

RESOLUTION #R-11-2019

**A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING
THE ISSUANCE OF DEBT BY FOUNDRY LOVELAND
METROPOLITAN DISTRICT**

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., the City Council (the “City Council”) of the City of Loveland, Colorado (the “City”) approved the Service Plan (the “Service Plan”) for Foundry Loveland Metropolitan District (the “District”) on September 20, 2016; and

WHEREAS, capitalized terms and phrases not otherwise defined herein have the meaning assigned them in the Service Plan; and

WHEREAS, Service Plan Section III.B.3 and Section VI.A, provide that the District is not authorized to issue any Debt, other than the City IGA, without the prior written approval of the City Council; and

WHEREAS, the City and the District entered into the City IGA, as contemplated by the Service Plan, on April 26, 2017, and a first amendment thereto, on November 1, 2017; and

WHEREAS, the District desires to issue Debt, in one or more series, as more fully described in **Exhibit “A”** attached hereto and incorporated herein by reference, to provide the District with additional funds to construct Public Improvements and to reimburse the Developer for the costs of construction of Public Improvements, and to provide the District with operating funds for the benefit of the District’s residents and public at large as contemplated in the Service Plan; and

WHEREAS, the District has requested that the City Council approve the District’s issuance of Debt, in one or more series, as more fully described in **Exhibit “A”**, to permit the District to defray the costs of installing Public Improvements, the costs of forming the District, and to provide funds related to the operation and maintenance of Public Improvements (the “Debt Request”); and

WHEREAS, the City Council has considered the Debt Request and all other testimony and evidence presented at a public meeting of the City Council, held on January 15, 2019.

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

Section 1. That the City Council meeting at which the Debt Request was discussed was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

Section 2. That evidence was presented that was satisfactory to the City Council for finding that the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Section 3. That the City Council hereby approves the District's Debt Request and approves the issuance of the Debt described on **Exhibit "A"** (the "2019 Authorized Debt"), in one or more series, to include but not be limited to obligations to reimburse advances from the Developer, bank loans, publicly or privately offered bonds, notes, and other instruments evidencing Debt, subject to the following conditions:

- a. The maximum mill levy the District may levy for repayment of the 2019 Authorized Debt shall not exceed the Maximum Mill Levy set forth in the Service Plan.
- b. The aggregate principal amount of the 2019 Authorized Debt shall not exceed \$2,000,000.
- c. Any portion of the 2019 Authorized Debt that consists of agreements to repay Developer advances shall bear simple interest at a fixed rate not to exceed the prime interest rate (as reported on the date of issuance by the *Wall Street Journal*) plus 3%, not to exceed 8.5%.
- d. Any portion of the 2019 Authorized Debt issued to refund previously issued 2019 Authorized Debt, shall not count against the \$2,000,000 maximum set forth in Section 3.b., so as to avoid the "double-counting" of issued debt.

Section 4. That all provisions of the Service Plan remain in full force and effect, and the District's actions taken in accordance with this Resolution are not a material departure from the Service Plan.

Section 5. That nothing herein limits the City's powers with respect to the District, the properties within the District, or the improvements to be constructed by the District.

Section 6. That the City's findings are based solely upon the evidence presented by the District and such other evidence presented at the public hearing, and the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the District or the achievability of results.

Section 7. That this Resolution shall be effective as of the date of its adoption.

Adopted this 15th day of January, 2019.

CITY OF LOVELAND, COLORADO, a Colorado
municipal corporation

By: Jacki Marsh
Jacki Marsh, Mayor

ATTEST:

By: Patti Se
City Clerk



APPROVED AS TO FORM:

Miss Janis
City Attorney

EXHIBIT A

2019 Authorized Financing

Sources		Uses	
Loan Proceeds		Payoff Outstanding Developer Loan	\$ 800,000
Tax-Exempt Loan	\$ 995,000	Capitalized Interest Thru/Including 12/1/19 (est)	
Taxable Loan	420,000	Tax-Exempt Loan	74,000
		Taxable Loan	39,000
		Debt Service Reserve Fund (MADS)	
		Tax-Exempt Loan	64,000
		Taxable Loan	31,000
		Deposit to Project Fund	350,000
		Cost of Issuance	51,000
		Contingency	6,000
Total Sources	\$1,415,000	Total Uses	\$ 1,415,000

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**FOUNDRY LOEVELAND METROPOLITAN DISTRICT
FULL GROWTH MODEL (Developer Projections)**

