



PAT HRBACEK
DIRECT DIAL: 303-839-3895
phrbacek@spencerfane.com

File No. 5114511.0002

September 15, 2020

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

Re: Banning Lewis Ranch Metropolitan District No. 3, City of Colorado Springs, Colorado Proposed Issuance of General Obligation Limited Tax Refunding Bonds, Series 2020, in the aggregate principal amount of \$10,000,000 (the "Bonds")

Dear Mr. Schueler:

This office represents Banning Lewis Ranch Metropolitan District No. 3 (the "District"). The District anticipates issuing bonds in or about November 2020 and is seeking approval from the Colorado Springs City Council pursuant to the District's Service Plan and the City's Special District Policy.

As previously discussed, in anticipation of the upcoming Budget Committee meeting on Tuesday, September 22, and on behalf of the District, please find enclosed copies of:

- (a) the most recent term sheet prepared by D.A. Davidson & Co. ("D.A. Davidson");
- (b) the most recent financing plan prepared by D.A. Davidson; and
- (c) a copy of the presentation D.A. Davidson recently made to the District's Board of Directors outlining the proposed issuance of the Bonds.

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

As highlighted in the D.A. Davidson presentation documentation, the Bonds are being issued for the purpose of refinancing two series of bonds issued by the District in 2015. In particular, the District has determined that issuance of the Bonds could result in a significant savings to the District (as projected by D.A. Davidson, a net present value savings of up to \$3.75 million). The primary beneficiaries of the savings would be District residents due to the likely ability to significantly reduce the District's debt service mill levy (as projected by D.A.



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Davidson, the current projected debt service mill levy of 33.39 mills may be able to be reduced to under 20 mills).

At your earliest convenience, please have City Council review the enclosed documents to ensure that the Bonds are being issued in compliance with the Special District Policy and the Service Plan. Please feel free to contact me with any questions or if you need anything further.

Best regards,
SPENCER FANE LLP

/s/ Pat Hrbacek

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Enclosures