

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

February 22, 2021

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Manager**

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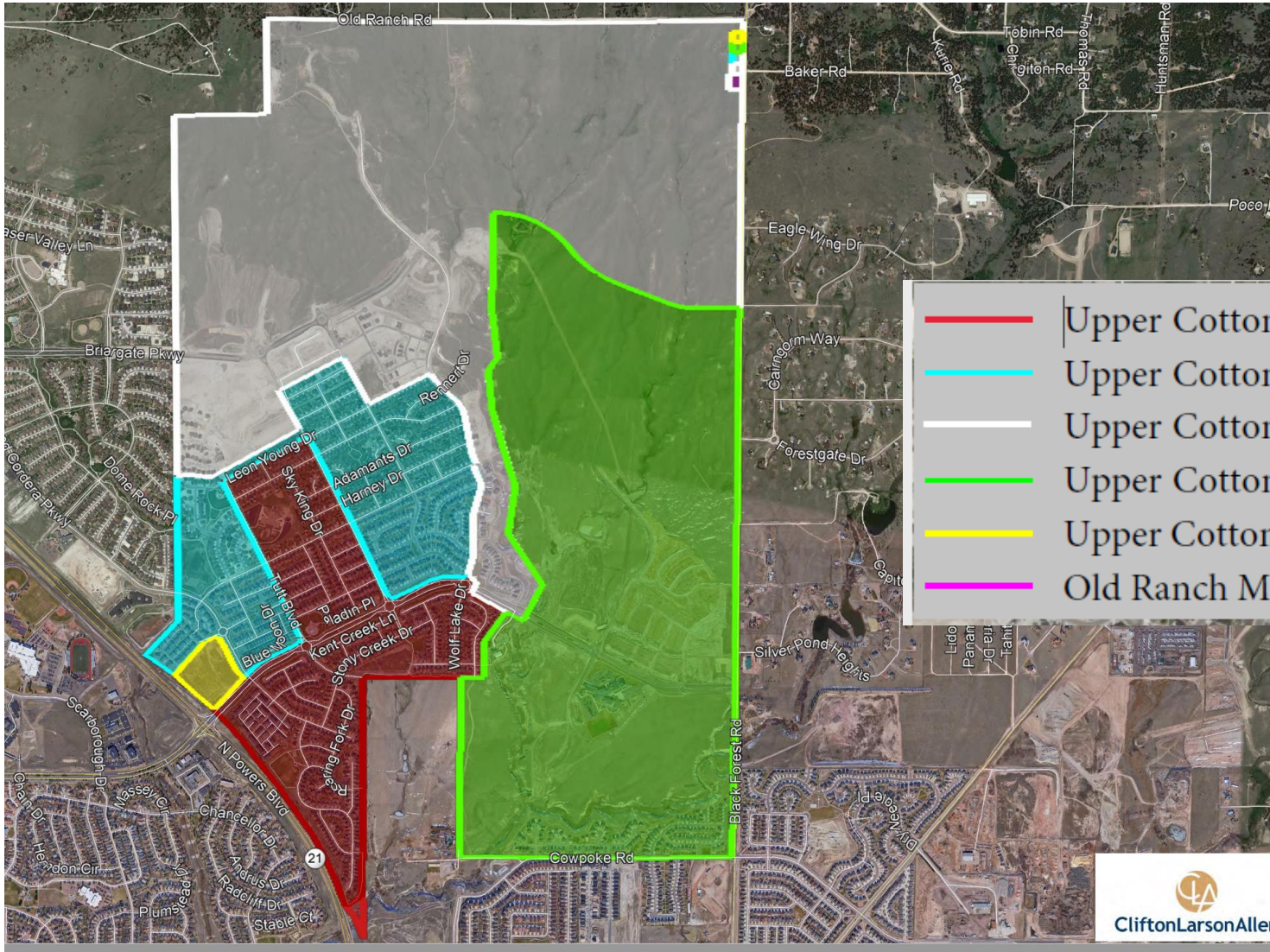


Summary



- Approval of Two Bond Issues
 - Upper Cottonwood Creek Metropolitan District No. 3
 - \$6,475,000
 - 33.397 debt service mills, subject to future Gallagher Adjustments
 - Second issuance by this district (\$7.2M in 2019)
 - Upper Cottonwood Creek Metropolitan District No. 4
 - \$5,095,000
 - 33.397 debt service mills, subject to future Gallagher Adjustments
- 6% interest; tax exempt
- Both privately placed
- Final maturity 2050
- Optional redemption dates of December 1, 2028
- Discharge dates tied to 40-year debt service mill levy imposition term
- Two separate Council resolutions

District Boundaries



- Upper Cottonwood Creek MD
- Upper Cottonwood Creek MD 2
- Upper Cottonwood Creek MD 3
- Upper Cottonwood Creek MD 4
- Upper Cottonwood Creek MD 5
- Old Ranch MD Director's Parcel

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

Additional Information



- Maximum authorized debt for District No. 3 is \$35,000.000
 - \$7,200,000 Series 2019 + \$6,475,000 Series 2021 = \$13,675,000
 - (about \$21,325,000 remaining at this time)
- Maximum authorized debt for District No. 4 is \$30,000.000
- External advisor letter required due to private placement
- Interest rates 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

- February 9, 2021
- Questions and clarifications
- Asked about buildout status of Districts 3 and 4, and potential future maximum debt
 - Each about 25% built out now
 - Projected 8 years to completion
- Asked about resident board status and elections
- Asked about potential for language to affirmatively address refunding options at call date

Supporting Materials



- Agenda memos
- City Council resolutions
- District transmittal letter
- Forms of bond resolutions
- Summary totals of district-wide certified costs
- Financial projections
- Sale certificates (with redemption dates)
- Opinion letters from external financial advisor
- Form of District counsel opinions

Next Steps



- 1 Year to Issue/Close (March 9, 2022)
- New Business/ Consent?- March 9, 2021?
- At Least **Six** Affirmative Votes Required
 - City Charter 7-100(a) -> exceeds 10% of total assessed valuation