Construction Year -->	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Assessed Year -->	2017*	2018**	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Collection Year -->	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028		

Absorption Summary	Units	Comm SF	Value/SF
Cleveland Building	99	91,031	\$195.00
Residential Apartments		7,362	\$100.00
Retail			\$17,751,045
			736,200
Lincoln Building	56	50,534	\$195.00
Residential Apartments		8,191	\$100.00
Retail			9,854,130
			819,100
320 N. Cleveland Building	102	62,910	\$123.00
TownPlace Suites Hotel			7,737,930
Movie Theater		27,400	\$100.00
			2,740,000

Market Value - New Construction

Residential		27,605,175											
Commercial		1,555,300	11,077,930										
Market Value - Bi-Annual Reassessment													
Residential	2%			552,104			563,146		574,408			585,897	
Commercial	2%			252,665			257,718		262,872			268,130	

Cumulative Market Value

Residential	\$ -	\$ -	\$ 27,605,175	\$ 28,157,279	\$ 28,727,279	\$ 28,720,424	\$ 28,720,424	\$ 29,294,833	\$ 29,294,833	\$ 29,869,228	\$ 29,869,228	\$ 30,444,625	\$ 30,444,625
Commercial	88,406.90	3,418,860	1,555,300	12,633,230	12,885,895	12,885,895	13,143,612	13,143,612	13,406,485	13,406,485	13,674,614	13,674,614	13,674,614
Total Cumulative Market Value	\$ 88,407	\$ 3,418,860	\$ 29,160,475	\$ 40,238,405	\$ 41,043,173	\$ 41,043,173	\$ 41,864,037	\$ 41,864,037	\$ 42,701,317	\$ 42,701,317	\$ 43,555,344	\$ 43,555,344	\$ 43,555,344

Cumulative Assessed Value

Residential @ 7.20% RAR	7.20%		1,987,573	2,027,324	2,027,324	2,067,871	2,067,871	2,109,228	2,109,228	2,151,413	2,151,413	2,151,413	2,151,413
Commercial @ 29%	29%	25,638	441,541.00	451,037	3,663,637	3,736,909	3,811,648	3,811,648	3,887,881	3,887,881	3,965,638	3,965,638	3,965,638
Total Cumulative Assessed Value		\$ 25,638	\$ 441,541	\$ 2,438,610	\$ 5,651,209	\$ 5,764,233	\$ 5,764,233	\$ 5,879,518	\$ 5,879,518	\$ 5,997,109	\$ 5,997,109	\$ 6,117,051	\$ 6,117,051

Maximum Mill Levy Available for Debt Service	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Property Tax Available @ Max Mill Levy	\$ 513	\$ 8,831	\$ 48,772	\$ 113,024	\$ 115,285	\$ 115,285	\$ 117,590	\$ 117,590	\$ 119,942	\$ 119,942	\$ 122,341	\$ 122,341	\$ 122,341
Specific Ownership Taxes (est. @ 8.5% of Property Taxes)	44	751	4,146	9,607	9,799	9,799	9,995	9,995	10,195	10,195	10,399	10,399	10,399
Total Pledged Revenue	\$ 556	\$ 9,581	\$ 52,918	\$ 122,631	\$ 125,084	\$ 125,084	\$ 127,586	\$ 127,586	\$ 130,137	\$ 130,137	\$ 132,740	\$ 132,740	\$ 132,740
Total Debt Service 2018 Loan (see below)	\$ -	\$ -	\$ 41,105	\$ 94,766	\$ 94,816	\$ 94,844	\$ 94,849	\$ 94,830	\$ 94,888	\$ 94,918	\$ 94,918	\$ 94,918	\$ 94,918

Excess Revenue [Available for any Lodgers Fee shortfall]
 Debt Service Coverage @ Max Mill Levy
 Actual Mill Levy Required for Debt Service (Net of SOT)

DEBT SERVICE DETAIL - 2018 LOAN:

