

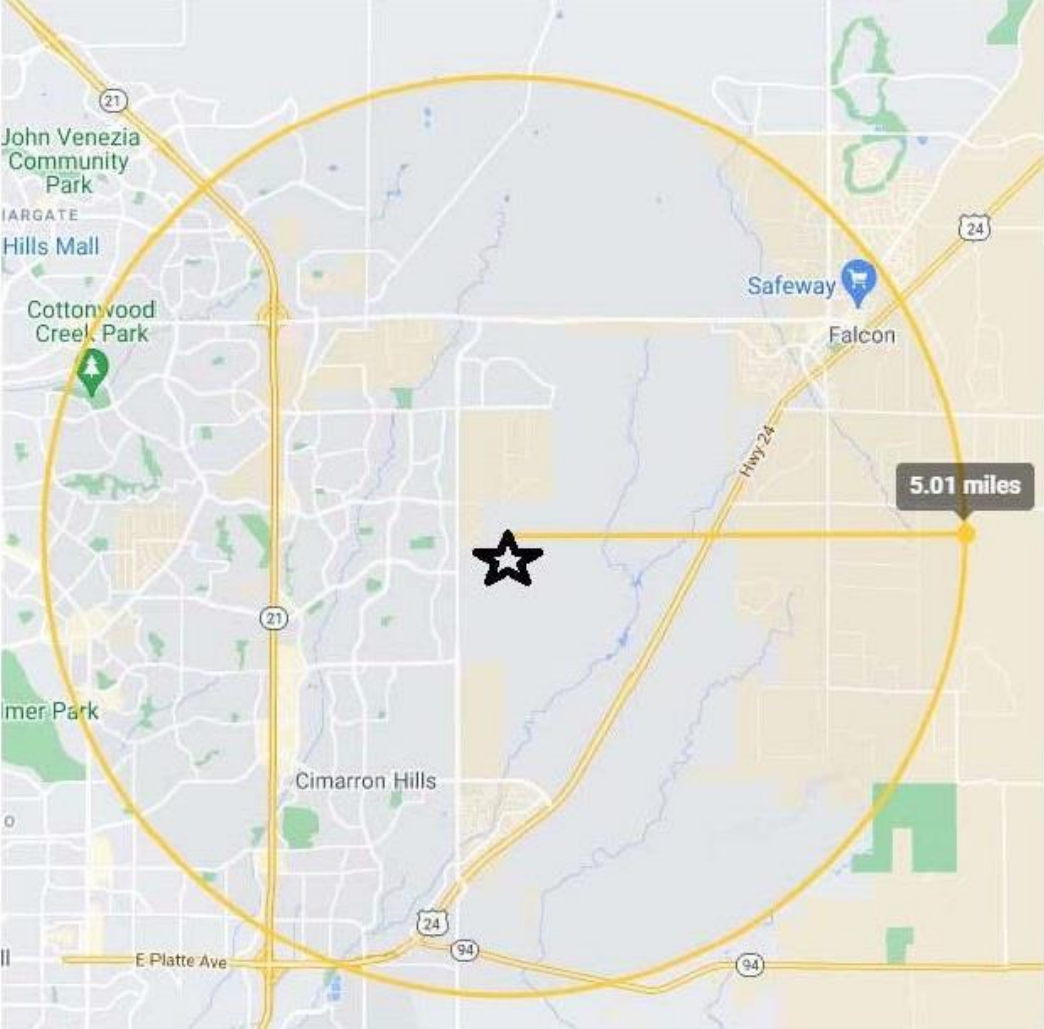
FREESTYLE METROPOLITAN DISTRICT NOS. 1-4

