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File No. 5115069.0002

February 24, 2025

Kevin Walker
Director, Planning and Neighborhood Services
City Administration Building
30 S. Nevada Avenue, Suite 105
Colorado Springs, Colorado 80903

Re: First & Main Business Improvement District No. 2 – 2025 Bond Issuance

Dear Mr. Walker:

This office represents the First & Main Business Improvement District No. 2 (the “District”). The District would like to issue a Limited Tax General Obligation Bond in the immediate future and is seeking approval from the Colorado Springs City Council per the District’s Operating Plan. A check in the amount of \$1,100 will be delivered to the City Clerk. On behalf of the District, please find enclosed copies of the following documents pertaining to the bond issuance:

- (a) the draft resolution and form of bond for the Limited Tax General Obligation Bond, Series 2025 (“2025 Bond”);
- (b) a preliminary financing plan for the 2025 Bond;
- (c) a draft opinion letter from Spencer Fane as bond counsel confirming that the proposed bond issuance is consistent with applicable law and regulations;
- (d) a draft opinion letter from Spencer Fane as District counsel confirming that the proposed bond issuance is consistent with the District’s Operating Plan and Budget, the City of Colorado Springs’s current policy relating to special districts, and applicable law;
- (e) a letter from RBC Capital Markets, an External Financial Advisor to the District, regarding the fairness and feasibility of the interest rate and structure of 2025 Bond;
- (f) a map of the District; and
- (g) the costs of the public improvements.

Certain public improvements have been constructed within the District as provided for in the District’s Operating Plan. The District will use the funds from the 2025 Bond to finance the public improvements. The public improvements include, but are not limited to, the following improvements: parking, drainage, landscaping, and street facilities and improvements.



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The anticipated interest rate of the 2025 Bond will be approximately 7.00% and the bond amount will not exceed \$1,484,000. The 2025 Bond will be repaid by a mill levy of approximately 50 mills per year, subject to adjustment, as well as revenue from public improvement fees collected within the District.

The District issued its Series 2009 Limited Tax General Obligation Bonds in the amount of \$2,400,000, which were approved by City of Colorado Springs Resolution No. 53-09. The District issued its Series 2011 Public Improvement Revenue Bond in the amount of \$2,000,000, which was approved by Resolution 186-10 of the City Council. The District issued its Series 2015 Limited Tax General Obligation Bond in the amount of \$1,750,000, which was approved by Resolution No. 35-15 of the City Council. The District issued its Series 2015 PIF Bond in the amount of \$1,725,000, which was approved by Resolution 35-15 of the City Council. The District issued its Series 2022 Public Improvement Fee Revenue Bond in the principal amount of \$6,700,000 with an interest rate of 6.5% and its Series 2022 Limited Tax General Obligation Bond in the principal amount of \$3,941,000 with an interest rate of 6.5%, which issuances were approved by Resolution No. 160-22 of the City Council. As set forth in the District's 2009 Operating Plan, the City has limited the amount of debt to be issued by the District to a total of \$20,000,000 in the authorized voter categories. The remaining debt authorization under the Operating Plan is \$1,484,000. With the issuance of the 2025 Bond, the aggregate outstanding principal amount of the total debt will remain at or below the applicable Council-approved maximum debt limitation.

At your earliest convenience, please have City Council review the enclosed documents. We would like to request that these items be scheduled for the next available City Council meeting. If you have any questions, or need anything further, please do not hesitate to contact this office.

Best regards,

SPENCER FANE LLP

/s/ Nicole R. Peykov

Nicole R. Peykov

Enclosures