

RUSSELL DYKSTRA  
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File No. 5025302.0002

October 20, 2021

Carl Schueler  
Comprehensive Planning Manager  
City Administration Building  
30 S. Nevada Avenue, Suite 105  
Colorado Springs, Colorado 80903

Re: Creekwalk Marketplace Business Improvement District – 2021 Bond  
Issuance

Dear Mr. Schueler:

This office represents the Creekwalk Marketplace Business Improvement District (the “District”). The District would like to issue bonds by the end of November and is seeking approval from the Colorado Springs City Council per the District’s Operating Plan. On behalf of the District, please find enclosed copies of the following documents:

- (a) the draft resolution and form of bond for the Limited Tax Supported and Special Revenue Senior Bonds, Series 2021A (“Senior Bonds”) and the Limited Tax Supported Special Revenue Subordinate Bonds, Series 2021B (“Subordinate Bonds,” and together with the Senior Bonds, the “2021 Bonds”);
- (b) the financing plan for the 2021 Bonds;
- (c) a letter from Stifel, Nicolaus & Company, Incorporated, an External Financial Advisor to the District, regarding the fairness and feasibility of the interest rate and structure of the 2021 Bonds (“Stifel Letter”);
- (d) a draft opinion letter from Greenberg Traurig as bond counsel confirming that the proposed bond issuance is consistent with applicable law and regulations; and
- (e) 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.

The application fee in the amount of \$1,100 will be delivered to the City Clerk.

The District has constructed certain public improvements, as provided for in the District’s Operating Plan, and the District will use the funds from the 2021 Bonds to finance such improvements. The public improvements the District intends to finance with the 2021 Bonds



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include but are not limited to the following improvements: parking, utilities, storm and wastewater, and street facilities and improvements, as further described in the Stifel Letter.

The anticipated interest rate of the Senior Bonds will be between 5.00% and 5.75% and the bond amount will not exceed \$13,200,000. The anticipated interest rate of the Subordinate Bonds will be approximately 8.00% and the bond amount will not exceed \$3,300,000. The 2021 Bonds will be repaid by a mill levy of approximately 50 mills per year, subject to adjustment, a 2.5% public improvement fee, and property and sales tax increment revenues. The 2021 Bonds will have a thirty year term with a maximum repayment period of forty years.

The District issued its Series 2019A Limited Tax Supported and Special Revenue Senior Bonds in the amount of \$24,230,000 and its Series 2019B Subordinate Bonds in the amount of \$2,500,000 on July 31, 2019 (collectively, the “2019 Bonds”). The District’s current initial maximum debt authorization pursuant to the Operating Plan is \$50,000,000.

Additionally, the District would like to submit to the City the enclosed Petition for Inclusion of Property on behalf Creekwalk North LLC. The inclusion of the property described in the Petition for Inclusion (the “Property”) and the revenue derived therefrom will help support the funding needed to pay the 2021 Bonds. The Property will be developed for commercial purposes and is located within the South Nevada Avenue Urban Renewal Area. The District therefore requests to include the Property into its boundaries pursuant to Sections 31-25-1203(10) and 1220, C.R.S. As part of this submittal, we are enclosing a draft of the notice for inclusion public hearing and draft ordinance for your convenience.

At your earliest convenience, please have City Council review the enclosed documents. If possible, we would like to request these items be scheduled for the Budget Committee meeting on October 26, 2021. If you have any questions, or need anything further, please do not hesitate to contact this office.

Best regards,

SPENCER FANE LLP

*/s/ Russell Dykstra*

Russell Dykstra

Enclosures