GOLD HILL MESA A Renewed Purpose

March 8, 2022







- **Project Location and History**
- Why GHM is Seeking to Refinance and its Benefits
- Urban Renewal Context
- **Economic Benefits of Public Financing**
- History of Gold Hill Mesa Metro District #2 Financing
- **Proposed Transaction Details**











Fort Carson Army Base

Broadmoor _Towne Center

S 8th Street

1-25

Norris Penrose Equestrian and **Event Center**

Aerial View (Facing East)







HISTORY IN THE RE-MAKING

- The most highly producing mill in the nation, 1906 1949
- Burned in 1907 from coal dust explosion, reconstructed with better automation
- Processed 15 million tons of ore, from Cripple Creek Mining District
- Produced 483,771 pounds of gold / \$200 million of gold bullion (worth over \$9 billion in today's dollars)
- Mill process entailed crushing, roasting, and chemical treatment, efficient for extracting gold from silver and tellurium based ore, known as "sylvanite"



THE BARREN YEARS

- 210-acre site sat dormant for over 50 years
- Subject to erosion
- Underutilized land attracted vandalism and pollution
- Native vegetation did not grow on blighted land depleted of topsoil
- Approximately over 300K cubic yards of concrete rubble •









WHAT ARE THE **OPTIONS?**

Cleaning up an abandoned industrial site...

DO NOTHING

Land sits dormant, subject to erosion and making for an unsightly blight in the center of the city.

GOVERNMENT **CLEAN UP**

File lawsuit against polluter (but Golden Cycle Corp. is no longer in business)

Use Tax dollars



PRIVATE COMPANY CLEAN UP

Investor money

Public Financing Assistance Programs (i.e., Urban Renewal Designation)





ECONOMIC IMPACTS

Past

• 70 Years of empty, blighted, environmental property in the core of our City, tailings eroding into Fountain Creek and fugitive dust spreading.

Present

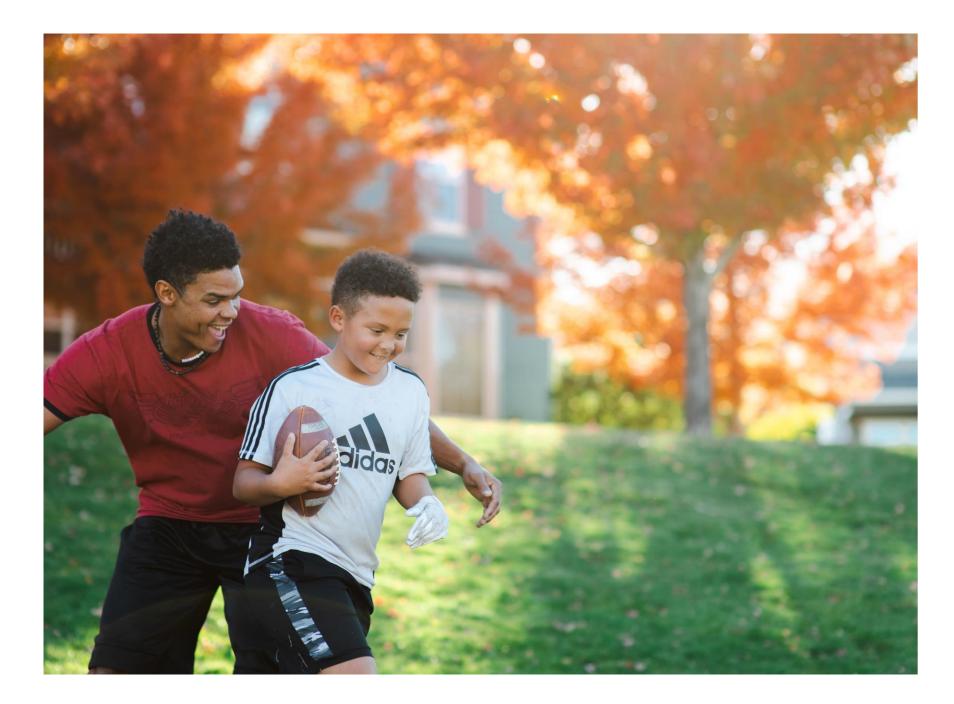
- Blight/Environmental conditions have been being successfully mitigated.
- Fountain Creek habitat restored.
- Redeveloped into a vibrant neighborhood with ~600 homes occupied.
- \$300+ million of value created.

