

Gold Hill Mesa Metropolitan District Debt Issuance

City Council Work Session
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Peter Wysocki, Planning and Development Director
Carl Schueler, Planning Manager- Comprehensive Planning
Peter Susemihl Esq.

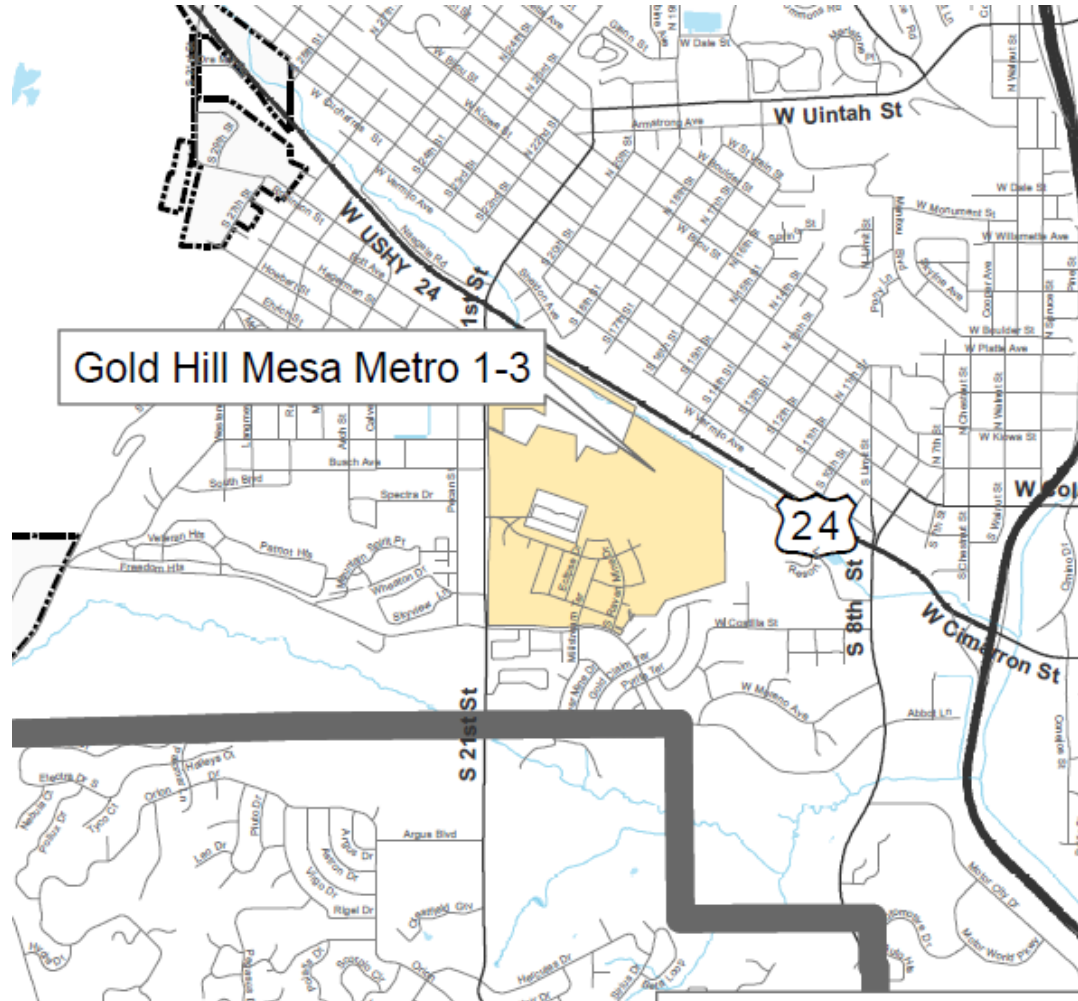
Summary:

- GHM District No. 2 Requests Authority to Issue Series 2015 Series A Loan
 - \$6,360,000
 - Primary purpose is to refinance 2011 debt
- City Council authorization required prior to issuance

