

RESOLUTION NO. _____ - 20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COLORADO SPRINGS, COLORADO APPROVING THE
ISSUANCE OF SERIES 2020 BONDS BY THE SOUTHWEST
DOWNTOWN BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, pursuant to the provisions of Title 31, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the formation of the Southwest Downtown Business Improvement District (the "District") along with an initial Operating Plan and Budget by Ordinance No. 17-94 adopted on October 10, 2017; and

WHEREAS, pursuant to the provisions of Title 31, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved a 2020 Operating Plan and Budget for the District both by motion on October 22, 2019 ("the Operating Plan and Budget"); and

WHEREAS, both the Policy and the Operating Plan and Budget for the District require that prior to the District issuing bonds or similar indebtedness, City Council must approve of the proposed issuance based on a determination that such indebtedness ensures compliance with the Operating Plan and Budget and all applicable laws; and

WHEREAS, the District has submitted for review, and City Council has reviewed, various related debt instrument documents, including a draft copy of the District Bond Resolution, and Indentures of Trust, including a Master Trust Indenture and Supplemental Indenture authorizing the District to issue debt in an initial principal amount of approximately \$28,275,000 as Limited Tax Supported and Special Revenue Bonds Series 2020A, as well as a Capital Pledge Agreement, a financing analysis provided by the underwriter, an opinion of an external financial advisor, and a preliminary opinion of the District's general counsel and bond counsel (the "Bond Documents"); and

WHEREAS, the District additionally agrees that the combined aggregate principal amount of the Series 2020A and subsequently issued bonds will not exceed \$50,000,000; and

WHEREAS, City Council considered the Bond Documents as well as all other testimony and evidence presented at the February 11, 2020 City Council meeting; and

WHEREAS, the District, having presented evidence that it has satisfied the conditions of approval and other Operating Plan and Budget prerequisites, requests

approval of the issuance of indebtedness in a structure substantially similar to and consistent with the Bond Documents.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the City Council.

Section 2. In reliance on the information presented by the District, Council hereby finds that the issuance of indebtedness by the District in a structure substantially similar to and consistent with the Bond Documents complies with the Operating Plan and Budget and all applicable laws.

Section 3. The Bond Documents authorizing the Limited Tax Supported and Special Revenue Bonds in the aggregate principal amount not to exceed \$50,000,000, as further described in the Bond Documents is hereby approved provided, however, that the indebtedness evidenced by the Bond Documents shall be solely an obligation of the District, and the City shall have no liability or other responsibility therefore.

Section 4. The issuance of debt in a structure substantially similar to and consistent with the Bond Documents, subject to minor changes and revisions as may be approved by City staff, is hereby approved.

Section 5. The approvals contained herein shall be effective for a maximum of one (1) year from the date of this Resolution for the issuance of the Special Revenue Bonds Series 2020A in the approximate amount of \$28,275,000 and no more than four (4) years from the date of this Resolution to complete issuance of any subsequently issued bonds for the balance of the aggregate sum approved in Section 3 of this Resolution. Not less than thirty (30) days prior to any issuance of bonds subsequent to the issuance of the Special Revenue Bonds Series 2020A for the balance of the aggregate sum

authorized, the District shall provide detailed information and an informational update to the City Council.

Section 6. The maximum interest for all series of bonds associated with this authorized debt issuance shall not exceed an annual rate of 10.0%.

Section 6. This Resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this ____ day of _____ 2020.

Council President

ATTEST:

Sarah Johnson, City Clerk