



Wildwing Metropolitan Districts

All Community Meeting on February 8, 2024

Where Are We?

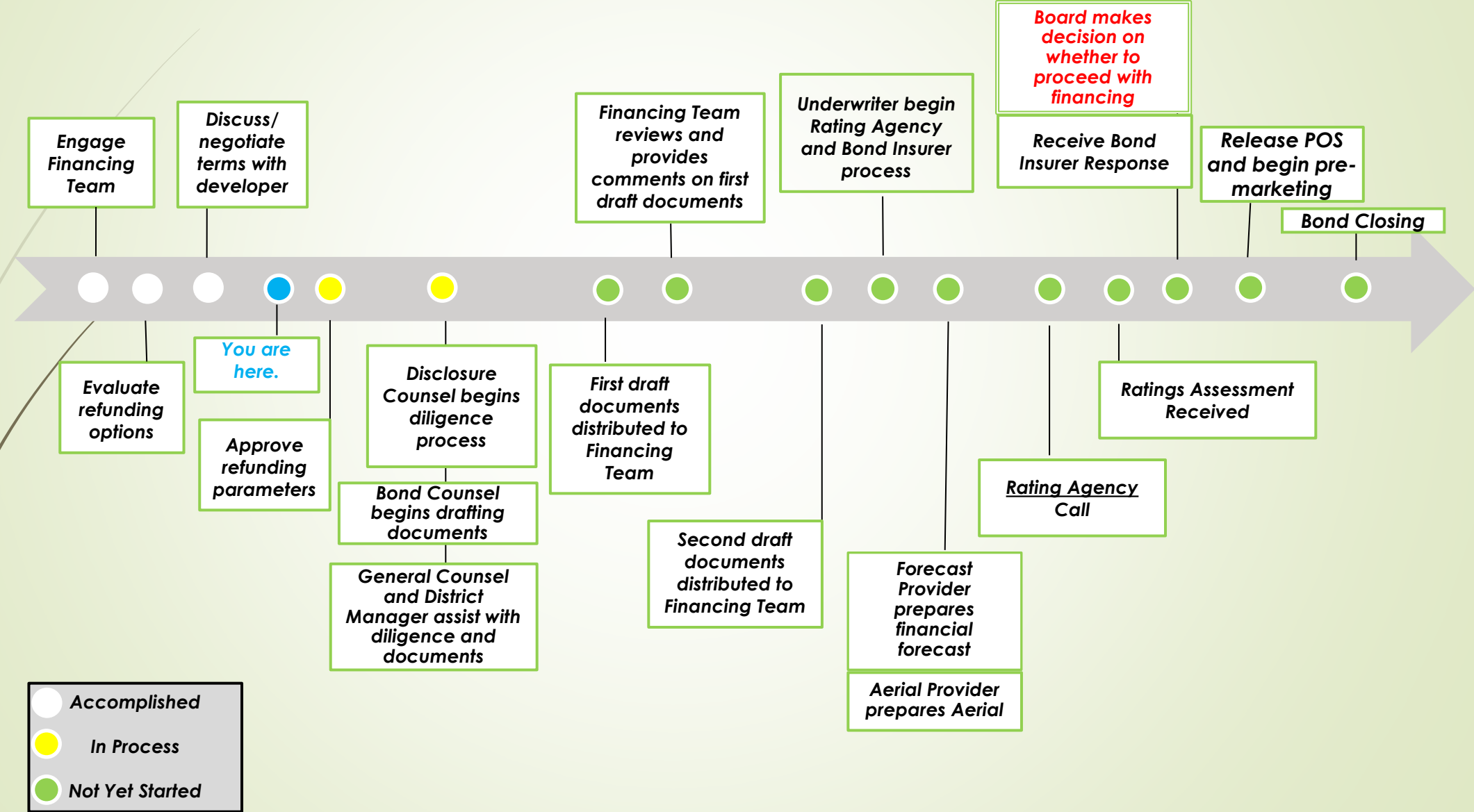
Issue Description	\$11,220,000 Series 2018A "Senior Bonds"	\$1,707,000 Series 2018B "Sub Bonds"	Developer Capital Advances	Total Debt as of 12/31/2023
Outstanding Par	\$11,030,000	\$1,707,000	\$7,133,890	\$19,870,890
Outstanding Interest (12/31/2023)	n/a – paid annually	\$859,706	\$2,796,583	\$3,656,289
Total Outstanding	\$11,030,000	\$2,566,706	\$9,930,473	\$23,527,179
Call Date/Penalty	Dec 1, 2023 @103% Dec 1, 2024 @ 102% Dec 1, 2025 @ 101% After Dec 1, 2026 @ par	Dec 1, 2023 @103% Dec 1, 2024 @ 102% Dec 1, 2025 @ 101% After Dec 1, 2026 @ par	n/a	n/a
Interest Rate	5.375%	7.625%	Variable (Dec 31, 2023= 10.50%)	Weighted Avg= 7.784%
Maturity Date	12/1/2048	12/15/2048	n/a	n/a
Debt Mill Levy O&M Mill Levy	38.500 mills, unadjusted 11.500 mills, unadjusted	38.500 mills, unadjusted 11.500 mills, unadjusted	Payment as funds are available	38.500 mills, unadjusted 11.500 mills, unadjusted

