

Chapel Heights Metro District Debt Issuance

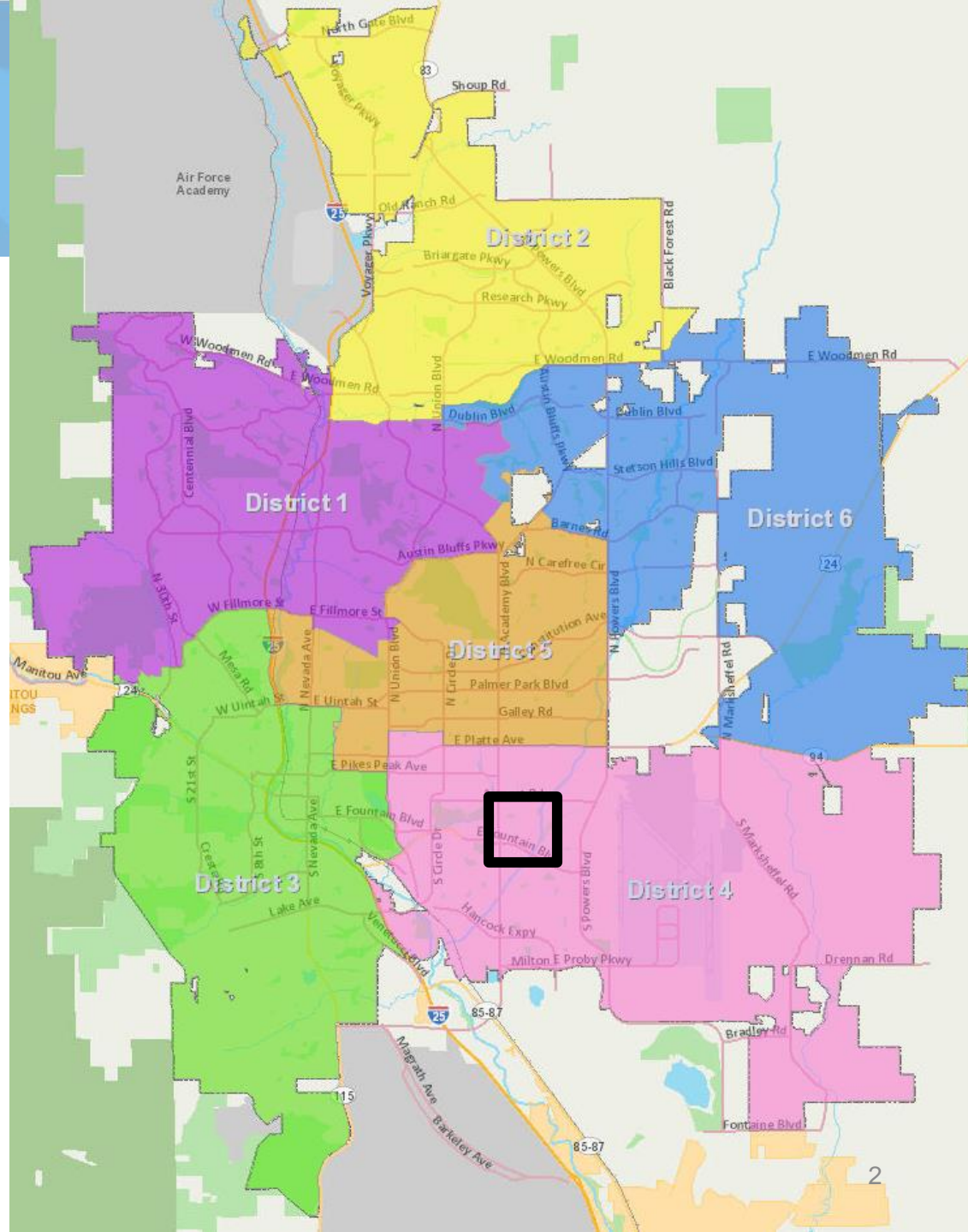
City Council Work Session

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Planning Manager



Vicinity Map

- Council District 4
- Located northeast of intersection of Academy and Fountain Boulevards



- **New debt issuance:**
 - Arms-length commercial bank loan:
 - \$5,000,000 estimated par amount
 - Not to exceed \$6,500,000
 - 12/1/2027 optional prepayment/call date
 - 20-year (2042) maturity
 - 12/1/2061 discharge date
 - Expected 5.00% interest rate, tax exempt
- Reimburse a share of existing and future improvements costs

District Boundaries



Additional Information



- Service Plan for Chapel Heights Metropolitan District was approved in 2020.
 - Maximum debt mill levy of 30 mills (Gallagher adjusted); maximum operating mill levy of 15 mills (also Gallagher adjusted)
 - Combined total debt issuance limitation of \$20,000,000 in service plan
 - Anticipated to be the only developer-related debt issue by this District
 - Under this service plan, Council authorization would be required for any additional debt
 - Anticipated series of draws on this loan
- 42-acre district- mostly developed

Budget Committee



- December 13, 2022
- Informational questions and responses from staff and District representatives
- Response on the difference between proposed issuance (\$5,000,000) and Not to Exceed cap (\$6,500,000)
 - Interest rate volatility (if the interest rate declines significantly, substantially more debt can be issued at the same repayment cost)

- Supporting Materials
 - Cost estimates
 - Financial projections
 - Form of District loan resolution
 - Form of indenture
 - Form of General and District counsel opinions

Next Steps



- January 24, 2023 City Council hearing
- 1 Year to Issue/Close (January 24, 2024)
- At Least **Six** Affirmative Votes Required
 - City Charter 7-100(a) -> exceeds 10% of total assessed valuation