



June 10, 2022

VIA EMAIL

Mr. Carl Schueler
Comprehensive Planning Manager
City of Colorado Springs
30 S. Nevada Avenue, Suite 105
Colorado Springs, CO 80903
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Re: Peak Metropolitan District No. 3 – Issuance of Debt Instrument

Mr. Schueler:

On behalf of the Board of Directors, this letter shall serve as Peak Metropolitan District No. 3's ("**District**") request to the City of Colorado Springs City Council (the "**City Council**") for approval of the District's proposed debt financing for public improvements within the service area of the District. Pursuant to Section V.A.10 of the Consolidated Service Plan for the District, Peak Metropolitan District No. 1 ("**District No. 1**") and Peak Metropolitan District No. 2 ("**District No. 2**" and, collectively with the District and District No. 1, the "**Districts**") (as amended, the "**Consolidated Service Plan**"), the issuance of bonds or other debt instruments of the Districts shall be subject to the approval of the City Council. It is the intent of the District to seek and obtain the City Council's review and approval of the proposed debt issuance to ensure compliance with the Service Plan and all applicable laws.

Attached for review and consideration of the City Council and City staff is the following information:

1. Draft Term Sheet;
2. Draft Financial Forecast;
3. Map of anticipated District boundaries.

As indicated in the submitted documents, it is anticipated the District will issue the following series of bonds: (1) approximately \$69,600,000 of Limited Tax General Obligation Bonds, Series 2022A-1, and (2) approximately \$29,391,643 of Convertible Capital Appreciation Limited Tax General Obligation Bonds, Series 2022A-2 (collectively, the "**Bonds**"¹). The exact par amount of the Bonds will be determined at the time of sale. Proceeds of the Bonds will be utilized to finance the costs for public improvements associated with the phased construction of Public Improvements necessary to provide services to the District's current and future residents

¹ All par amounts are estimated. Final amounts to be determined at time of sale of the Bonds.

and businesses. Repayment of the Bonds will be supported by certain mill levy, payment in lieu of taxes, and specific ownership tax revenues of the District. The enclosed information provides pertinent information about the more specific terms and conditions of the financing, and the forecasted build-out of residential and commercial projects within the service area of the District.

It is anticipated the Bonds will generate approximately \$75,000,000 in proceeds which will be utilized to construct the public infrastructure necessary to serve the property within the District. The enclosed map of the proposed boundaries of the District evidences the property to be included within the boundaries of the District prior to issuance. An initial public improvement budget will be provided early next week to summarize the more specific anticipated use of proceeds of the proposed Bonds. Upon your review, to the extent there is any additional information that would be useful, or to the extent any questions arise, please do not hesitate to let us know.

We will provide the draft bond documents and required Statement of Compliance as soon as they are available and in advance of any scheduled City Council meeting. A check in the amount of \$1,100 for the application fee associated with this request is being sent to the City Clerk today.

We are prepared for a presentation to the Budget Committee on June 28, 2022 in advance of the formal consideration of approval at a July City Council meeting. The District appreciates the City Council's review of the enclosed information and will be available to discuss any questions or comments concerning this proposed financing at the City Council's convenience.

Very truly yours,

MCGEADY BECHER P.C.

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Megan Becher, District Counsel

Enclosures

c: Peak Metropolitan District No. 3, Board of Directors
Brooke Hutchens and Tim Morzel, D.A. Davison & Co.
Kim Reed, Ballard Spahr LLP
Troy Stover and Greg Phillips, City of Colorado Springs Airport