

Upper Cottonwood Creek Metro District No. 3 and No. 4 Debt Issuances City Council Work Session

November 8, 2021

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Manager**

Russ Dykstra, District Representative



Summary

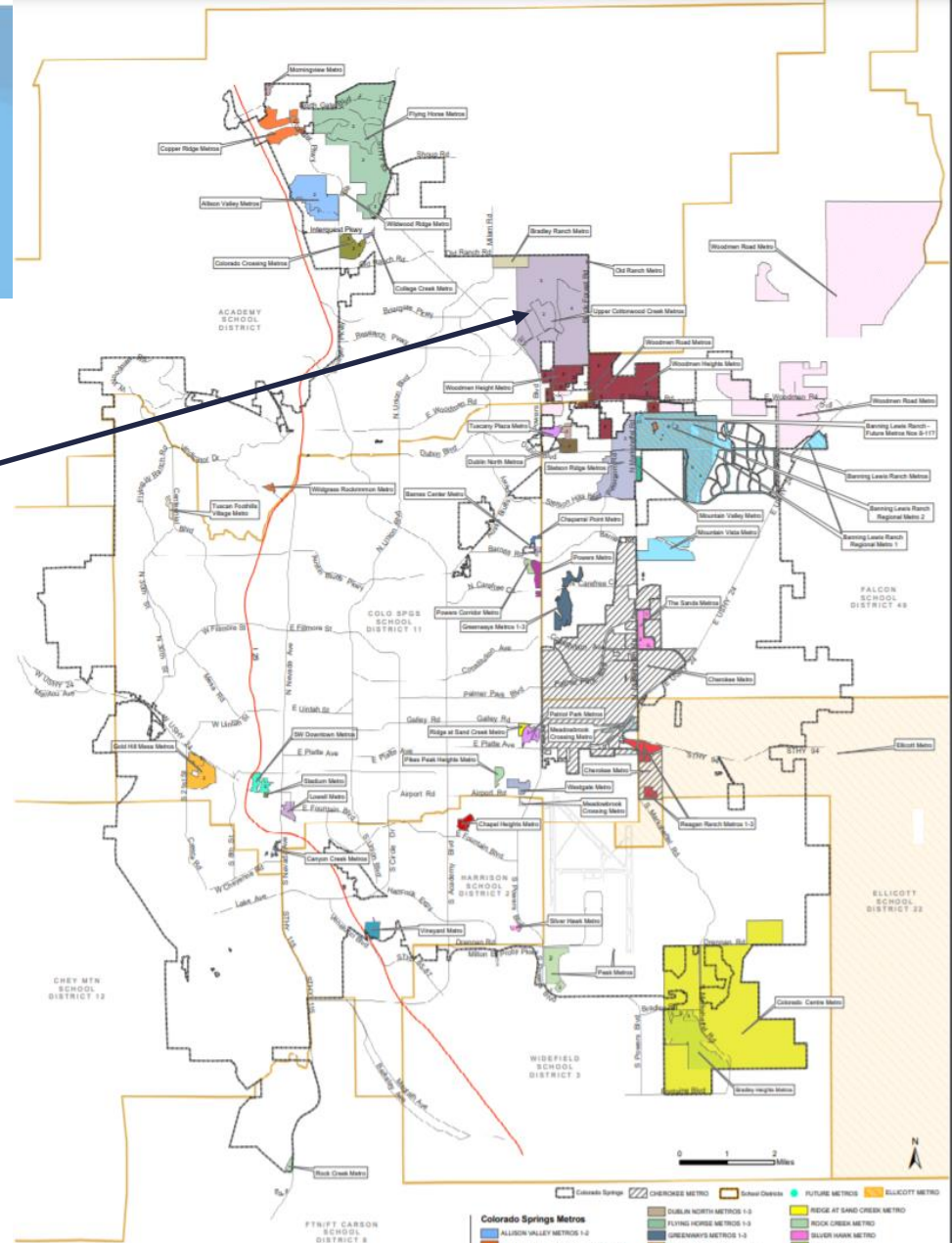


- Approval of Two Bond Issues
 - Upper Cottonwood Creek Metropolitan District No. 3
 - \$4,710,000 Series 2022 Bonds
 - 33.397 debt service mills, subject to future Gallagher Adjustments
 - Third and last issuance by this district (\$7,200,000 in 2019 and \$6,475,000 earlier in 2021)
 - Upper Cottonwood Creek Metropolitan District No. 4
 - \$5,530,000 Series 2022 Bonds
 - 33.397 debt service mills, subject to future Gallagher Adjustments
 - Second issuance by this district (\$5,095,000 earlier in 2021)
- 6% interest; tax exempt
- Both privately placed
- Final maturity 2051
- Optional redemption dates of December 1, 2028
- Discharge dates tied to 40-year debt service mill levy imposition term
- Two separate Council resolutions

