

RESOLUTION NO. _____ - 24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING THE ISSUANCE OF TAX SUPPORTED AND SPECIAL REVENUE BONDS BY THE GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council approved Resolution No. 111-22 adopting a Special District Policy (the “Policy”) to be applied to applications to create or modify a district authorized under Titles 31 and 32 of the Colorado Revised Statutes and adopting ‘Model Service Plans’ to be used in establishing and modifying such districts (the “Model Service Plan”), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, pursuant to the provisions of Title 31, 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 of the Gold Hill North Business Improvement District (the “District”) along with its initial Operating Plan and Budget by Ordinance No. 21-62 adopted on July 27, 2021; and

WHEREAS, both the Policy and the Operating Plan and Budget for the District require that prior to the District issuing bonds or similar indebtedness, City Council must approve of the proposed issuance based on a determination that such indebtedness complies with the Operating Plan and Budget and all applicable laws; and

WHEREAS, the District has submitted for review, and City Council has reviewed, various related debt instrument documents (the “Bond Documents”) regarding issuance of Series 2024A bonds in the approximate principal amount of \$18,110,000 at a 6.5% interest rate and Subordinate Series 2024B bonds in the amount of \$2,996,000 at an anticipated interest rate of 8.75%; and

WHEREAS, the 2024 bonds will be repaid by a debt service mill levy not to exceed 50.0 mills per year, subject to adjustment, and Tax Increment Financing (TIF) revenues from the Colorado Springs Urban Renewal Authority (“CSURA”); and

WHEREAS, The 2024 bonds will have a 30-year term and will mature in 2054; and

WHEREAS, The City’s Special District Policy and the District’s approved Operating Plan and Budget require that City Council’s approval be obtained prior to issuing any debt that exceeds ten percent (10%) of the District’s assessed valuation. Approval of this debt issuance will require a two-thirds majority of the entire City Council (at least six affirmative votes) pursuant to City Charter Section 7-100; and

WHEREAS, City Council considered the Bond Documents as well as all other testimony and evidence presented at the September 24, 2024 City Council meeting; and

WHEREAS, the District, having presented evidence that it has satisfied the conditions of approval and other Operating Plan and Budget prerequisites, requests approval of the issuance of indebtedness in a structure substantially similar to and consistent with the Bond 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 indebtedness by the District is in a structure substantially similar to and consistent with the Bond Documents and complies with the Operating Plan and Budget and all applicable laws.

Section 3. The Bond Documents authorizing the Limited Tax Supported and Special Revenue Bonds in the principal amount not to exceed \$18,110,000 for the Series 2024A bonds and \$2,996,000 for the Series 2024B bonds, as further described in the Bond Documents, is hereby approved, provided, however, that the indebtedness evidenced by the Bond Documents shall solely be an obligation of the District, and the City shall have no liability or other responsibility therefore.

Section 4. The issuance of debt in a structure substantially similar to and consistent with the Bond Documents, subject to minor changes and revisions as may be approved by City staff, is hereby approved.

Section 5. 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 September 9, 2025, new City Council approval will be required.

Section 6. This Resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this ____ day of _____ 2024.

Council President

ATTEST:

Sarah Johnson, City Clerk