

# Gold Hill Mesa No. 2 Metro District Debt Issuance

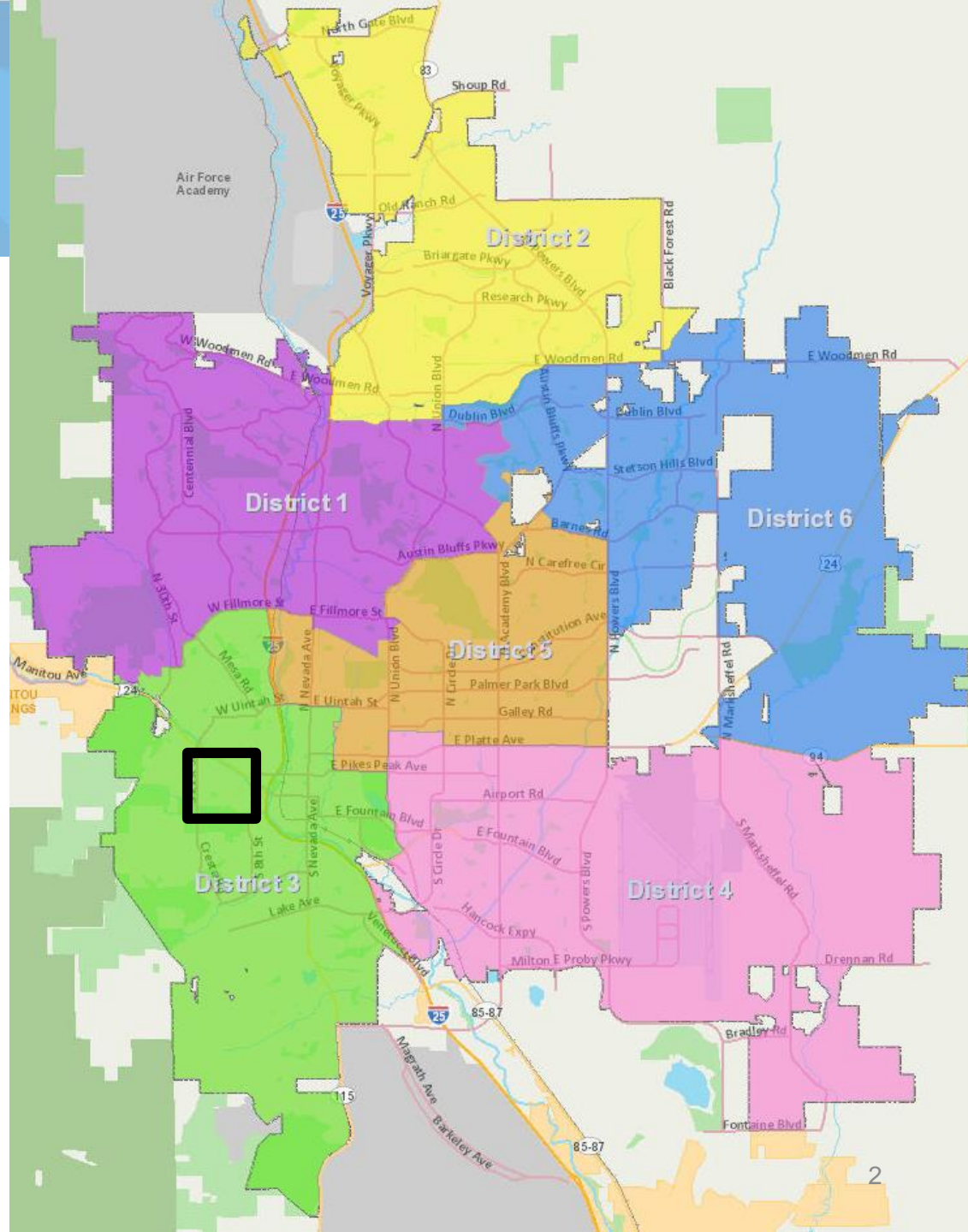
City Council Work Session  
March 21, 2022

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Mike Ryan, Piper Sandler



# Vicinity Map

- Council District 3
- Located south of Highway 24 and east of 21<sup>st</sup> Street



# Summary



- Combination of refinancing and additional money to reimburse qualifying costs:
  - Series A (senior):
    - \$14,415,000 (refinancing all 2011 & 2015 debt and additional funds)
    - 6/1/2032 redemption/call date
    - 12/1/2048 maturity and discharge date
    - Expected 5.0% interest rate, tax exempt, marketed
    - Not to exceed \$16,000,000
  - Series B (subordinate):
    - \$6,100,000
    - 6/1/2027 redemption/call date
    - 12/1/2048 discharge date
    - Expected 5.5% interest rate, tax exempted, marketed
    - Not to exceed \$6,700,000
- Refinance outstanding indebtedness, reimbursing developer advances for public improvements
  - Refinancing Series C and D bonds with existing 9% and 9.5% interest rates
  - Improvements included utilities, streetscape, landscape, and earthwork for public areas

# District Boundaries



# Additional Information



- Consolidated Service Plan for Gold Hill Mesa Districts 1, 2, and 3 was approved in 2006.
  - District No. 2 maximum debt mill levy of 30 mills (Gallagher adjusted); maximum operating mill levy of 10 mills
  - Combined total debt issuance limitation of \$57,000,000 in service plan
- Prior debt issuances occurred in 2011 and 2015
  - Outstanding bonds and loans now total \$8,803,000
  - 2015 Loan plus 2011 C and D bonds
    - 2015 Loan refinanced the original 2011 A and B bonds
- Area within District boundary nearing build-out
- District located within the Gold Hill Mesa Urban Renewal Area
  - Existing Intergovernmental Tax Sharing Agreement with the District

# Budget Committee



- Presented on 2/22/22 with a Follow-up on 3/8/22. Comments, questions and follow-up included:
  - Request for clarity on what the additional funds would be used for, and what improvements are being reimbursed.
  - Request for clarity on what is being refinanced.
  - Does the issuance of new money extend the timeline of how long people are being taxed? Does it change the amount their taxed?
  - The composition of the existing metro district board.
  - What is the cost to the developer to issue the bonds?

# Supporting Materials



- Cover Letter
- Term sheet
- Form of bond resolution
- Form of indenture
- Summary totals of costs in applicant PowerPoint
- Financial projections
- Form of District counsel opinion

# Next Steps



- April 12, 2022 City Council hearing
- 1 Year to Issue/Close (April 12, 2023)
- At Least **Six** Affirmative Votes Required
  - City Charter 7-100(a) -> exceeds 10% of total assessed valuation