

NICOLE R. PEYKOV, PARTNER
DIRECT DIAL: 303-839-3715
NPeykov@spencerfane.com

File No. 5114015.0002

February 24, 2025

Kevin Walker
Director, Planning and Neighborhood Services
City Administration Building
30 S. Nevada Avenue, Suite 105
Colorado Springs, Colorado 80903

Re: First & Main Business Improvement District – 2025 Bond Issuance

Dear Mr. Walker:

This office represents the First & Main Business Improvement District (the “District”). The District would like to issue a Limited Tax General Obligation Bond in immediate future and is seeking approval from the Colorado Springs City Council per the District’s Operating Plan. On behalf of the District, please find enclosed copies of the following documents pertaining to the bond issuance:

- (a) the draft resolution and form of bond for the Limited Tax General Obligation Bond, Series 2025 (“2025 Bond”);
- (b) a preliminary financing plan for the 2025 Bond;
- (c) a draft opinion letter from Spencer Fane LLP as bond counsel confirming that the proposed bond issuance is consistent with applicable law and regulations;
- (d) a draft opinion letter from Spencer Fane LLP as District counsel confirming that the proposed bond issuance is consistent with the District’s Operating Plan and Budget, the City of Colorado Springs’s current policy relating to special districts, and applicable law;
- (e) a letter from RBC Capital Markets, an External Financial Advisor to the District, regarding the fairness and feasibility of the interest rate and structure of 2025 Bond;
- (f) a map showing the District’s boundaries; and
- (g) the costs of the public improvements.

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

Certain public improvements have been constructed within the District as provided for in the District’s Operating Plan. The District will use the funds from the 2025 Bond to finance the public improvements. The public improvements include, but are not limited to, the following improvements: parking, drainage, landscaping, and street facilities and improvements.



February 24, 2025
Page 2

The anticipated interest rate of the 2025 Bond will be approximately 7.00% and the bond amount will not exceed \$3,294,184. The 2025 Bond will be repaid by a mill levy of approximately 50 mills per year, subject to adjustment, as well as certain revenue from First and Main Business Improvement District No. 2.

The District issued its Series 2009 Limited Tax General Obligation Bonds in the principal amount of \$1,650,000 with an interest rate of 8.5% (the "Series 2009 Bonds"). The Series 2009 Bonds are subject to optional redemption beginning December 1, 2012 and mandatory redemption on December 1 of each year. As required by the District's 2008 Operating Plan, the issuance of the Series 2009 Bonds was approved by Resolution 52-09 of the City Council. The District also issued its Series 2011 Subordinate Limited Tax General Obligation Bonds in the principal amount of \$55,816 (the "Series 2011 Bonds"). As required by the District's 2008 Operating Plan, the issuance of the Series 2011 Bonds was approved by Resolution 107-11 of the City Council.

As set forth in the District's Amended 2004 - 2005 Operating Plan, the City has limited the amount of debt to be issued by the District to a total of \$22,000,000 in the authorized voted categories, without future approval by the City. The 2010 Operating Plan submitted to the City amended the total amount of debt authorized by the City to \$5,000,000. The remaining debt authorization available under the Operating Plan is \$3,294,184. With the issuance of the 2025 Bond, the aggregate outstanding principal amount of the total debt will remain at or below the applicable Council-approved maximum debt limitation.

At your earliest convenience, please have City Council review the enclosed documents. We would like to request that these items be scheduled for the next available City Council meeting. If you have any questions, or need anything further, please do not hesitate to contact this office.

Best regards,

SPENCER FANE LLP

/s/ Nicole R. Peykov

Nicole R. Peykov

Enclosures