



To: Carl Schueler
From: Stifel
Subject: Copper Ridge Metro District 2018 Note
Date: December 11, 2017

This memo and the attachments present information pertaining to a proposed debt issue by the Copper Ridge Metropolitan District. The District is seeking approval to issue up to \$6.00 million in debt. The material submitted is the same as that presented to the City in connection with previous approvals for bond issuance.

Development of the District is continuing at a steady pace. Over 55-businesses have opened, including Bass Pro Shops, Sprouts Farmers Market & Ace Hardware. A number of additional tenants have opened, initiated and/or announced additional facilities. Consistent with the District Service Plan and other project documents, the District is responsible for funding construction of public improvements required to support ongoing development.

The transaction documents will allow the District to borrow an additional \$6.00 million for authorized public improvements.

This funding includes:

• Completion of Spectrum Loop Road	\$1,000,000
• Utilities – water, wastewater, gas, electric, etc.	750,000
• Completion of Regional Detention Facility – South of Powers	50,000
• Remove abandoned sanitary sewer	200,000
• Extension of State Highway 21 (Powers)	3,375,000
• Cost of Issuance	125,000
• Reserves	500,000

The Note will be issued on parity with the District's other outstanding debt. The Note will be secured by a limited property tax pledge and public improvement fees.

Stifel has been retained by the District to serve as placement agent on the issue. Ballard Spahr will serve as bond counsel and Peter Susemihl serves as the District's Counsel.

The general terms of the bonds are as follows:

- Term of 20 years.
- Interest rate will be fixed for the term of the issue.
- Secured by limited property tax (capped at 50 mills) and Public Improvement Fees (PIF).
- Debt Service Reserve Fund will be required in the amount of 50% of the maximum annual debt service.
- The Note will be privately placed with NBH Bank, which also owns the 2016 Note.
- No offering statement or continuing disclosure agreement will be required.
- Estimated closing will be February 2018.
- Estimated rate as of 12/11/17 is 4.05% fixed for the 20 year term, or 4.25% if the District would like a 10 year par call.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

Included with this memo are the following attachments:

1. Financial forecast model.
2. Term Sheet from NBH Bank.
3. Opinion Letter from District Counsel.
4. Certification of External Financial Advisor for Privately Placed Debt.
5. Form of Loan Agreement (2016 form which will be updated).