

RESOLUTION NO. _____ - 23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO AMENDING THE PREVIOUSLY APPROVED ISSUANCE OF DEBT BY THE COPPER RIDGE METROPOLITAN DISTRICT IN THE FORM OF A TAX-EXEMPT BANK LOAN IN A PRINCIPAL AMOUNT OF UP TO \$24,530,000

WHEREAS, by Resolution No. 9-06, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, while the City Council passed Resolution No. 111-22 adopting a new Special District Policy, the Copper Ridge Metropolitan District is subject to the Special District Policy passed by Resolution No. 9-06.

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the formation and a service plan ("Service Plan") of the Copper Ridge Metropolitan District (the "District") by Resolution No. 51-08; and

WHEREAS, both the Policy and the Service Plan require that prior to the District issuing bonds or similar indebtedness, it must first obtain City Council approval of the proposed issuance and that City Council review such indebtedness for compliance with the Service Plan and all applicable laws; and

WHEREAS, the City Council approved Resolution No. 98-23 authorizing the issuance of debt in a principal amount up to \$20,770,000 with a maximum annual interest rate of 6.6% at its July 25, 2023, City Council meeting; and

WHEREAS, since approval of Resolution No. 98-23 the District has received formal bids for the project that have resulted in the need to increase the maximum debt, and the interest rate anticipated to be applicable to the loan has increased because of market conditions; and

WHEREAS, the District has submitted for review, and City Council has reviewed, various related debt instrument documents, including an amended term sheet, an amended draft loan agreement for a tax-exempt bank loan in a principal amount of \$22,300,000, a preliminary opinion of the District's general counsel, and a preliminary opinion of an external financial advisor (the "Loan Documents"); and

WHEREAS, The District has requested this resolution include a higher maximum debt and interest rate as a contingency; and

WHEREAS, City Council considered the Loan Documents as well as all other testimony and evidence presented at the October 10, 2023, City Council meeting; and

WHEREAS, the District, having presented evidence that it has satisfied the conditions of approval and other Service Plan prerequisites, requests amendment and approval of the issuance of indebtedness in a structure substantially similar to and consistent with the Loan Documents.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the City Council.

Section 2. In reliance on the information presented by the District, Council hereby finds that the issuance of amended indebtedness by the District in a structure substantially similar to and consistent with the Loan Documents complies with the service plan and all applicable laws.

Section 3. The issuance of indebtedness by the District in the form of a Tax-Exempt Bank Loan pursuant to Resolution No. 98-23 is hereby amended and increased to the principal amount of up to \$24,530,000, as further described in the Loan Documents. Such indebtedness shall be solely an obligation of the District, and the City shall have no liability or other responsibility, therefore.

Section 4. The interest rate on this loan pursuant to Resolution No. 98-23 is hereby amended and increased to not exceed an annual rate of 8.2%.

Section 5. The issuance of debt in a structure substantially similar to and consistent with the Loan Documents, subject to minor changes and revisions as may be approved by City staff, is hereby approved.

Section 6. The approvals contained herein shall be effective for a maximum of one (1) year from the date of this Resolution. If the District desires to issue this debt any time after October 10, 2024, a new City Council approval will be required.

Section 7. This Resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this 10th day of October 2023.

Council President

ATTEST:

Sarah Johnson, City Clerk