

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3

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MEMORANDUM

TO: Carl Schueler, Senior Planner, Land Use Review Division, City of Colorado Springs

FROM: Banning Lewis Ranch Metropolitan District No. 3

DATE: October 15, 2015

SUBJECTS: Request for a Resolution approving the issuance of general obligation limited tax bonds by the Banning Lewis Ranch Regional Metropolitan District No. 3, in an aggregate amount not to exceed \$10,800,000, representing reimbursement of amounts previously advanced to or on behalf of the District, to be publicly issued in accordance with section V.a. 10 of the model service plan.

SUMMARY: The requested action would approve a bond issue by Banning Lewis Ranch Metropolitan District No. 3 (“District 3”) in two forms: general obligation limited tax “senior” bonds in an amount not to exceed \$9,000,000 and general obligation limited tax subordinate bonds in an amount not to exceed \$1,800,000, the proceeds of which will be applied to reimburse the developer of the Banning Lewis Ranch Development for capital improvements previously designed and/or provided, all of which have been dedicated to and are now owned by the City of Colorado Springs or Colorado Springs Utilities. The bonds will be issued and funded pursuant to the previously approved Amended and Restated Service Plan for Districts 1-5 and 7.

PREVIOUS COUNCIL ACTION: The Banning Lewis Ranch Metropolitan District Nos. 1-7 (“Districts”) were established by election in 2005, subsequent to approval of an initial service plan by City Council in that year. An amended and restated plan was approved by Council in March 2008 to allow for a higher maximum operational mill levy within all of these districts except District No. 6. An amended and restated plan was approved by Council in June of 2010, enlarging, empowering and renaming District No. 6 as the Banning Lewis Ranch Regional Metropolitan District.

Pursuant to Section V.a.10 of the service plan, the bond issue must be approved by Council.

The proposed issuance of debt by District No. 1 is contemplated by and compliant with Amended and Restated Service Plan for District 3. The debt will essentially be “cash flow” debt, the repayment of which will be funded to the extent that the 30 mill levy of District 3 provides the necessary revenues.