



Woodmen Heights Metro. District No. 1 Bond Issue- Extension of Prior Authorization

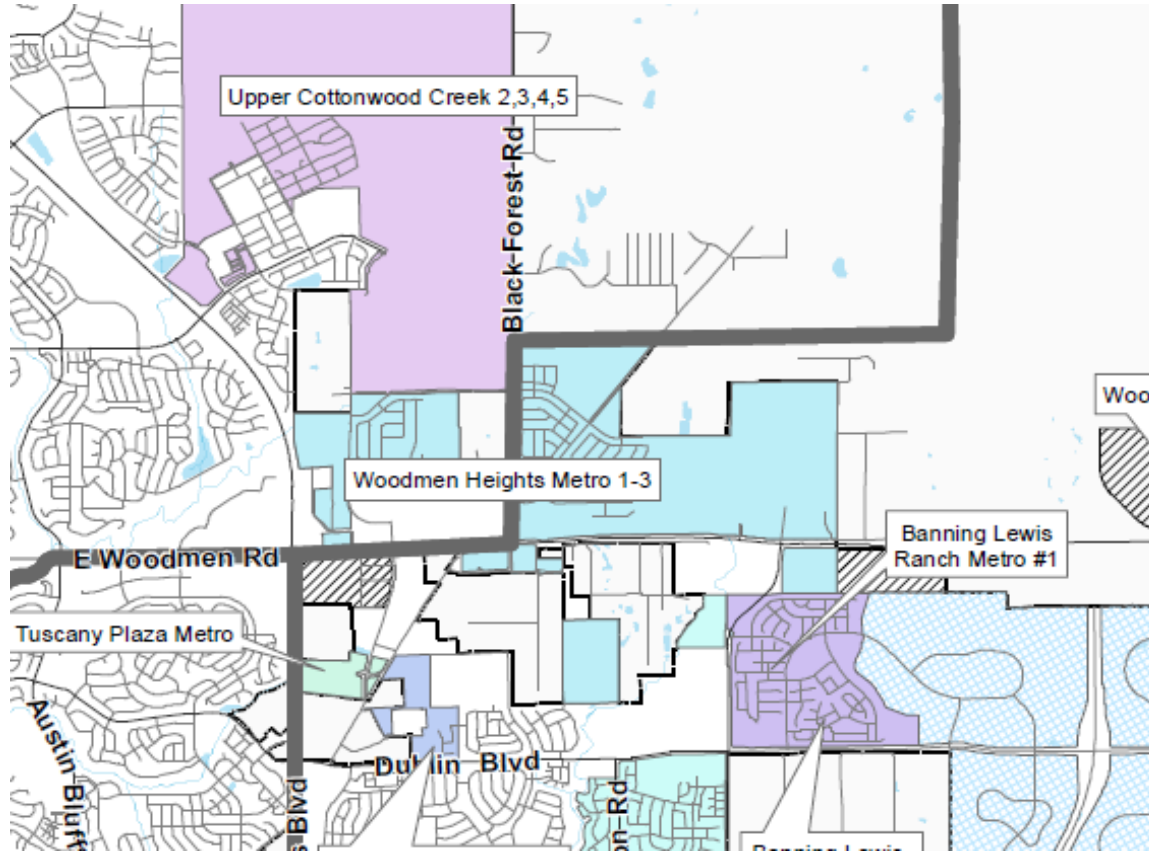
City Council Work Session
May 12, 2014

Peter Wysocki, Planning and Development Director
Carl Schueler, Comprehensive Planning Manager
Blake Jordan, Sherman and Howard

Summary:

- Extension of one-year limit in prior (2012) Council approval to issue Series C bonds
- Refreshed Council Approval Required
 - Standard remains compliance with service plan and Policy
- Subordinate Debt- \$6,139,878
 - Subordinate to Series 2012A and B bonds
 - Conversion of developer expenditures
 - Related party transaction

Location Map



Background

- Woodmen Heights Metropolitan Districts created in 2004
- Master district structure
 - District No. 1 is the master district
 - District No. 2 is the residential district
 - District No. 3 is the commercial district
- Debt first issued in 2005
- Ownership and market complications
- Refinancing/ additional debt plan proposed and approved in 2012

Background- Continued

- 3 Issues contemplated and approved in 2012
- Series A and B to refinance then-existing debt
 - Series A based on current valuation
 - \$6,700,000; 6.0% interest
 - Series B based on future valuation
 - \$24,025.872; 7.3% interest
 - A and B bonds are issued
- Series C would convert some remaining developer costs to subordinate debt
 - Issuance has been delayed more than one year

Series C Bonds

- Subordinate to Series A and B bonds
- Interest rate of 3%
- Pledge of 30.0 mills (adjusted)
 - Subject to 40-year Maximum Mill Imposition Term
- Revenues not expected to be available for many years
- Developer-owned
- External advisor letter
- No obligation to General City

Considerations

- Related Party Relationships
 - Will reduce overall BLR District interest cost
 - Required letter from external advisor
- Exposure to District No. 2 property owners
 - Extinguishment of further District No. 2 debt obligations
 - Limiting any prospect of future “end user debt service fees”

Supporting Materials

- Letter from District
- Original City Council resolution
- Draft new resolution
- Updated district bond resolution
 - Substantially unchanged
- External advisor opinion on interest rate

Staff Recommendation and Next Steps

- Approval
 - No significant change since 2012
- 1 additional year to issue
- New Business Item for May 27, 2014