What Have We Accomplished?

- ▶ Board Finance Sub-committee was selected
- ▶ Engaged necessary partners – DA Davidson, Bond counsel, legal and financial
- ▶ Evaluated various financial models to refinance
- ▶ Successfully negotiated with Developer

Status of Project

Bond Financing Timeline



What Needs to Happen?

- Hold Community meeting to discuss transaction
- Board to review and approve parameters to allow authorization of transaction to move forward
- Legal counsels and consultants draft all necessary documents for review
- Investment Bankers must pursue and obtain Bond rating and Bond Insurance
- Board must review and approve final financials

Proposed Transaction Details (Estimates)

- Par Amount of ~\$16.3M (reduction from \$23.5M)
- Interest Rate of ~5% (reduction from 7.784% WA)
- Developer pay off of \$4.5M (reduction from \$9.9M)
- Credit rating/insured at BBB (improved from “non-rated”)
- Eliminate cash reserve requirement
- Debt maturity of 12/31/2053 on all debt
- Option to refinance again **after** 12/1/2033 without penalty

Proposed Transaction Details (Estimates)

- ▶ Immediate decrease of required debt levy of ~6.5 mills, which can be used to decrease O&M Fee (~\$200k).

Mill Levy	Now (unadjusted)	After Refinance (unadjusted)	Change
O&M Mills	11.500	18.000*	6.500
Debt Service Mills	38.500	32.000**	(6.500)
Total Mills	50.000	50.000	0.000

* Increases as assessed value increases in future years

**Decreases as assessed value increases in future years

Note: The projected mill levy for debt is 32 mills (unadjusted) and decreases over time. The proposed transaction has a pledge of all 50 mills for debt to achieve the needed “coverage ratio” for a beneficial credit rating.

What is the Value to the Community?

- ▶ Lowered overall costs and potential reduction/elimination of Annual O&M fee
- ▶ Lowered and consolidated ongoing debt of the District (essentially 3 separate debts into 1)
- ▶ Final exit of the Developer, with conditions to complete outstanding work in progress

What Are the Risks?

- ▶ We are unable to achieve a Credit Rating
 - The proposed Financial Transaction no longer becomes viable, making current situation status quo
- ▶ We are unable to service the debt with current mill rate or estimated mill rate (post closing of transaction)
 - More of the total mill received through property taxes must go to service the debt, leaving little (if any) for O&M
- ▶ The CO State Legislature passes sweeping measures adversely affecting all Metro Districts
 - District would have to evaluate the ultimate affect on mill rate debt service and impact to O&M
 - Such action affects more than just Districts; bond holders, bond insurers, homeowners etc., would be likely to initiate legal action

QUESTIONS?

