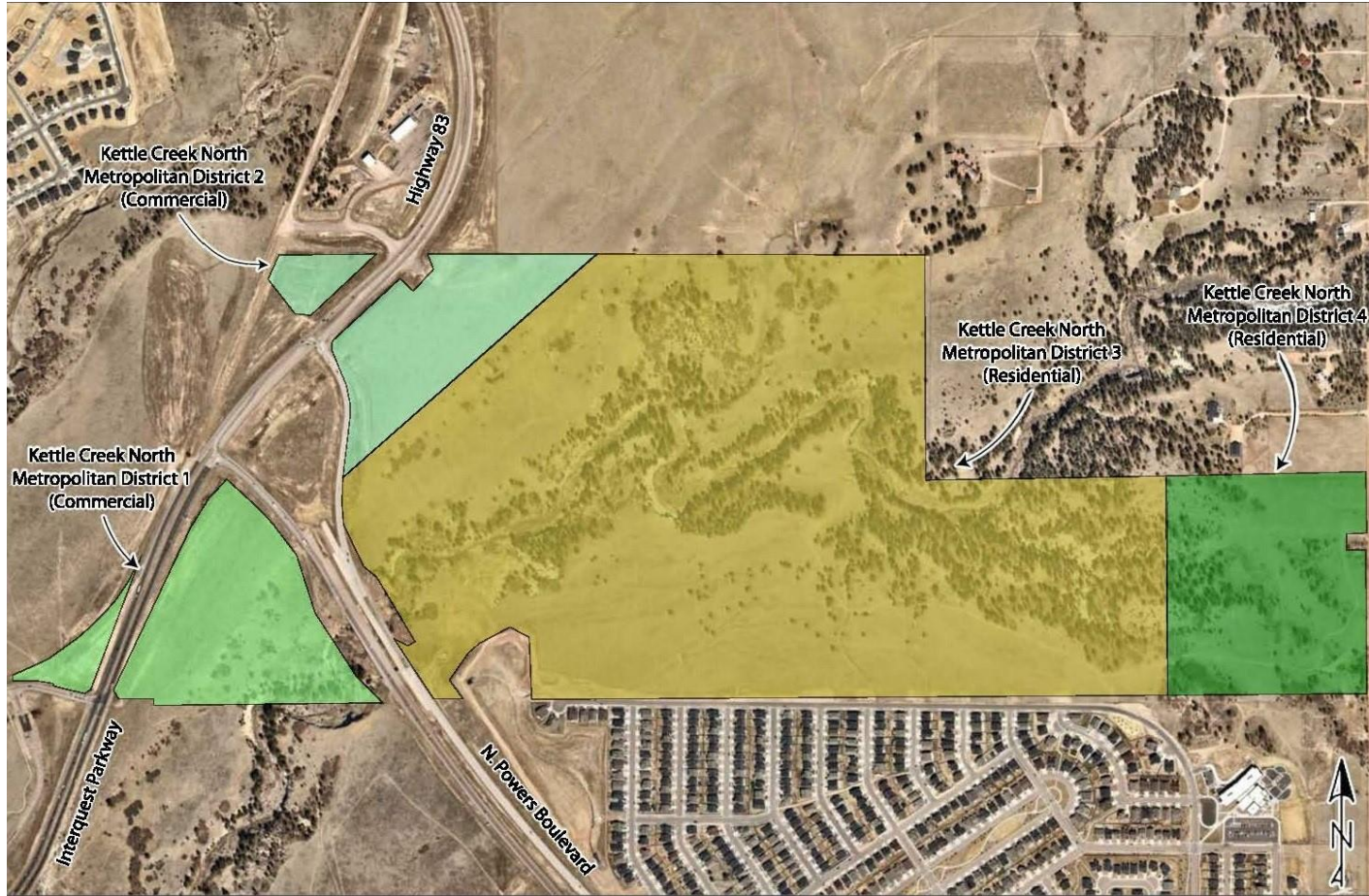


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# District Location



# Initial Boundaries



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# Multiple District Structure

- Approximately 308 acres
- No Combination of Districts
- The project will consist of single and multi-family residences, commercial, retail, hotel
- Commercial Districts: Districts 1 & 2
- Residential Districts: Districts 3 & 4



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# Operations and Functions

- District owned property
- Storm drainage
- Park and recreation
- Landscaping
- Covenant Enforcement and Design Review



# Public Improvement Cost Estimates

Sanitary Sewer	\$6,717,548
Water Mains	\$4,866,166
Storm Sewer	\$5,664,654
Hwy 83 Improvements	\$11,233,580
Landscaping	\$3,940,000
Kettle Creek Channel Improvements	\$3,900,000
Earthwork	\$1,466,490
Concrete (Curb, Gutter, Sidewalk)	\$1,597,386

Paving	\$3,356,681
Retaining Walls	\$300,000
Offsite Infrastructure	\$1,900,000
Fencing	\$876,000