Future Residential/Commercial Project (New Districts)

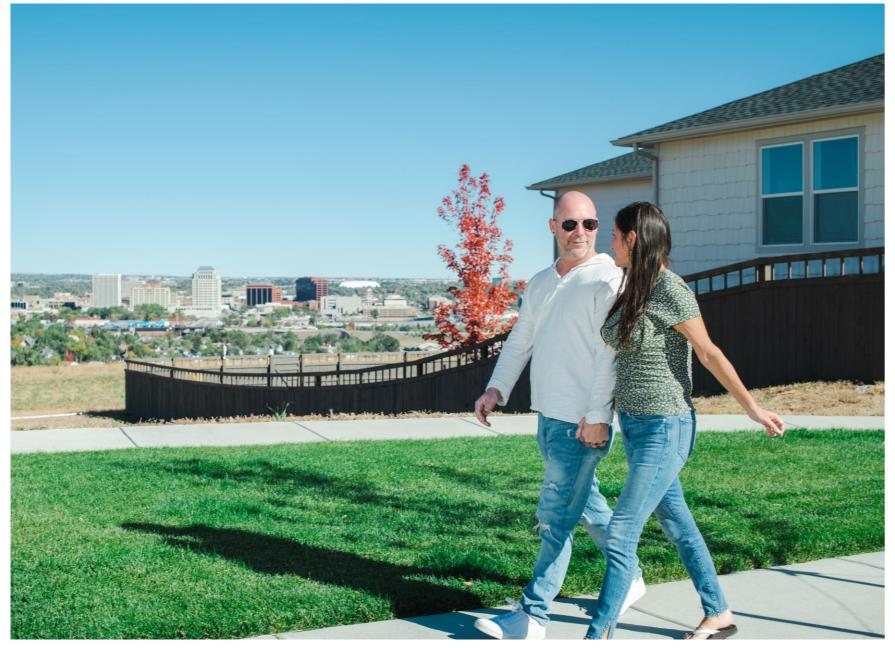
550 additional residences, experiential retail, restaurants, hotel, creating \$266 million of additional value.











