

Amended and Restated Service Plan for Gold Hill North Metropolitan District Nos. 1 and 2

City Council Work Session
March 13, 2023

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Manager



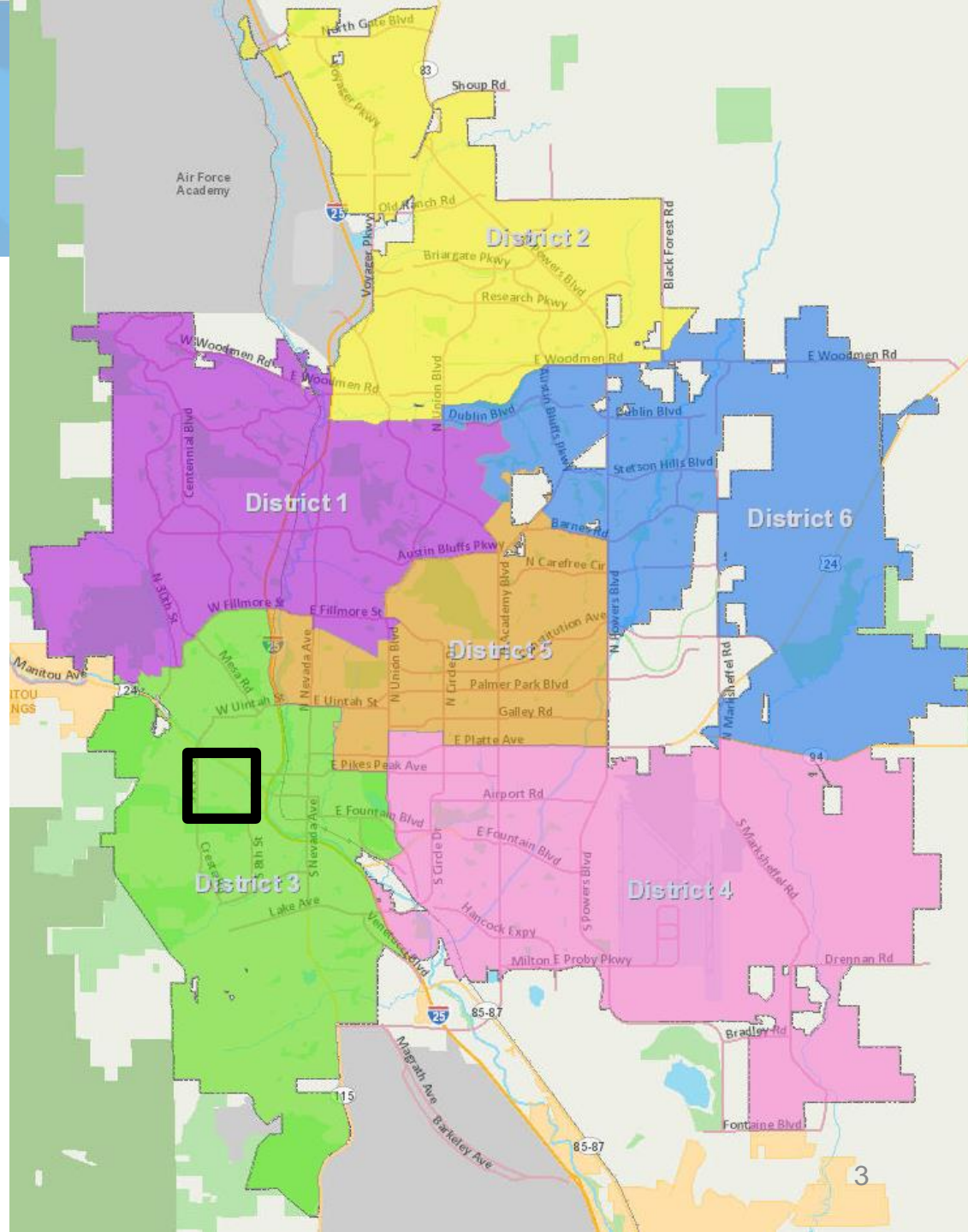
Summary



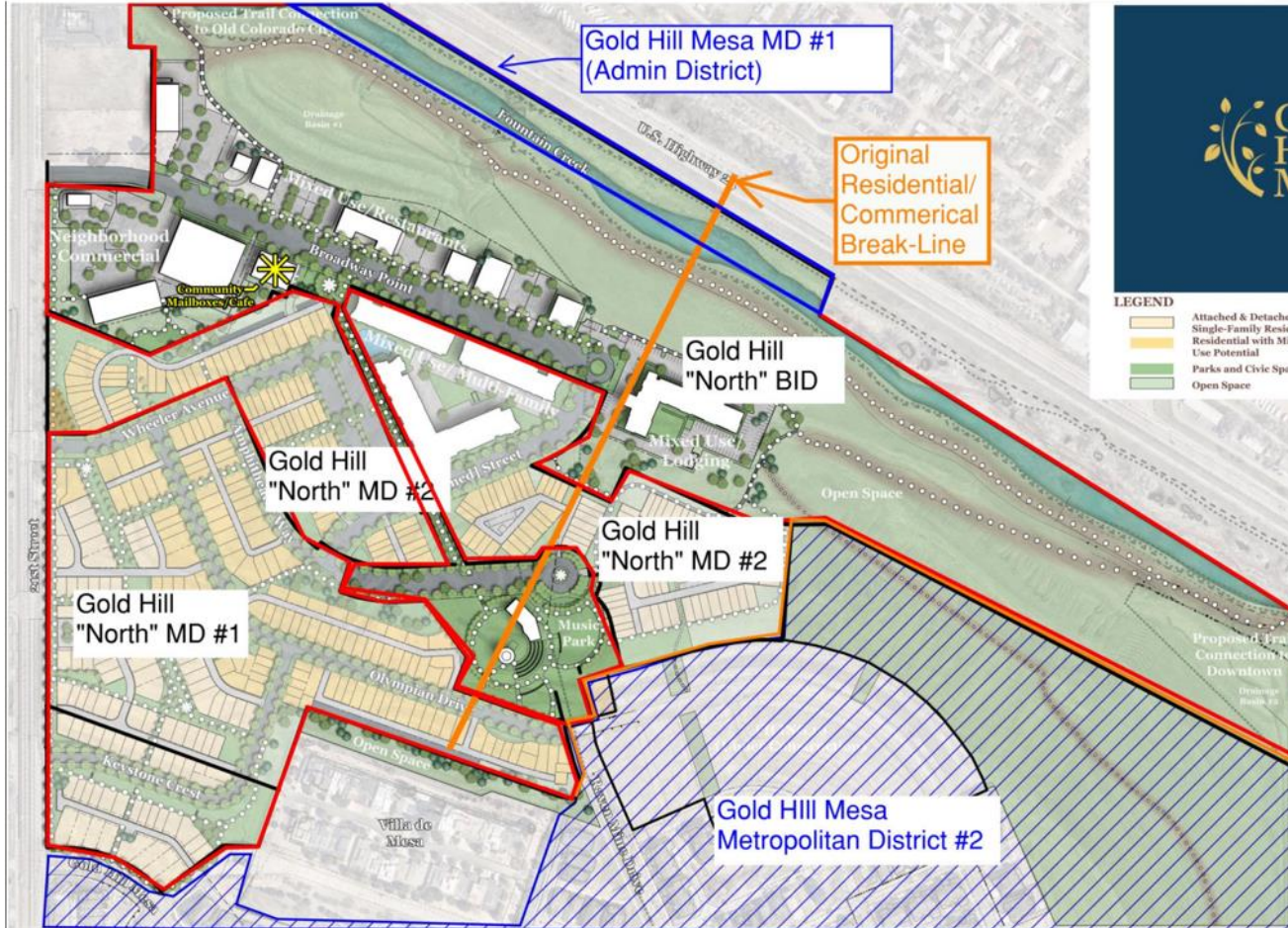
- Amended and Restated Service Plan for two existing Gold Hill North Metropolitan Districts originally created in 2021
- The metro districts are expected to include the residential uses in the northern area of Gold Hill Mesa
 - No current residents
 - A corresponding BID will include the commercial uses
- Allows for increased residential mill levies
- “Pre-authorizes an anticipated 2025 debt issuance
- Reduces the debt authorization for the metropolitan districts from \$90 Million to \$18 Million (for both metropolitan districts)
 - Balance could be used by the BID