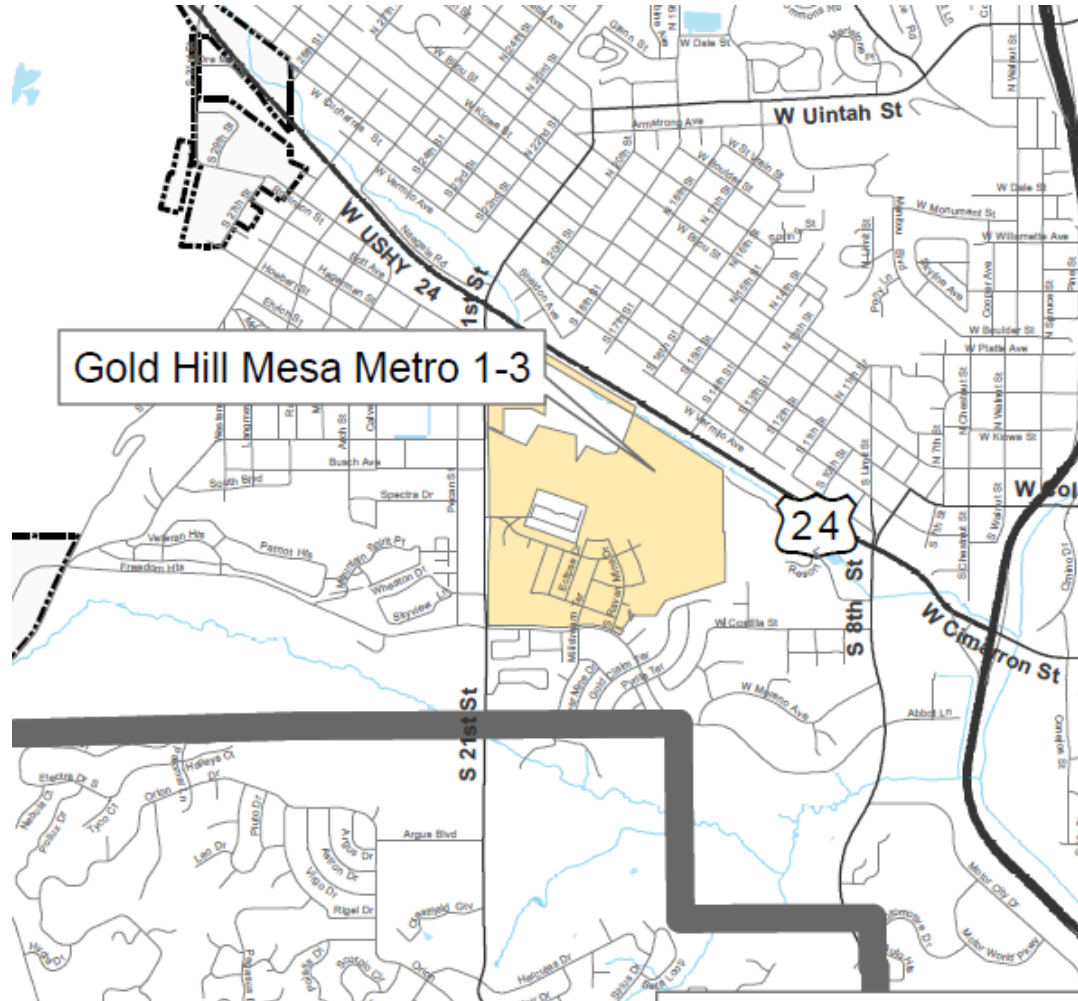
Structure of all Gold Hill Mesa Districts

- District No. 1 - master or control district
- District No. 2 - residential district
 - Location of current development and issuer of this debt
- District No. 3 – commercial district
 - Future development area
- Overlapping urban renewal area

General Vicinity Map



General Vicinity Map



Mill Levies and Maximum Caps- District No. 2

- Debt Service
 - 25mills in place
 - Cap is 30 mills (Gallagher adjusted)
 - 40-year debt service maximum mill levy imposition term for residential districts
- Operations
 - 10 mills in place
 - Cap is 10 mills
- Total District No. 2 Mill levy
 - 35 mills (40 Mills possible)

Existing Debt

- 2011 Series A loan- \$2,640,000
- 2011 Series B loan- \$1,720,000
- 2011 Series C Subordinate bonds- \$2,160,000
- 2011 Series D Subordinate bonds- \$3,157,000

Debt Issue Summary

- Arm's length
- Tax-exempt
- \$6,360,000 senior loan
- 7- year loan with 30-year term
 - Subject to refinancing
- Pledged revenues
 - Debt service mill levy (capped)
 - URA tax agreement
 - Specific ownership tax
- Interest Rate (Estimated)
 - 4.335% over the life of the loan
 - 2.97% for 7 years, 5.5% thereafter

Use of Proceeds

- Pay off/ Refinance 2011 Series A and B Loans
 - \$4,046,369
- Pay down a portion of Series D Bonds
 - \$1,510,175 in principle plus interest
- Reimburse some additional eligible expenses for Filing 4
 - \$496,456

Note: Series C Bonds would not be impacted

City Council Review

- Consistency with service plan
- One year customary time limit to issue

Supporting Materials

- Staff report
- Draft City resolution
- District cover letter
- Draft opinion of general counsel
- Draft loan agreement
- Draft loan resolution
- Draft custodial agreement
- Preliminary term sheet
- Pro forma financing analyses

Service Plan and Policy Consistency, Recommendation and Next Steps

- Issuance consistent with service plan and Policy, per staff and district general counsel
- Approval Recommended
- New Business for December 8, 2015
- One year to issue following Council approval
- Affirmative vote of 2/3rds of entire Council required