Colorado Springs Budget Committee Meeting
September 27, 2022



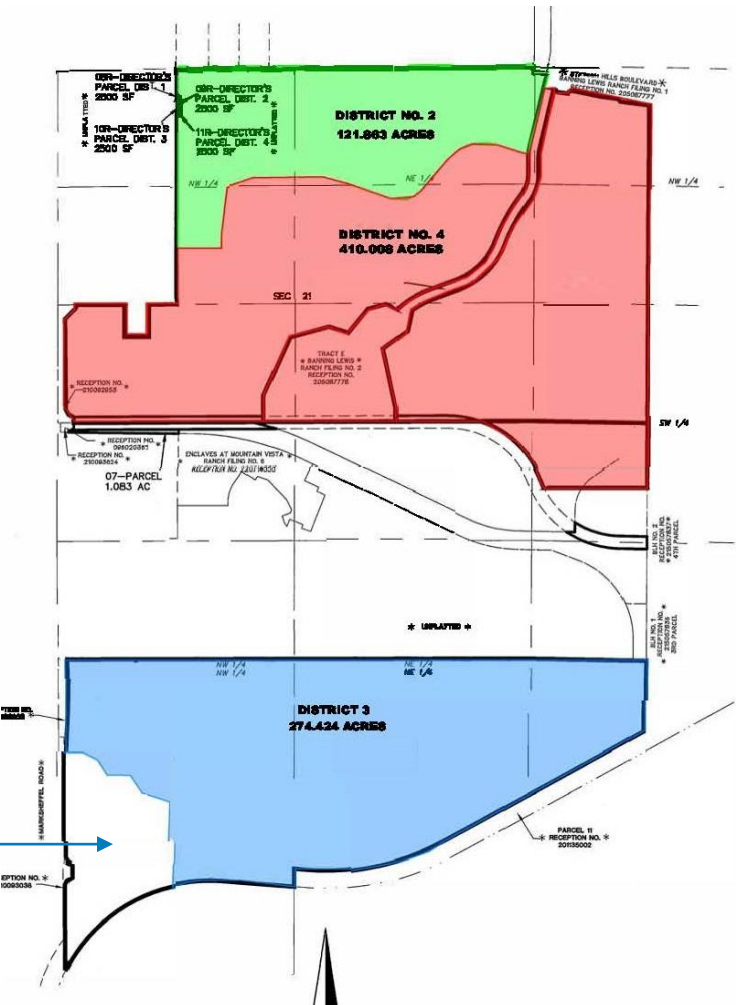
SpencerFane

District Location



District Boundaries

Future inclusion area



Summary

- Compliant with new Model Service Plan
- Service area covers approximately 854 acres
- Multiple District Structure but no Combination of Districts
- The project will consist of single and multi-family residences, apartments, industrial
- Land entitlements pending – Districts will be prohibited from imposing debt mill levy and issuing debt until approved



Public Improvement Cost Estimates

Grading	\$4,000,000
Sanitary Sewer	\$23,000,000
Water	\$28,100,000
Drainage	\$24,500,000
Concrete	\$26,000,000
Paving	\$33,100,000
Traffic Control	\$1,050,000
Streetscape	\$5,200,000

Neighborhood Parks	\$15,100,000
Community Wall	\$1,700,000

Total: \$161,750,000

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 Collective Debt Authorization Limitation: **\$185,000,000** (same as original service plan, all currently authorized but unissued)
- 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)
 - $\$35,750 \times 0.060 = \mathbf{\$2,145 \text{ taxes owed per year}}$
 - $\mathbf{= \$178.75 \text{ taxes owed each month}}$



Freestyle Metropolitan District #1- Development Projection Commercial		
Statutory Actual Value ('22)	Industrial - 40 Acres (0.20 FAR) \$125/ft	Total Commercial
2022		
2023		
2024		
2025		
2026	174,240	174,240
2027	174,240	174,240
2028	174,240	174,240
2029		
2030		
Total Feet	522,720	522,720
Total Statutory Actual Value	\$65.3MM	\$65.3MM