Tax-Exempt Loan													
Interest (4.68% thru Loan Term; 5.5% thereafter)	\$ 995,000	4.68%	46,566	46,566	45,526	44,657	43,747	42,793	41,794	40,748	39,653	39,653	39,653
Less: Capitalized Interest	\$ 73,490	(3,881)	(46,406)	(23,203)									
Principal			4,500	17,726	18,568	19,449	20,373	21,340	22,353	23,415	24,527	24,527	24,527
Reserve Fund Earnings			(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)
Taxable Loan	\$ 420,000	5.92%	24,881	24,881	24,460	24,075	23,667	23,234	22,778	22,292	21,777	21,777	21,777
Interest (5.92% thru Loan Term; 6.0% thereafter)	\$ 39,279	(2,073)	(24,804)	(12,402)									
Less: Capitalized Interest			1,000	6,100	6,500	6,900	7,300	7,700	8,100	8,500	8,900	9,300	9,700
Principal			(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)
Reserve Fund Earnings													
Total Debt Service	\$ -	\$ -	\$ 41,105	\$ 94,766	\$ 94,816	\$ 94,844	\$ 94,849	\$ 94,830	\$ 94,888	\$ 94,918	\$ 94,918	\$ 94,918	\$ 94,918

Unpaid Principal Balance
 Tax-Exempt Loan
 Taxable Loan
Total Unpaid Principal Balance

\$ 995,000	\$ 995,000	\$ 972,774	\$ 954,206	\$ 934,757	\$ 914,384	\$ 893,044	\$ 870,691	\$ 847,276	\$ 822,749
420,000	420,000	419,000	406,400	399,500	392,200	384,500	376,300	367,600	358,400
\$ 1,415,000	\$ 1,415,000	\$ 1,385,674	\$ 1,360,606	\$ 1,334,257	\$ 1,306,584	\$ 1,277,544	\$ 1,246,991	\$ 1,214,876	\$ 1,181,149

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**FOUNDRY LOVELAND METROPOLITAN DISTRICT
FULL GROWTH MODEL (Developer Projections)**

Construction Year -->	2027		2028		2029		2030		2031		2032		2033		2034		2035		2036		2037		2038		2039			
	Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->		Assessed Year -->	
	2027	2028	2027	2028	2029	2030	2029	2030	2031	2032	2031	2032	2033	2034	2033	2034	2035	2036	2037	2036	2037	2038	2039	2038	2039	2038	2039	

