

RESOLUTION NO. _____ - 21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING THE ISSUANCE OF DEBT BY THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 8 IN THE FORM OF SERIES 2021A AND SERIES 2021B BONDS.

WHEREAS, by Resolution No. 9-06, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the formation and a service plan ("Service Plan") of the Banning Lewis Ranch Metropolitan District No. 8 (the "District") by Resolution No. 93-18; and

WHEREAS, both the Policy and the Service Plan require that prior to the District issuing bonds or similar indebtedness, it must first obtain City Council approval of the proposed issue and that City Council review of such indebtedness for compliance with the Service Plan and all applicable laws; and

WHEREAS, the District has submitted for review, and City Council has reviewed, various related debt instrument documents, including a term sheet, draft bond indentures, revenue model, and preliminary opinion of the District's general counsel, for Series 2021A and Series 2021B and general obligation limited tax bonds in estimated principal (par) amounts of approximately \$18,995,000 and \$989,000 respectively, as well as an opinion of an external financial advisor for the Series 2021B bonds, (the "Bond Documents"); and

WHEREAS, City Council considered the Bond Documents as well as all other testimony and evidence presented at the March 23, 2021 City Council meeting; and

WHEREAS, the District, having presented evidence that it has satisfied the conditions of approval and other Service Plan prerequisites, requests approval of the issuance of indebtedness in a structure substantially similar to and consistent with the Bond Documents.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the City Council.

Section 2. In reliance on the information presented by the District, Council hereby finds that the issuance of indebtedness by the District in a structure substantially similar to and consistent with the Bond Documents complies with the service plan and all applicable laws.

Section 3. Issuance of indebtedness by the District in the form of Limited Tax General Obligation Bonds, Series 2021A in the approximate amount of \$18,995,000 and Subordinate Limited Tax General Obligation Bonds, Series 2021B in the approximate amount of \$989,000, as further described in the Bond Documents is hereby approved provided, however, that such indebtedness shall be solely an obligation of the District, and the City shall have no liability or other responsibility therefore.

Section 4. The combined principal amount of the 2021A and 2021B bonds shall not exceed \$22,000,000.

Section 5. In the event the Series 2021B bonds were to be privately placed, their annual interest rate shall not exceed 8.0% annually, and they shall be issued in a principal amount not to exceed \$2,250,000.

Section 6. The Bonds including any refundings thereof or subsequent bond issuances by the District, shall be fully discharged on or before December 31, 2060 and the District's debt service mill levy shall not be certified beyond tax year 2059 (collected in 2060) unless the majority of the District board is comprised of residents of the District or City Council approval is granted in advance.

Section 7. These bonds shall be structured to have an optional call date for refunding at the discretion of the District board, no later than June 1, 2026.

Section 8. The issuance of debt in a structure substantially similar to and consistent with the Bond Documents, subject to minor changes and revisions as may be approved by City staff, is hereby approved.

Section 9. The approvals contained herein shall be effective for a maximum of one (1) year from the date of this Resolution. If the District desires to issue this debt any time after March 23, 2022, a new City Council approval will be required.

Section 10. This Resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this _____ day of _____ 2021.

Council President

ATTEST:

Sarah Johnson, City Clerk