

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

Canyon Creek Project

Special Revenue Bonds, Series 2018A

Term Sheet (as of January 1, 2018)

FOR AUTHORITY USE ONLY – PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS

Delivery Date	March 15, 2018
Par Amount	\$11,735,000 (estimated)
Uses	
Project Fund	\$1,757,865 (unrestricted account) (estimated) <u>\$7,010,000</u> (restricted account) (estimated) \$8,767,865 (total) (estimated)
Capitalized Interest	\$1,507,785 (estimated)
Debt Service Reserve Fund	\$965,650 (estimated)
Cost of Issuance	\$493,700 (estimated)
Final Maturity	December 1, 2047
Interest Rate	5.5% (estimated rate; actual rate determined at pricing)
Payment Dates	Semi-annual interest payments on June 1 and December 1 with principal payments annually on December 1
Tax Status	Tax-exempt, Non-BQ
Redemption	December 1, 2022 at 103 premium declining (estimated)
Credit Rating	Non-Rated
Senior Pledged Revenue	Senior Pledged Revenue will consist of revenues produces from the following: <ol style="list-style-type: none"> 1. Property tax increment revenue from the Authority; 2. Revenue derived from the Pledge Agreement between Canyon Creek Metropolitan District No. 2 (the “Residential District”) and the Authority, generally consisting of (a) revenue generated from the Residential District’s debt service mill levy of 30 mills (gallagherized from 7.96); and (b) specific ownership taxes derived from the Residential District’s debt service mill levy; 3. Revenue derived from the Pledge Agreement between Canyon Creek Metropolitan District No. 3 (the “Commercial District”) and the Authority, generally consisting of (a) revenue generated from the Commercial District’s debt service mill levy of 30 mills; and (b) specific ownership taxes derived from the Commercial District’s debt service mill levy; and 4. Revenue generated from the 2.0% Public Improvement Fee imposed upon all taxable sales transactions occurring within the Commercial District and

Residential District (to the extent applicable).

Surplus Fund	To the extent the Senior Pledged Revenue is not needed to cover current year debt service, it will be deposited to the Surplus Fund. The Surplus Fund will have a maximum size of 10% of par and shall be drawn in the event that the Senior Pledged Revenue is insufficient to cover current debt service.
Restricted Account	Funds on deposit in the restricted account are released on the following basis: <ol style="list-style-type: none"> 1. \$43,091 per unit for each townhome (Site 3) that receives a building permit from the City 2. \$13,963 per unit for each apartment upon issuance of a building permit by the City for the corresponding apartment building 3. \$252 per square foot of the hotel restaurant upon issuance of a building permit by the City for the hotel 4. \$33,266 per hotel room upon issuance of a building permit by the City and execution of a franchise agreement with an approved flag
Additional Debt	Allowed with majority bondholder consent. Allowed without bondholder consent for a refunding of this 2018 debt such that debt service is lower in every year.
Additional Subordinate Debt	Subordinate bonds may be issued provided that they pay debt service annually only after all payment on senior bonds.
Trustee	UMB Bank, n.a.
Title 11 Exemption	\$500,000 denominations

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
Subordinate Special Revenue Bonds, Series 2018B
Term Sheet (as of January 18, 2018)

FOR AUTHORITY USE ONLY – PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS

Delivery Date	March 15, 2018
Par Amount	\$2,078,000 (estimated)
Uses	
<i>Project Fund</i>	\$156,660 (unrestricted) (estimated) \$1,859,000 (restricted) (estimated) \$2,015,660 (total) (estimated)
<i>Cost of Issuance</i>	\$62,340 (estimated)
Final Maturity	December 15, 2047
Interest Rate	8.00% (estimated rate; actual rate determined at pricing)
Payment Dates	Principal and interest payments annually on December 15, to the extent of available revenue
Tax Status	Tax-exempt, Non-BQ
Restricted Account	Funds on deposit in the restricted account are released on the following basis: <ol style="list-style-type: none"> 1. \$11,432 per unit for each townhome (Site 3) that receives a building permit from the City 2. \$3,704 per unit for each apartment upon issuance of a building permit by the City for the corresponding apartment building 3. \$67 per square foot of the hotel restaurant upon issuance of a building permit by the City for the hotel 4. \$8,826 per hotel room upon issuance of a building permit by the City and execution of a franchise agreement with an approved flag
Redemption	December 15, 2022 at 103 premium declining (estimated)
Credit Rating	Non-Rated
Subordinate Pledged Revenue	The bonds are structured as cash flow bonds that pay each year on December 15th. Any Senior Pledged Revenue available to the subordinate bonds will be used to pay current interest, accrued interest, and then principal. Interest not paid when due will accrue and compound annually at the rate on the bonds. Any amount unpaid at the maturity date will remain outstanding and continue to accrue and compound. The debt will be discharged on December 15, 2057.



Additional Subordinate Debt	Senior debt allowed without subordinate bondholder consent only for refunding the senior debt and subject to the condition that the refunding bond debt service is lower in every year than the refunded bond debt service and that the reserve and surplus fund for such refunding bonds be limited to 10% of par. Additional subordinate debt allowed with 50% subordinate bondholder consent.
Additional Junior Subordinate Debt	Junior subordinate bonds may be issued provided that they pay debt service annually only after all payment on senior bonds and subordinate bonds.
Trustee	UMB Bank, n.a.
Title 11 Exemption	\$500,000 denominations