

RESOLUTION NO. _____-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO, APPROVING THE ISSUANCE OF THE LOWELL METROPOLITAN DISTRICT LIMITED GENERAL OBLIGATION REFUNDING TERM LOAN AND LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS IN AN AGREGATE AMOUNT NOT TO EXCEED \$7,120,000 AND RELATED DOCUMENTS FOR A DISTRICT LOCATED IN THE SOUTHEAST AREA OF DOWNTOWN COLORADO SPRINGS

WHEREAS, by Resolution No. 111-22, the City Council approved the current special district policy on August 9, 2022, 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 Lowell Metropolitan District (the "District") by Resolution No. 136-00 on September 12, 2000, and the District was subsequently created; and

WHEREAS, the District first issued debt in 2004 in the form of Series 2004 bonds; and

WHEREAS, both the Policy and the Service Plan require that prior to the District issuing loans or similar indebtedness, it must first obtain City Council approval of the proposed issuance and that such indebtedness must comply 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 draft loan term sheet, transaction sheet, draft preliminary offering memorandum, draft senior and subordinate indentures and a preliminary opinion of the District's general counsel (collectively the "Bond Documents"); and

WHEREAS, City Council considered the Bond Documents as well as all other testimony and evidence presented at the April 11, 2023, 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, City 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 a senior Limited General Obligation Refunding Term Loan ("Loan") and subordinate Limited Tax General Obligation Refunding Bonds ("Bonds") in a combined principal amount not to exceed \$7,120,000, 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 Loan shall be structured to have an optional prepayment date at the discretion of the District board, no later than December 1, 2027.

Section 5. The Loan and Bonds, including any refundings thereof, or subsequent loan or bond issuances by the District, shall be fully discharged on or before December 1, 2063, and the District's debt service mill levy shall not be certified beyond tax year 2063 (certified in 2062), unless the majority of the District board is comprised of residents of the District and City Council approval is granted in advance.

Section 6. 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 7. 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 April 11, 2024, a new City Council approval will be required.

Section 8. This resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this _____ day of April 2023.

Council President

ATTEST:

Sarah Johnson, City Clerk