Vicinity Map

- Council District 3
- Located south of Highway 24 and east of 21st Street



District Boundaries- Current or Proposed



Note: Graphic taken from a prior presentation

Mill Levy Caps



- 20 operational mills
- 50 debt service mills
- Districts can also have other fees
 - But not for “end users” for debt service

Applicant Slide- for all three districts

Public Improvements

Public Improvements	Cost Estimate
Streets and Drainage	\$32,000,000
Water	\$2,750,000
Wastewater	\$7,000,000
Traffic Safety	\$500,000
Park and Recreational	\$8,000,000
Cultural and Resident Recreation Facilities	\$13,000,000
<i>Commercial Area Common Improvements</i>	<i>\$7,000,000</i>
TOTAL	\$70,250,000

Financial Plan

- Maximum Debt Mill Levy: **50 mills** (per model)
- Maximum O&M Mill Levy: **20 mills** (per model)
- Maximum Debt Authorization Limitation: **\$18,000,000** (MDs only, BID to have own debt limit)
- Maximum Debt Mill Levy Imposition: **40 years** (per model)
- Impact on \$500,000 Residence:
 - Total Mill Levy: 60 mills
 - Calculation:
 $\$500,000 \times 0.0715 = \$35,750$ (assessed valuation)
 $\$35,750 \times 0.060 = \mathbf{\$2,145 \text{ taxes owed per year}}$
 $\quad = \mathbf{\$178.75 \text{ taxes owed each month}}$

Bond Financing

- The District is currently considering issuing a senior and subordinate bond in 2025.
- The senior bond is anticipated to be a non-rated, current interest bond and the subordinate bond is anticipated to be a non-rated, cash flow bond.
- The Series 2025 Bonds are anticipated to be secured by a limited ad valorem property tax of 50.00 mills (subject to adjustment) on all taxable property within District No. 1 & 2.
- The senior Series 2025 Bond is anticipated to be additionally secured by three years of capitalized interest and a surplus fund.
- The financing plan summarized to the right utilizes interest rates in the current credit environment. The interest rates and numbers are subject to change until final pricing of the bonds has occurred.

Limited Tax General Obligation Bonds, Series 2025A & Series 2025B	
Estimated Closing Date	6/1/2025
Estimated Final Maturity	Series A: 12/1/2055 Series B: 12/15/2050
Estimated Par Amount	Series A: \$11.4mm Series B: \$ 1.9mm
Estimated Project Fund	Series A: \$7.3mm <u>Series B: \$1.8mm</u> Total: \$9.2mm
Estimated Capitalized Interest	Series A: \$2.5mm
Estimated Surplus Deposit	Series A: \$1.1mm
<i>Debt Characteristics:</i>	
Estimated Interest Rate	Series A: 7.25% Series B: 9.25%
Tax Status	Tax-Exempt
Revenue Pledge	50.0 mills from D1 and D2, subject to adjustment

Aspects that Will Not Change



- Authorized functions
- Allowable boundaries

Supporting Materials



- Transmittal letter
- Draft Council resolution
- Clean and redline service plans
 - Exhibit E includes cost assumptions and anticipatory 2025 senior and subordinate bond issues
 - \$11,490,000 total

Budget Committee



- February 28, 2023
 - A few clarifying questions
 - Discussion around the debt limit cap reduction from \$90,000,000 to \$18,000,000 for these two districts
 - Corresponding BID would likely issue the debt, with URA Tax Increment Financing (TIF) and public improvement fee (PIF) revenues
 - But these metropolitan districts could also issue up to \$18 Million on their own.

Next Steps



- Hearing on March 28, 2023
 - Debt “preauthorization” requires at least six affirmative votes