Absorption Summary	Units	Comm	SF	Value/SF	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Cleveland Building	99	91,031		\$195.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Apartments		7,362		\$100.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail					-	-	-	-	-	-	-	-	-	-	-	-	-
Lincoln Building	56	50,534		\$195.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Apartments		8,191		\$100.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail		6,000		\$100.00	-	-	-	-	-	-	-	-	-	-	-	-	-
320 N. Cleveland Building	102	62,910		\$123.00	-	-	-	-	-	-	-	-	-	-	-	-	-
TownPlace Suites Hotel					-	-	-	-	-	-	-	-	-	-	-	-	-
Movie Theater		27,400		\$100.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Market Value - New Construction																	
Residential																	
Commercial																	
Market Value - Bi-Annual Reassessment																	
Residential	2%				597,615		609,567		621,758		634,193		646,877		660,000		673,115
Commercial	2%				273,492		278,962		284,541		290,232		296,037		301,937		307,937
Cumulative Market Value																	
Residential					\$29,880,729	\$30,478,344	\$31,087,911	\$31,709,669	\$32,343,862	\$33,000,739	\$33,680,739	\$34,383,862	\$35,110,739	\$35,862,739	\$36,640,739	\$37,455,739	\$38,308,739
Commercial					13,674,614	13,948,107	14,227,069	14,511,610	14,801,842	15,100,000	15,405,739	15,719,000	16,040,000	16,368,000	16,700,000	17,037,000	17,380,000
Total Cumulative Market Value					\$43,555,344	\$44,426,451	\$45,314,980	\$46,221,279	\$47,145,705	\$48,088,619	\$49,045,739	\$49,999,862	\$50,959,739	\$51,925,739	\$52,897,739	\$53,875,739	\$54,859,739
Cumulative Assessed Value																	
Residential @ 7.20% RAR	7.20%				2,151,413	2,194,441	2,238,330	2,283,096	2,328,758	2,375,333	2,422,833	2,470,258	2,518,633	2,566,958	2,615,233	2,663,458	2,711,633
Commercial @ 29%	29%				3,965,638	4,044,951	4,125,850	4,208,367	4,292,534	4,378,385	4,464,833	4,551,877	4,639,527	4,727,777	4,816,527	4,905,777	4,995,527
Total Cumulative Assessed Value					\$6,117,051	\$6,239,392	\$6,364,180	\$6,491,463	\$6,621,292	\$6,753,718	\$6,889,166	\$7,028,133	\$7,170,466	\$7,316,258	\$7,465,527	\$7,618,411	\$7,774,911
Maximum Mill Levy Available for Debt Service	20.00				\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Property Tax Available @ Max Mill Levy					\$122,341	\$124,788	\$127,284	\$129,829	\$132,426	\$135,074	\$137,722	\$140,370	\$143,018	\$145,666	\$148,314	\$150,962	\$153,610
Specific Ownership Taxes (est. @ 8.5% of Property Taxes)	8.5%				10,399	10,607	10,819	11,035	11,256	11,481	11,707	11,936	12,167	12,400	12,635	12,872	13,111
Total Pledged Revenue					\$137,740	\$135,395	\$138,103	\$140,865	\$143,682	\$146,556	\$149,483	\$152,416	\$155,359	\$158,302	\$161,245	\$164,188	\$167,131
Total Debt Service 2018 Loan (see below)					\$94,890	\$94,933	\$101,513	\$101,348	\$100,859	\$100,636	\$100,452	\$100,303	\$100,178	\$100,077	\$100,000	\$99,943	\$99,900
Excess Revenue (Available for any Lodgers Fee shortfall)					\$37,850	\$40,462	\$36,771	\$40,006	\$43,230	\$46,562	\$49,999	\$53,544	\$57,193	\$60,947	\$64,802	\$68,759	\$72,819
Debt Service Coverage @ Max Mill Levy					1.40x	1.43x	1.37x	1.40x	1.43x	1.46x	1.49x	1.52x	1.55x	1.58x	1.61x	1.64x	1.67x
Actual Mill Levy Required for Debt Service (Net of SOT)					14.2	13.9	14.6	14.2	13.9	13.8	13.7	13.6	13.5	13.4	13.3	13.2	13.1
DEBT SERVICE DETAIL - 2018 LOAN:																	
Tax-Exempt Loan					\$995,000												
Interest (4.68% thru Loan Term; 5.5% thereafter)	4.68%				\$73,490												
Less: Capitalized Interest																	
Principal																	
Reserve Fund Earnings																	
Taxable Loan					\$420,000												
Interest (5.92% thru Loan Term; 6.0% thereafter)	5.92%				\$39,279												
Less: Capitalized Interest																	
Principal																	
Reserve Fund Earnings																	
Total Debt Service					\$94,890	\$94,933	\$101,513	\$101,348	\$100,859	\$100,636	\$100,452	\$100,303	\$100,178	\$100,077	\$99,943	\$99,900	
Unpaid Principal Balance																	
Tax-Exempt Loan					\$797,058	\$770,147	\$741,958	\$712,431	\$681,501	\$649,103	\$615,167	\$579,619	\$542,384	\$503,380	\$462,524	\$420,000	\$376,500
Taxable Loan					348,700	338,400	327,500	315,900	303,600	290,600	276,800	262,100	246,600	230,100	212,600	195,100	177,600
Total Unpaid Principal Balance					\$1,145,758	\$1,108,547	\$1,069,458	\$1,028,331	\$985,101	\$939,703	\$891,967	\$841,719	\$788,984	\$733,480	\$675,124	\$611,600	\$544,100

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**FOUNDRY LOEVELAND METROPOLITAN DISTRICT
FULL GROWTH MODEL (Developer Projections)**

Construction Year -->	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Assessed Year -->	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	
Collection Year -->	2040	2041	2042	2043	2044	2045	2046	2047	2048		

Absorption Summary	Units	Comm SF	Value/SF
Cleveland Building	99	91,031	\$195.00
Residential Apartments		7,362	\$100.00
Retail			
Lincoln Building	56	50,534	\$195.00
Residential Apartments		8,191	\$100.00
Retail		6,000	\$100.00
320 N. Cleveland Building			
TownPlace Suites Hotel	102	62,910	\$123.00
Movie Theater		27,400	\$100.00

Market Value - New Construction	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Residential											
Commercial											
Residential	659,815		673,011		686,471		700,201				714,205
Commercial	301,958		307,997		314,157		320,440				326,849

Market Value - Bi-Annual Reassessment	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Residential	\$33,650,554	\$33,650,554	\$34,323,565	\$34,323,565	\$35,010,037	\$35,010,037	\$35,710,237	\$35,710,237	\$35,710,237	\$36,424,442	\$36,424,442
Commercial	15,399,837	15,399,837	15,707,834	15,707,834	16,021,990	16,021,990	16,342,430	16,342,430	16,342,430	16,669,279	16,669,279
Total Cumulative Market Value	\$49,050,391	\$49,050,391	\$50,031,399	\$50,031,399	\$51,032,027	\$51,032,027	\$52,052,668	\$52,052,668	\$52,052,668	\$53,093,721	\$53,093,721

