



December 29, 2020

**VIA EMAIL**

Mr. Carl Schueler  
Comprehensive Planning Manager  
City of Colorado Springs  
30 S. Nevada Avenue, Suite 105  
Colorado Springs, CO. 80903  
[carl.schueler@coloradosprings.gov](mailto:carl.schueler@coloradosprings.gov)

Re: Peak Metropolitan District No. 1 – Issuance of Debt Instrument

Mr. Schueler:

On behalf of the Board of Directors, this letter shall serve as Peak Metropolitan District No. 1's ("**District No. 1**") request to the City of Colorado Springs City Council (the "**City Council**") for approval of the District's proposed debt financing for public improvements within the service area of the District. Pursuant to Section V.A.10 of the Consolidated Service Plan for the District, Peak Metropolitan District No. 2 ("**District No. 2**") and Peak Metropolitan District No. 3 ("**District No. 3**" and, collectively with the District and District No. 2, the "**Districts**") (as amended, the "**Consolidated Service Plan**"), the issuance of bonds or other debt instruments of the Districts shall be subject to the approval of the City Council. It is the intent of the District to seek and obtain the City Council's review and approval of the proposed debt issuance to ensure compliance with the Service Plan and all applicable laws.

Attached for review and consideration of the City Council and City staff is the following information:

1. Draft Term Sheet and Financial Forecast;
2. Draft Indentures and Bond Resolution; and
3. Statement of Service Plan Compliance.

As indicated in the submitted documents, it is anticipated the District will issue the following series of bonds: (1) approximately \$35,045,000 of General Obligation Bonds, Series 2021A, and (2) approximately \$4,768,000 of Subordinate General Obligation Bonds, Series 2021B (collectively, the "**Bonds**"<sup>1</sup>). The exact par amount of the Bonds will be determined at the time of sale. Proceeds of the Bonds will be utilized to finance the costs for public improvements associated with the phased construction of Public Improvements necessary to provide services to the Districts' current and future residents and businesses. Repayment of the Bonds will be supported by certain mill levy, payment in lieu of taxes, and specific ownership

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<sup>1</sup> All par amounts are estimated. Final amounts to be determined at time of sale of the Bonds.

tax revenues of the District. The enclosed information provides pertinent information about the more specific terms and conditions of the financing, the proposed uses of the funds, and the forecasted build-out of residential and commercial projects within the service area of the District. Also enclosed is an initial public improvement budget that will evidence anticipated use of proceeds of the proposed Bonds and we are awaiting receipt of a final Market Study that will evidence reasonableness of the build-out assumptions in the Financial Forecast. We will provide you with the Market Study as soon as it is available. Upon your review, to the extent there is any additional information that would be useful, or to the extent any questions arise, please do not hesitate to let us know.

We are prepared for a second presentation to the Budget Committee on January 6, 2021 in advance of the formal consideration of approval at the January 12, 2021 City Council meeting. The District appreciates the City Council's review of the enclosed information and will be available to discuss any questions or comments concerning this proposed financing at the City Council's convenience.

Very truly yours,

MCGEADY BECHER P.C.

*Megan Becher*

Megan Becher, District Counsel

Enclosures

- c: Peak Metropolitan District No. 1, Boards of Directors
- Brooke Hutchens, D.A. Davison & Co.
- Kim Reed, Ballard Spahr
- Troy Stover and Greg Phillips, City of Colorado Springs Airport