



Summary of Financing Assumptions

February 22, 2022

MW Retail Business Improvement District Financial Plan Colorado Springs Submission

We have prepared the following Financial Plan for the initial issuance of bonds by the MW Retail Business Improvement District. Based upon the assumptions below, the Financial Plan demonstrates that the District has the ability to finance approximately \$4.19 million in bonds for public improvements. It is anticipated that of the \$4.19 million in bonds issued approximately \$2,974,970 will be available for project expenses. The security for the transaction is a 3.0% public improvement fee on all sales & services located within the District. It is anticipated that the District will utilize a portion of this revenue for operations with the remainder being pledged for the repayment of debt.

This financial plan is based upon certain assumptions with facts and circumstances as we know them today and sets forth a reasonable estimate of growth within the development. Since events and circumstances frequently do not occur as expected there will usually be differences between the forecasted and actual results. The following is a summary of the assumptions used in preparation of the Financial Plan.

Financial Plan Assumptions

The following assumptions have been provided by the Developer and form the basis of the financial analysis. Sales figures for each of the parcels is based upon comparable properties. The estimated sales per square foot figures reflect 2021 values. Such market values are modeled in the financial plan at 1% annual inflation.

Area	Description	Tenant	Include	Lease	Property Type	Start Date	Open Date	Net Sq Ft	Sales per Sq Ft	Taxable %	Taxable Sales	3.00% PIF
All Phases of Development												
Lot 2	Retail - General	Stor-All	Yes	None	Commercial	Jun-22	Jun-23	105,000	20	100%	2,100,000	63,000
Lot 3A	Restaurant - Quick Serve	HTEaO	Yes	None	Commercial	Jun-22	Jun-23	3,000	500	100%	1,500,000	45,000
Lot 3B	Restaurant - Quick Serve	N/A	Yes	None	Commercial	Jun-22	Jun-23	3,000	500	100%	1,500,000	45,000
Lot 4	Restaurant - Quick Serve	Dutch Bro	Yes	None	Commercial	Aug-23	Aug-24	2,300	500	100%	1,150,000	34,500
Lot 5	Retail - General	N/A	Yes	None	Commercial	Jun-23	Jun-24	15,000	350	100%	5,250,000	157,500
Lot 6A	Retail - General	Brakes Plus	Yes	None	Commercial	Jun-23	Jun-24	7,500	200	100%	1,500,000	45,000
Lot 6B	Retail - General	Advance Auto	Yes	None	Commercial	Jun-23	Jun-24	7,500	200	100%	1,500,000	45,000
Lot 7	Car Wash	Tommy's	Yes	None	Commercial	Jun-24	Jun-25	6,000	350	100%	2,100,000	63,000
Totals								149,300			16,600,000	498,000

Sources and Uses

Sources	2022 A	Total
Par Amount	4,190,000	4,190,000
Premium/(Discount)	-	-
Other	-	-
Total Sources	4,190,000	4,190,000

Uses	2022 A	Total
Project Fund	2,974,970	2,974,970
Other	-	-
Total Project Fund	2,974,970	2,974,970

Capitalized Interest	615,930	615,930
Debt Service Reserve Fund	315,300	315,300
Costs of Issuance	283,800	283,800
Total Uses	4,190,000	4,190,000

As we've described above the financing plan proposes an ultimate build-out over the next 3 years with a retail & commercial property development. The model assumes 3.0% Public Improvement Fee on all sales with debt service coverage of 1.35 times assuming a 30 year bond issuance at an estimated interest rate of 6.0%.

The development assumptions disclosed in the Financial Plan are those of the Developer and have not been independently reviewed by RBC Capital Markets. All of the revenues pledged to debt service are dependent solely upon the timely build-out at the projected market and sales per square foot. The forecasted absorption schedule is based upon certain assumptions with facts and circumstances as we know them today and sets forth an estimate of growth within the development. As true with financial projections included in any model for a district, these financial projections do not constitute a commitment to construct any specific square footage, nor do they obligate the Developer to begin new construction on any specific timetable. There is a high

probability that the forecasted results will differ from future tax base factors and such variations can be material. The assumptions as defined above should be viewed in conjunction with the attached Financial Plan.

RBC Capital Markets is acting as placement agent & underwriter to the District in connection with the bond offering. RBC Capital Markets is not acting as a financial advisor to the MW Retail Business Improvement District.

Sincerely,

RBC CAPITAL MARKETS