Location in City

Upper Cottonwood
Creek Metropolitan
Districts

In Council District
No. 2- Wolf Ranch



Metropolitan and School Districts

Colorado Springs Metros

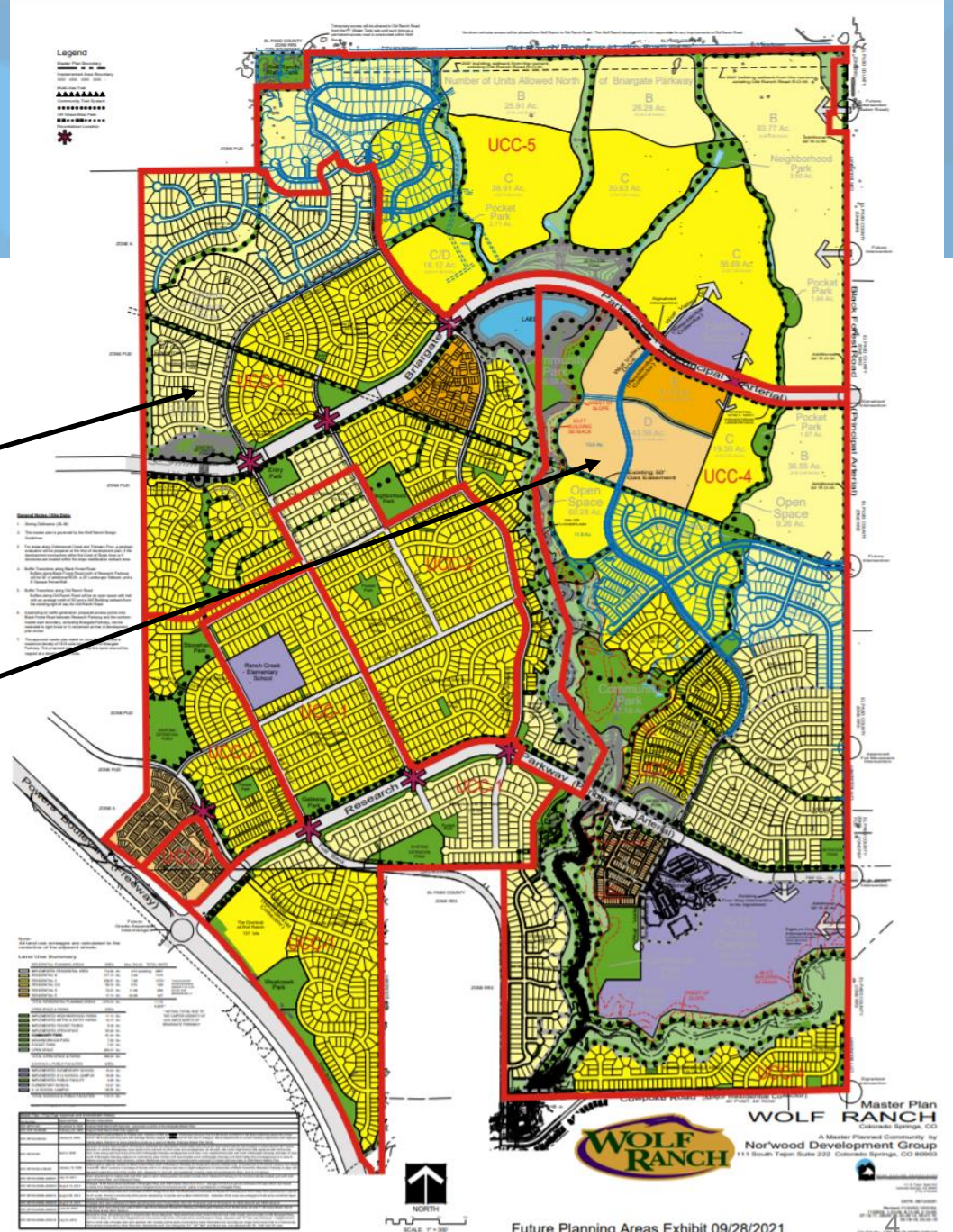
ALLSTON VALLEY METROS 1-2	DUBLIN NORTH METROS 1-3	EDGE AT SAND CREEK METRO
BANNING LEWIS RANCH METROS 1-6, 7-11	DUBLIN NORTH METROS 1-3	EDGEWOOD METRO
BANNING LEWIS RANCH REGIONAL METRO 1	GREENHAWK METROS 1-3	ELICOTT METRO
BANNING LEWIS RANCH REGIONAL METRO 2	GOLD HILL MESA METROS 1-3	STADIUM METRO
BARNES CENTER METRO	LOVELL METRO	STETSON RIDGE METROS 1-3
BRADLEY HEIGHTS METROS 1-3	MEADOWBROOK CROSSING METRO	SUN COUNTRY METROS 1-3
BRADLEY RANCH METRO	MEADOWBROOK METRO	THE SANDS METROS 1-3
CANYON CREEK METROS 1-3	MOUNTAIN VALLEY METRO	FUSCHIAN FOOTHILLS VILLAGE METRO
CHAMBERLAIN POINT METRO	MOUNTAIN VIEW METRO	TURKEY PLAZA METRO
COLLEGE CREEK METRO	OLD RANCH METRO	UPPER COTTONWOOD CREEK METROS 1-4
COLORADO CENTRE METRO	PACIFIC TRAIL METROS 1-2	VIEWHURST METRO
COLORADO CROSSING METROS 1-4	PEAK METROS 1-3	WESTGATE METRO
COPPER RIDGE METRO	POWER PEAK HEIGHTS METRO	WILLOWCROFT METRO
CHERRY HILLS METRO	POWERS CORRIDOR METRO	WILLOWCROFT REGIONAL METRO
	POWERS METRO	WOODBURN HEIGHTS METROS 1-3
	REARVIEW METRO	WOODBURN RIDGE METRO

