

# GOLD HILL MESA

A Renewed Purpose

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March 8, 2022





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- Project Location and History
- Why GHM is Seeking to Refinance and its Benefits
- Urban Renewal Context
- Economic Benefits of Public Financing
- History of Gold Hill Mesa Metro District #2 Financing
- Proposed Transaction Details







Aerial View  
(Facing East)





# HISTORY IN THE RE-MAKING

- The most highly producing mill in the nation, 1906 – 1949
- Burned in 1907 from coal dust explosion, reconstructed with better automation
- Processed 15 million tons of ore, from Cripple Creek Mining District
- Produced 483,771 pounds of gold / \$200 million of gold bullion (worth over \$9 billion in today's dollars)
- Mill process entailed crushing, roasting, and chemical treatment, efficient for extracting gold from silver and tellurium based ore, known as "sylvanite"



# THE BARREN YEARS

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- 210-acre site sat dormant for over 50 years
- Subject to erosion
- Underutilized land attracted vandalism and pollution
- Native vegetation did not grow on blighted land depleted of topsoil
- Approximately over 300K cubic yards of concrete rubble





# WHAT ARE THE OPTIONS?

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Cleaning up an abandoned industrial site...

## DO NOTHING

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Land sits dormant, subject to erosion and making for an unsightly blight in the center of the city.

## GOVERNMENT CLEAN UP

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File lawsuit against polluter  
(but Golden Cycle Corp. is no longer in business)

Use Tax dollars

## PRIVATE COMPANY CLEAN UP

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Investor money

Public Financing Assistance Programs (i.e., Urban Renewal Designation)

# ECONOMIC IMPACTS

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## Past

- 70 Years of empty, blighted, environmental property in the core of our City, tailings eroding into Fountain Creek and fugitive dust spreading.

## Present

- Blight/Environmental conditions have been being successfully mitigated.
- Fountain Creek habitat restored.
- Redeveloped into a vibrant neighborhood with ~600 homes occupied.
- \$300+ million of value created.

## Future Residential/Commercial Project (New Districts)

- 550 additional residences, experiential retail, restaurants, hotel, creating \$266 million of additional value.





GOLD  
HILL  
MESA



# METRO DISTRICT PARKS

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The image is a split-screen aerial view. The left side shows a desolate, rocky landscape with a large, dark, irregularly shaped area that appears to be a former construction site or a natural depression. The right side shows a vibrant, modern residential community with colorful houses, green lawns, and a large, multi-colored hot air balloon floating in the sky. A large white diamond shape is overlaid on the center, containing the text "FROM BLIGHT TO BEAUTY".

**FROM BLIGHT TO  
BEAUTY**



# OPERATIONAL BENEFITS TO METRO DISTRICTS

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- Required by Colorado Department of Public Health and Environment (CDPHE) to manage Voluntary Clean-up Plan (VCUP) compliance
  - Maintain Public Parks/Tracts for the benefit of all







# INFRASTRUCTURE REIMBURSEMENT MAP



# PROPOSED FINANCING DETAILS

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- Proposed Series 2022A Bonds: \$14.4mm
  - 3.38% true interest cost (estimated)
  - 6/1/2032 call date (estimated)
  - 12/1/2048 maturity date (estimated)
- Proposed Series 2022B Subordinate Bonds: \$6.1mm
- 5.50% interest rate (estimated)
  - 6/1/2027 call date (estimated)
  - 12/15/2043 maturity date (estimated)
- Pledged Revenue represents revenues resulting from the imposition by all taxing entities, including the Metropolitan District.
- URA tax revenue is pledged to the payment of the bonds through 2029 after which date only the property tax revenues resulting from the imposition of the Metropolitan District's mill levy will be available to pay debt service.
- All proposed debt will be discharged in 2048 due to the District's 40-year imposition term limitation.
- All debt compliant with the Metropolitan District's Service Plan and Urban Renewal Area Agreement.



# USE OF FUNDS

Eligible Expenses Reimbursement			
	2011 Financing	2015 Financing	2022 Financing (Proposed)
Urban Renewal Expenses	\$4,386,927		
Metro District Expenses	\$4,073,531	\$523,910	\$9,900,000
Total	\$8,460,459	\$523,910	\$9,900,000



# PUBLIC FINANCING RECAP

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	<b>Eligible Costs Incurred</b>	<b>Eligible Costs Reimbursed</b>
<b>Urban Renewal Plan</b>	\$17,500,000	\$4,600,000
<b>Metro District # 2</b>	<u>\$24,050,000</u>	<u>\$14,500,000</u>
	\$41,550,000	\$19,100,000



# SUMMARY

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- Revitalization of Metro District #2 area complete
- District infrastructure and amenities complete and being enjoyed daily
- Proposed Financing allows Metro District to meet its financial obligations
- Proposed financing is in compliance with Service Plan









# FINANCIAL ADVANTAGES OF METRO DISTRICTS

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## With Metro Districts

- Homebuilders Incurs Infrastructure Cost
- Reimbursement allows lower home price
- Homebuilder recovers cost as Metro District seeks financing
- Reimbursement of costs allows funds to be recycled into additional housing

## Homeowner

- Homeowner pays lower initial price but higher property taxes
- Leverages interest rate lower than mortgage rate, netting lower overall cost of ownership

## Without Metro District

- Homebuilders Incurs Infrastructure Cost
- Home prices increase to recoup higher infrastructure cost.
- Homebuilder recovers investment when home sells

## Homeowner

- Homeowner pays higher initial cost and lower property taxes
- Higher initial cost requires larger down payment and is financed with long term mortgage.