**Total: \$45,818,505**



# Financial Plan

- Maximum Debt Mill Levy: **50 mills** (per model)
- Maximum O&M Mill Levy for Residential Districts: **20 mills** (per model)
- Maximum O&M Mill Levy for Commercial Districts: **10 mills** (per model)
- Maximum Debt Authorization Limitation: **\$52,000,000**
- Maximum Debt Mill Levy Imposition for Residential Districts: **40 years** (per model)
- Impact on \$500,000 Residence:
  - Total Mill Levy: 60 mills
    - Calculation:  
 $\$500,000 \times 0.0715 = \$35,750$  (assessed valuation)  
 $\$35,750 \times 0.060 = \mathbf{\$2,145 \text{ taxes owed per year}}$   
 $= \mathbf{\$178.75 \text{ taxes owed each month}}$

DEVELOPMENT SUMMARY PROJECTION (Commercial)



Kettle Creek Metropolitan Districts No. 1 & 2 - Development Projection										
Commercial										
Statutory Actual Value (2022)	Convenience/ Gas Station	Car Wash	In-Line Retail	Commercial (tbd)	Grocery Store	In-Line Commercial (tbd)	Total Commercial	Hotel 1	Hotel 2	Total Hotel
	\$257/ft	\$257/ft	\$235/ft	\$235/ft	\$235/ft	\$235/ft		\$78,500/room	\$78,500/room	
2022										
2023										
2024	5,700	2,000					7,700	80		80
2025			61,000	32,500			93,500		80	80
2026					75,000	45,000	120,000			
<b>Total</b>	5,700	2,000	61,000	32,500	75,000	45,000	221,200	80	80	160
<b>Total Statutory Actual Value</b>	<b>\$1,464,900</b>	<b>\$514,000</b>	<b>\$14,335,000</b>	<b>\$7,637,500</b>	<b>\$17,625,000</b>	<b>\$10,575,000</b>	<b>\$52,151,400</b>	<b>\$6,280,000</b>	<b>\$6,280,000</b>	<b>\$12,560,000</b>



DEVELOPMENT SUMMARY PROJECTION (Residential)



Kettle Creek Metropolitan Districts No. 3 & 4 - Development Projection				
Residential				
Statutory Actual Value (2022)	SFD – Custom	SFD – Black Forest	Multi-Family	Total Residential
	\$625,000	\$475,000	\$450,000	
2022				
2023				
2024	82			82
2025	82			82
2026	83		225	308
2027		60		60
2028				
2029				
2030				
<b>Total Units</b>	247	60	225	532
<b>Total Statutory Actual Value</b>	<b>\$135,850,000</b>	<b>\$33,000,000</b>	<b>\$56,250,000</b>	<b>\$225,100,000</b>



**Bond Financing Summary:**

- The District is currently contemplating issuing a single series of senior-lien, current-interest bonds in late 2024.
- The District anticipates issuing a second series of bonds in 2034 to refund the Series 2024 Bonds and to fund additional reimbursement for certified infrastructure costs.
- The District anticipates that the Series 2024 Bonds will be issued as non-rated securities, secured by a limited-tax, general obligation pledge, secured by 35 mills on all commercial property (Districts 1 & 2) and 50 mills on all residential property (Districts 3 & 4).
- The Series 2024 Bonds will be additionally secured by a debt service reserve fund and capitalized interest (three years).
- The District anticipates that the Series 2034 Bonds will be issued with an investment-grade rating and a municipal bond insurance policy.
- Both the Series 2024 and 2034 Bond transactions are summarized below.

**Limited Tax General Obligation Bonds, Series 2024 and Series 2034**

	<b>Series 2024</b>	<b>Series 2034</b>	<b>Total</b>
<b>Tax Status</b>	Tax-Exempt	Tax-Exempt	Tax-Exempt
<b>Delivery Date</b>	12/1/2024	12/1/2034	
<b>Par Amount (\$)</b>	30,735,000	42,980,000	73,715,000
<b>Project Fund (\$)</b>	<b>22,444,248</b>	<b>17,475,900</b>	<b>39,920,148</b>
<b>Capitalized Interest Fund (\$)</b>	4,610,250	-	4,610,250
<b>Debt Service Reserve Funds</b>	2,765,802	-	2,765,802
<b>Cost of Issuance (\$)</b>	914,700	414,900	1,329,600
<b>Debt Service Mill Levy</b>	35 mills (commercial); 50 mills (residential)	35 mills (commercial); 50 mills (residential)	35 mills (commercial); 50 mills (residential)
<b>Interest Rate</b>	5.00%	4.00%	
<b>Final Maturity</b>	12/1/2054	12/1/2064	
<b>Optional Redemption</b>	12/1/2029 at 103%, declining 1% per year	12/1/2044 @ 100%	

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