

Flying Horse Metropolitan District 2019 Debt Issuance

City Council Work Session
May 28, 2019

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Summary



- Issuance of bonds to refund a portion of existing 2005 bonded indebtedness
- Authorization to issue up to \$20,000,000 in refunding bonds
 - Actual amount may be closer to \$14,000,000
- Will pay off an existing third party bond of about \$5.8M and part of a developer-held bond of about \$17.6M

Vicinity Map



Districts Background and History



- Districts created in 2004
 - District 1 – Operating district
 - District 2 – original residential district
 - District 3 – original commercial district
- Debt issued in 2005
- Combined Gallagher-adjusted mill levy increase approved in 2017

Additional Information



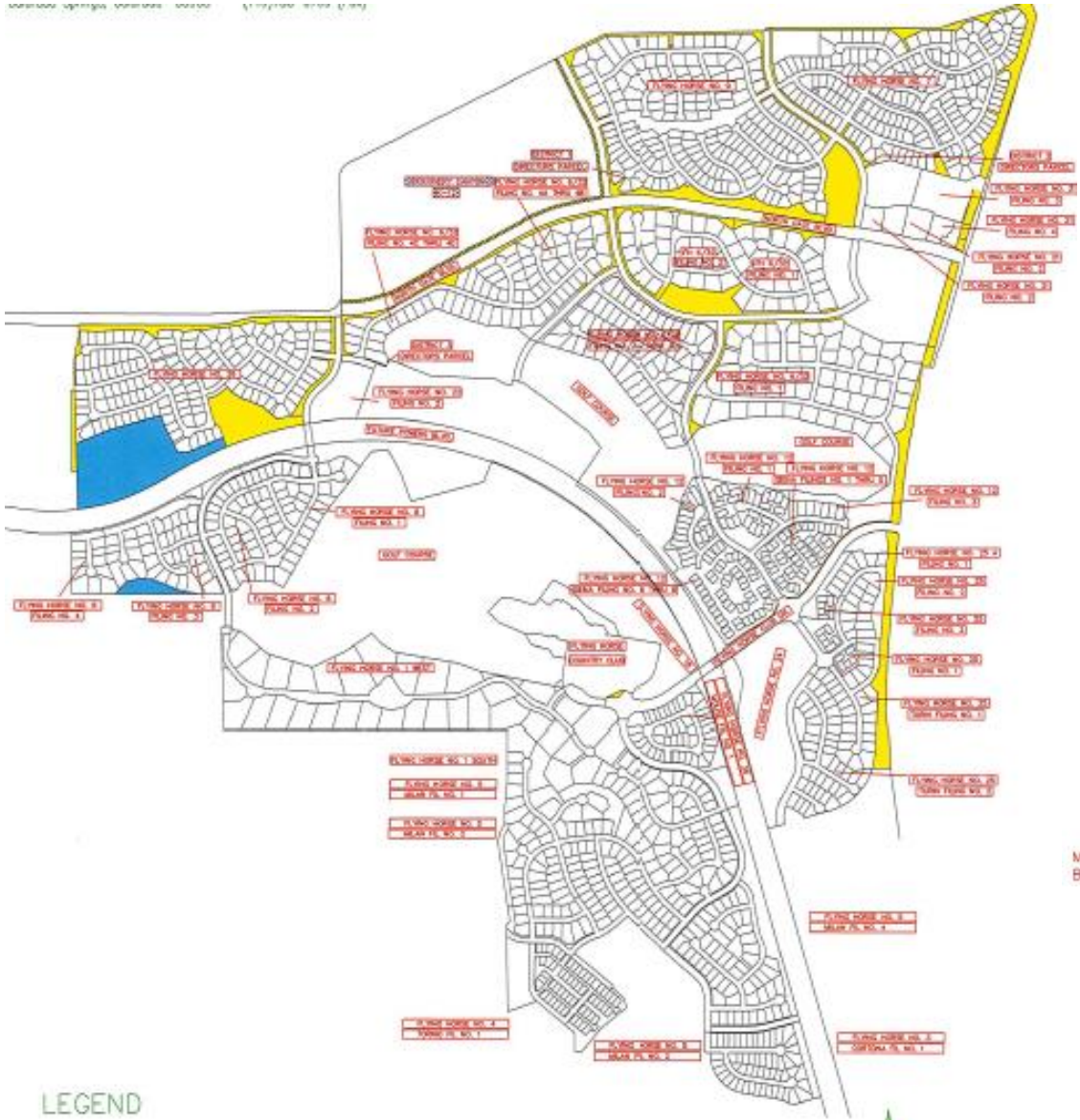
- Current debt service mill levy for these districts is 33.166 mills (Gallagher adjusted from 30 mills)
- Anticipated interest rate of 6.5%
 - Compared with 8.0% a 8.1% for the current bonds
- 2005 bonds have a maturity date of 2035; however this can, and is expected to extend beyond that date in the event principal and/or interest remains outstanding.
- These bonds have “hard stop” maturity date of 2047 and are modeled pay off by 2042
 - New bonds would also be refundable
- Long term savings calculation provided

Budget Committee



- Item introduced on May 14, 2019
- Request for remaining balances on 2005 bonds
- Request for an analysis of savings
- Concern about a debt service mill levy being in place for over 40 years

District Properties



LEGEND

- OWNED AND MAINTAINED BY THE FLYING HORSE METROPOLITAN DISTRICT NO. 1
 - OWNED AND MAINTAINED BY DISTRICT, DIRECTORS PARCEL
 - OWNED BY FLYING HORSE METROPOLITAN DISTRICT NO. 1
 - MAINTAINED BY THE FLYING HORSE HOMEOWNERS ASSOCIATION, INC.
 - OWNED BY CITY OF COLORADO SPRINGS
 - AESTHETIC SURFACE, LANDSCAPING, FENCE, AND WALKS WILL BE MAINTAINED BY THE FLYING HORSE METROPOLITAN DISTRICT NO. 1
 - OWNED BY SCHOOL DISTRICT NO. 20 AND MAINTAINED BY THE FLYING HORSE METROPOLITAN DISTRICT NO. 1
- MEDIANS AND ISLANDS WITHIN FLYING HORSE CLUB DRIVE AND NORTH GATE BOULEVARD ARE MAINTAINED BY THE FLYING HORSE METROPOLITAN DISTRICT NO. 1

LEGEND

Materials



- Transmittal letter
- City resolution
- District bond resolution
- Draft indenture
- Financial projections
- "Savings" calculation (to be provided)

Recommendation and Next Step



- Approval recommended based on expected long term savings to District taxpayers and a decrease in the amount of related party debt.
- June 11, 2019 hearing