Cumulative Market Value	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Residential	2,422,840	2,422,840	2,471,297	2,471,297	2,520,723	2,520,723	2,571,137	2,571,137	2,571,137	2,622,560	2,622,560
Commercial @ 7.20% RAR	4,465,953	4,465,953	4,555,272	4,555,272	4,646,377	4,646,377	4,739,305	4,739,305	4,739,305	4,834,091	4,834,091
Commercial @ 29%	6,888,793	6,888,793	7,026,568	7,026,568	7,167,100	7,167,100	7,310,442	7,310,442	7,310,442	7,456,651	7,456,651
Total Cumulative Assessed Value	\$13,777,586	\$13,777,586	\$14,053,137	\$14,053,137	\$14,334,420	\$14,334,420	\$14,620,912	\$14,620,912	\$14,620,912	\$14,910,701	\$14,910,701

Cumulative Assessed Value	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Residential	\$13,777,586	\$13,777,586	\$14,053,137	\$14,053,137	\$14,334,420	\$14,334,420	\$14,620,912	\$14,620,912	\$14,620,912	\$14,910,701	\$14,910,701
Commercial @ 7.20% RAR	11,711	11,711	11,945	11,945	12,184	12,184	12,428	12,428	12,428	12,676	12,676
Commercial @ 29%	149,487	149,487	152,477	152,477	155,526	155,526	158,637	158,637	158,637	161,809	161,809
Total Pledged Revenue	\$141,975	\$141,975	\$146,479	\$146,479	\$152,040	\$152,040	\$160,185	\$160,185	\$160,185	\$165,113	\$165,113

Total Debt Service 2018 Loan (see below)	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Maximum Mill Levy Available for Debt Service	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Property Tax Available @ Max Mill Levy	\$137,776	\$137,776	\$140,531	\$140,531	\$143,342	\$143,342	\$146,209	\$146,209	\$146,209	\$149,133	\$149,133
Specific Ownership Taxes (est. @ 8.5% of Property Taxes)	11,711	11,711	11,945	11,945	12,184	12,184	12,428	12,428	12,428	12,676	12,676
Total Pledged Revenue	\$149,487	\$149,487	\$152,477	\$152,477	\$155,526	\$155,526	\$158,637	\$158,637	\$158,637	\$161,809	\$161,809

Excess Revenue (Available for any Lodgers Fee shortfall)	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Debt Service Coverage @ Max Mill Levy	\$50,234	\$50,566	\$53,868	\$54,269	\$57,609	\$58,000	\$61,504	\$62,007	\$62,007	\$65,177	\$65,177
Actual Mill Levy Required for Debt Service (Net of SOT)	1.51x	1.51x	1.55x	1.55x	1.59x	1.59x	1.63x	1.64x	1.64x	1.77x	1.77x
	13.2	13.1	12.8	12.8	12.5	12.5	12.2	12.2	12.2	12.1	11.2

DEBT SERVICE DETAIL - 2018 LOAN:	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Tax-Exempt Loan	\$995,000										
Interest (4.68% thru Loan Term; 5.5% thereafter)	4,68%	5.50%									
Less: Capitalized Interest	\$73,490										
Principal											
Reserve Fund Earnings	64,000	0.25%	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)
Taxable Loan	\$420,000										
Interest (5.92% thru Loan Term; 6.0% thereafter)	5.92%	6.00%									
Less: Capitalized Interest	\$39,279										
Principal											
Reserve Fund Earnings	31,000	0.25%	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)
Total Debt Service	\$992,533	\$992,533	\$98,921	\$98,921	\$97,917	\$97,917	\$97,526	\$97,526	\$97,526	\$96,629	\$96,629

Unpaid Principal Balance	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Tax-Exempt Loan	\$419,729	\$374,901	\$327,945	\$278,759	\$227,238	\$173,270	\$116,740	\$62,007	\$6,421	\$-	\$-
Taxable Loan	194,100	174,500	153,700	131,700	108,300	83,500	57,200	29,400	29,400	29,400	29,400
Total Unpaid Principal Balance	\$613,829	\$549,401	\$481,645	\$410,459	\$335,538	\$256,770	\$173,940	\$91,407	\$35,821	\$-	\$-