

Old Ranch/Upper Cottonwood Creek Metro District Debt Refinancing City Council Work Session

April 11, 2022

**Carl Schueler, Comprehensive Planning
Manager**

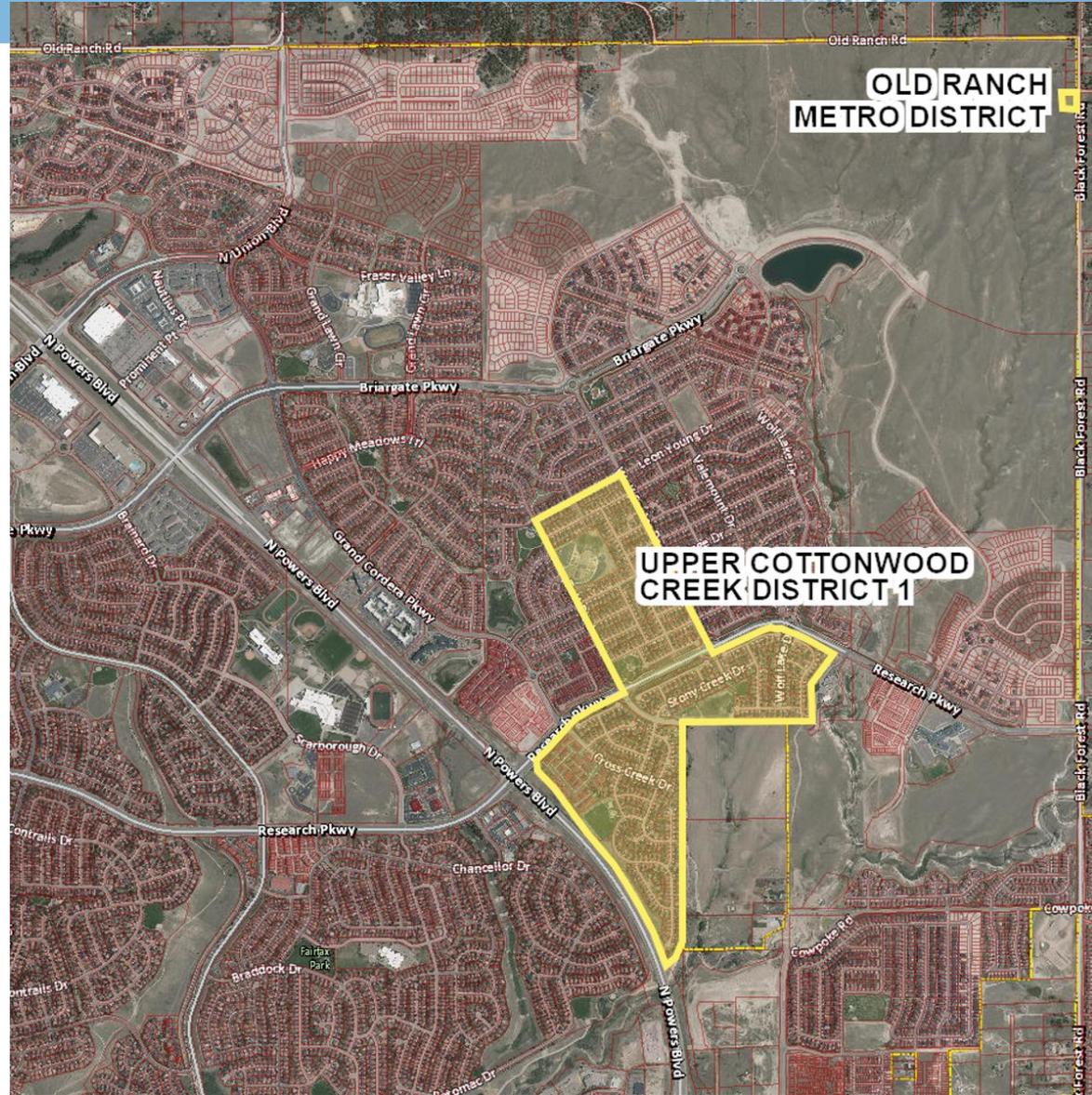
Russ Dykstra, District Representative



District Boundaries



Districts serve the Wolf Ranch Development

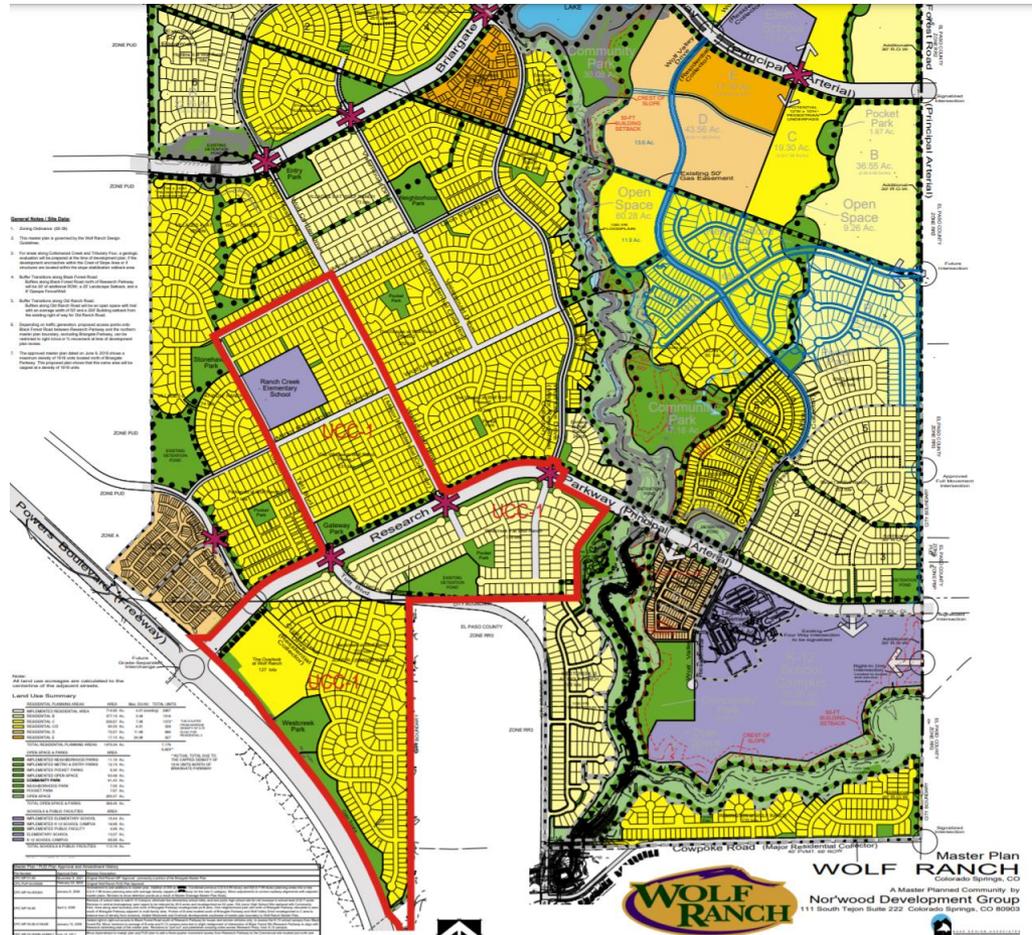


Summary



- Refinancing of 2007 privately-placed debt issued by the Old Ranch Metropolitan District for the original Upper Cottonwood Creek Metropolitan District
- 2022 refinancing- not to exceed \$7,680,000 at 6% interest; tax-exempt and privately placed
- Would entirely replace tax-exempt 2007A 6.5% senior bonds, and pay off part of balance of taxable 8.0% 2007B subordinate bonds (including all original principal)
 - Balance of subordinate bonds would remain
- New bond term would be 2046
- Debt service mill levy of 21.118 (based on earlier “legacy” service plan)
- This and remaining 2007 debt will discharge on or before 2046
 - Due to 40-year debt service mill levy imposition term

This District- Highlighted



District History/Evolution



- 2001 – Original Wolf Ranch MP
- 2002 – Old Ranch and Upper Cottonwood Creek Metro. District (Amended in 2006)
 - Old Ranch (servicing/master)
 - UCC (financing)
 - 20 mill (Gallagher-adjusted) overall ML cap
 - 16.5 mills for debt service (Gallagher adjusted) (21.118 mills currently)
 - 3.5 mills for operations (Gallagher adjusted)
- 2006 – UCC District Nos. 2-5
 - Created from within the original UCC District
 - Districts 2-4 have issued separate debt

- 2006 service plan debt authorization is \$7,000,000.
- After this refinance, the amount of outstanding principal will be \$7,680,000
 - Refer to applicant's opinion on service plan consistency
- 2028 call date

- January 25th and March 22, 2022
- Questions on why the entire outstanding amount is not being refinanced and on the interest rate
- Question on resident board member status

Supporting Materials



- City Council resolution
- District transmittal letter
- Form of bond resolution
- Summary totals of costs
- Financial projections
- Draft opinion letters from external financial advisor and District counsel

Next Steps



- 1 Year to Issue/Close (April 26, 2023)
- Council Hearing April 26, 2022
- At Least **Six** Affirmative Votes Required
 - City Charter 7-100(a) -> exceeds 10% of total assessed valuation