METRO DISTRICT PARKS



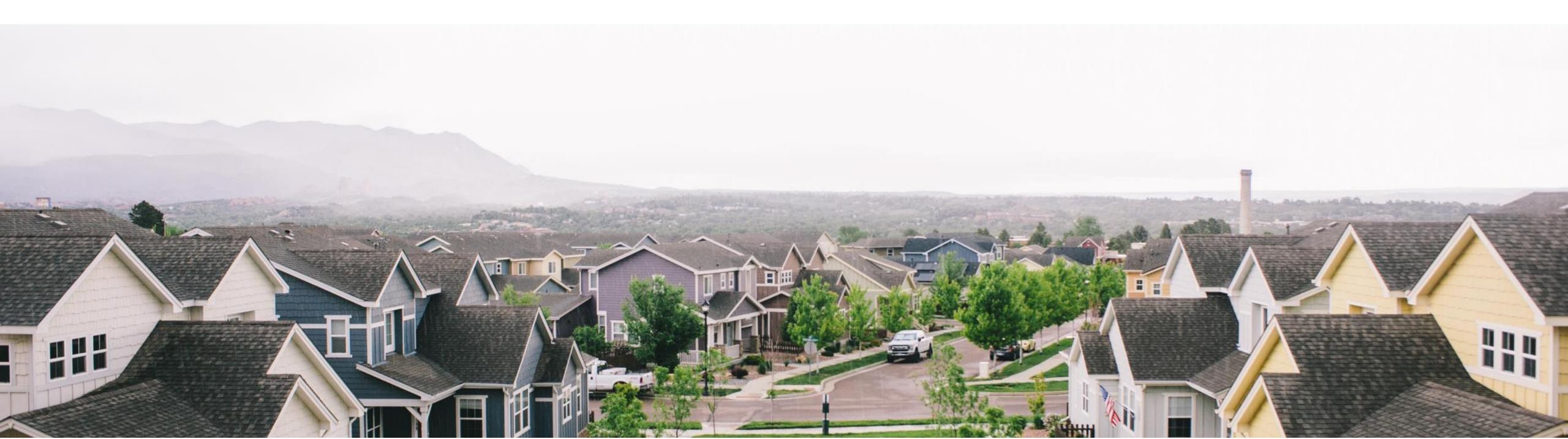


FROM BLIGHT TO BEAUTY



OPERATIONAL BENEFITS TO METRO DISTRICTS

- Required by Colorado Department of Public Health and Environment (CDPHE) to manage Voluntary Clean-up Plan (VCUP) compliance
 - Maintain Public Parks/Tracts for the benefit of all









INFRASTRUCTURE REIMBURSEMENT MAP



PROPOSED FINANCING DETAILS

- Proposed Series 2022A Bonds: \$14.4mm
 - ➤ 3.38% true interest cost (estimated)
 - $\geq 6/1/2032$ call date (estimated)
 - > 12/1/2048 maturity date (estimated)
- Proposed Series 2022B Subordinate Bonds: \$6.1mm
- 5.50% interest rate (estimated) > 6/1/2027 call date (estimated) \geq 12/15/2043 maturity date (estimated)
- District.
- resulting from the imposition of the Metropolitan District's mill levy will be available to pay debt service.
- All proposed debt will be discharged in 2048 due to the District's 40-year imposition term limitation.
- All debt compliant with the Metropolitan District's Service Plan and Urban Renewal Area Agreement.



Pledged Revenue represents revenues resulting from the imposition by all taxing entities, including the Metropolitan

• URA tax revenue is pledged to the payment of the bonds through 2029 after which date only the property tax revenues



USE OF FUNDS

Eligible Expenses Reimbursement

		2011 Financing	2015 Financing	2022 Financing (Proposed)
Urban Renewal Expenses		\$4,386,927		
Metro District Expenses		\$4,073,531	\$523,910	\$9,900,000
	Total	\$8,460,459	\$523,910	\$9,900,000





PUBLIC FINANCING RECAP

Urban Renewal Plan

Metro District #2



Eligible Costs Incurred	Eligible Costs Reimbursed
\$17,500,000	\$4,600,000
<u>\$24,050,000</u>	<u>\$14,500,000</u>
\$41,550,000	\$19,100,000



SUMMARY

- Revitalization of Metro District #2 area complete
- District infrastructure and amenities complete and being enjoyed daily
- Proposed Financing allows Metro District to meet its financial obligations
- Proposed financing is in compliance with Service Plan





peing enjoyed daily s financial obligations an





GOLD HILL MESA

FINANCIAL ADVANTAGES OF METRO DISTRICTS

With Metro Districts

- Homebuilders Incurs Infrastructure Cost
- Reimbursement allows lower home price
- Homebuilder recovers cost as Metro District seeks financing
- Reimbursement of costs allows funds to be recycled into additional housing

Homeowner

- Homeowner pays lower initial price but higher property taxes
- Leverages interest rate lower than mortgage rate, netting lower overall cost of ownership



Without Metro District

- Homebuilders Incurs Infrastructure Cost
- Home prices increase to recoup higher infrastructure cost.
- Homebuilder recovers investment when home sells

Homeowner

- Homeowner pays higher initial cost and lower property taxes
- Higher initial cost requires larger down payment and is financed with long term mortgage.