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District Boundaries

District No. 3

District No. 4



District History/Evolution



- 2001 – Original Wolf Ranch MP
- 2002 – Old Ranch and Upper Cottonwood Creek Metro. District
 - Old Ranch (servicing/master)
 - UCC (financing)
 - 20 mill (Gallagher-adjusted) overall ML cap
 - 3.5 mills for operations (Gallagher adjusted)
- 2006 – UCC Districts No. 2-5
 - City Council Special District Policy and Model Plans
 - Consolidated service plan for Districts No. 2-5
 - Districts 2-4 residential/ District 5 commercial
 - 10.0 mills for operations

District History/Evolution, cont'd



- 2007- Initial Debt by Old Ranch Metro. District- pledge from Upper Cottonwood Creek District ("No. 1")
- 2010 – Council authorizes issuance of debt up to \$2,350,000.00 for District 2
- 2016 – Council approves Amendment to Service Plan to increase Maximum Operating Mill Levy from 10.0 mills to 20.0 mills for Nos. 3, 4, and 5
(note: not applicable to District No. 2)
- 2018 – Council authorized additional debt of up to \$7,800,000 by District No. 2
- 2019 – Council authorized initial debt of up to \$7,200,000 by District No. 3

District History/Evolution, cont'd



- March 2021- Council authorizes second debt issuance by District No. 3 and first by District No. 4
- October 2021- Council approves a second amendment of the service plan for District Nos. 2-5, changing the district structure and re-allocating maximum debt limits among the districts

Revised Debt Limits



District No.	Original Debt Limit	Revised Debt Limit
2	\$25,000,000	\$12,350,000
3	\$35,000,000	\$22,500,000
4	\$30,000,000	\$34,000,000
5	\$ 7,500,000	\$28,650,000
Totals	\$97,500,000	\$97,500,000

Debt Issued to-date:

UCC MD No. 2: \$12,350,000

UCC MD No. 3: \$13,675,000

UCC MD No. 4: \$5,095,000

Additional Information



- Maximum authorized debt for District No. 3 is now \$22,500,000
 - \$7,200,000 Series 2019 + \$6,475,000 Series 2021 + \$4,710,000 Series 2022 = \$18,385,000
 - (about \$4,115,000 would remain after issuance)
- Maximum authorized debt for District No. 4 is now \$34,000,000
 - \$5,095,000 series 2021 + \$5,530,000 Series 2022 = \$10,625,000
 - about \$23,375,000 would remain after issuance)
- External advisor letter required due to private placement
- Interest rates and amounts can be fixed
- Bond proceeds will reimburse completed and certified public improvements costs now subject to a reimbursement agreement between the developer and the Old Ranch District
 - Proportions allocated to each financing district

- October 26, 2021
- Committee asked informational questions
 - Including on the interest rate of the developer advances being reimbursed with these bond proceeds (8%)

Supporting Materials



- City Council resolutions
- District transmittal letter
- Forms of bond resolutions
- Summary totals of costs
- Financial projections
- Opinion letters from external financial advisor
- Form of District counsel opinions

Next Steps



- 1 Year to Issue/Close (November 23, 2022)
- New Business/ Consent?- November 23, 2021
- At Least **Six** Affirmative Votes Required
 - City Charter 7-100(a) -> exceeds 10% of total assessed valuation