## 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)**

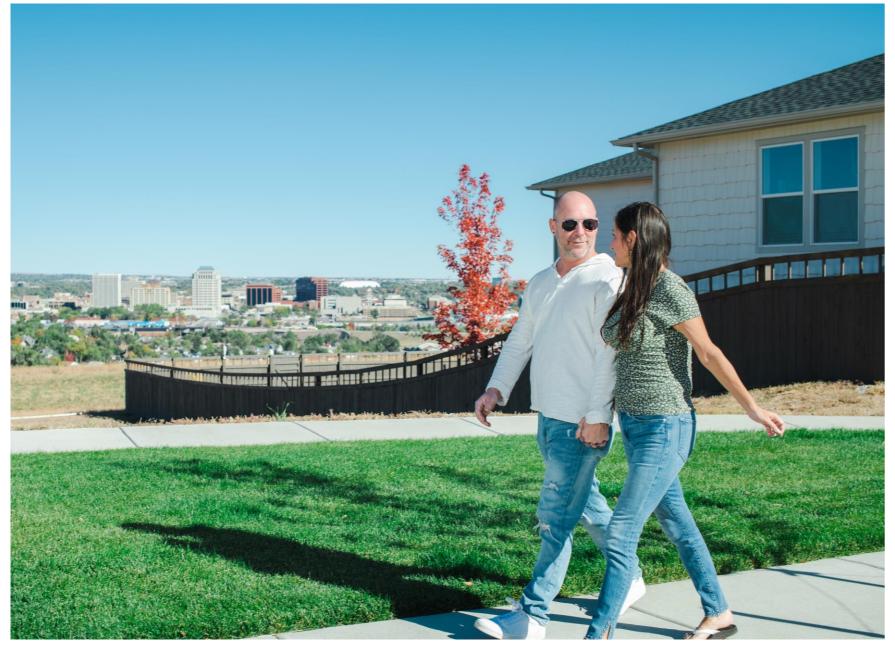
550 additional residences, experiential retail, restaurants, hotel, creating \$266 million of additional value.











# METRO DISTRICT PARKS



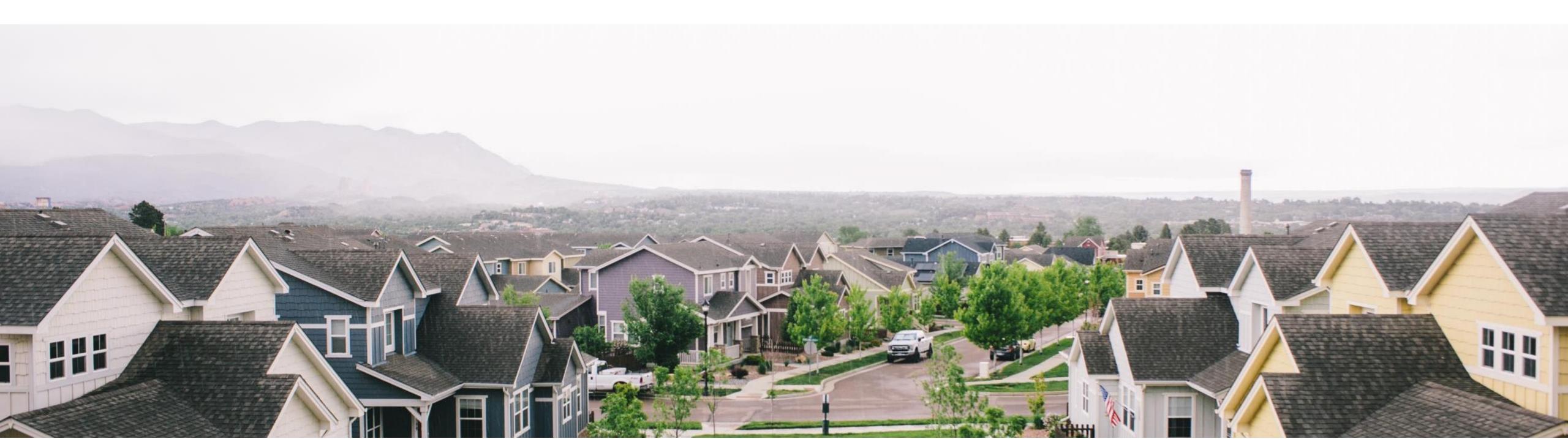


## FROM BLIGHT TO BEAUTY



## **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





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# 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.