Freestyle Metropolitan District #2- Development Projection Residential			
Statutory Actual Value ('22)	Product 5 SFDs - N. Parcel 9	Product 7 SFDs - N. Parcel 12-13	Total Residential
	\$513,717	\$640,611	
2022			
2023			
2024			
2025			
2026			
2027		126	126
2028	90	174	264
2029			
2030			
Total Units	90	300	390
Total Statutory Actual Value	\$46.2MM	\$192.2MM	\$238.4MM

DEVELOPMENT SUMMARY PROJECTION



Freestyle Metropolitan District #3- Development Projection						
Residential						
Statutory Actual Value ('22)	Product 1 SFA Townhomes S. Parcel 2	Product 2 SFDs - S. Parcel 1 & 3	Product 4 SFDs - S. Parcel 7	Product 5 SFDs - S. Parcel 6	Product 7 SFDs - S. Parcel 4-5 & 8-9	Total Residential
	\$447,361	\$513,717	\$510,194	\$513,717	\$640,611	
2022						
2023						
2024	51					51
2025	24	36				60
2026		48				48
2027		48				48
2028		48	44	6	42	140
2029	40	36	94	216	386	386
2030					217	217
Total Units	75	220	80	100	475	950
Total Statutory Actual Value	\$33.6MM	\$113.0MM	\$40.8MM	\$51.4MM	\$304.3MM	\$543.0MM

DEVELOPMENT SUMMARY PROJECTION



Freestyle Metropolitan District #4- Development Projection							
Residential							
Statutory Actual Value ('22)	Product 1 SFA Townhomes (Toll) N. Parcel 10 1&2	Product 3 SFDs (Covington) - N. Parcel 11	Product 5 SFDs (Century/Vanguard) - N. Parcel 14 flgs 1&2	Product 6 SFDs (Toll/Covington) - N. Parcel 16 flgs 1&2	Product 7 SFDs (Toll Covington/Ca mpbell /Century) - N. Parcel 12&13	Garden Apts – N Parcel 13 RVH	Total Residential
	\$447,361	\$522,878	\$513,717	\$582,072	\$640,611	\$265,900	
2022							
2023							
2024	45	33	54	51	110		293
2025	60	44	72	68	180	340	764
2026	45	19	24	68	180		336
2027				43	90		133
2028							
2029							
2030							
Total Units	150	96	150	230	560	340	1,526
Total Statutory Actual Value	\$67.1MM	\$50.2MM	\$77.1MM	\$133.9MM	\$358.7MM	\$90.4MM	\$777.4MM



Bond Financing Summary:

- The District is currently contemplating issuing a single series of senior-lien, current-interest bonds in late 2023.
- The District anticipates issuing a second series of bonds in 2033 to refund the Series 2023 Bonds and to fund additional reimbursement for certified infrastructure costs.
- The District anticipates that the Series 2023 Bonds will be issued as non-rated securities, secured by a limited-tax, general obligation pledge, secured by 50 mills on all commercial property (District 1) and 50 mills on all residential property (Districts 2-4).
- The Series 2023 Bonds will be additionally secured by a surplus fund and capitalized interest (three years).
- The District anticipates that the Series 2033 Bonds will be issued with an investment-grade rating and a municipal bond insurance policy.

Limited Tax General Obligation Bonds, Series 2023 and Series 2033

	Series 2023	Series 2033	Total
Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt
Delivery Date	12/1/2023	12/1/2033	
Par Amount (\$)	141,050,000	185,000,000	326,050,000
Project Fund (\$)	104,576,750	53,760,000	158,336,750
Capitalized Interest Fund (\$)	21,157,500	-	21,157,000
Surplus Fund Deposit	12,900,000	-	12,900,000
Cost of Issuance (\$)	2,415,750	1,175,000	3,590,750
Debt Service Mill Levy	50 mills (commercial); 50 mills (residential)	50 mills (commercial); 50 mills (residential)	50 mills (commercial); 50 mills (residential)
Interest Rate	5.00%	4.00%	
Final Maturity	12/1/2053	12/1/2063	
Optional Redemption	12/1/2028 at 103%, declining 1% per year	12/1/2043 @ 100%	

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