MONTAVA METROPOLITAN DISTRICT NOS. 1-7

Zachary White – WBA, P.C.

Max Moss – Montava

Financial Advisor – Piper Sandler & Co.

Background

- The service plan for the Montava Metropolitan District Nos. 1-7 (“**Districts**”) was approved by the City Council of the City of Fort Collins on September 25, 2018, as set forth in Resolution 2018-083 (the “**Service Plan**”).
- The Districts were established and are intended to enable the Montava Vision and Master Plan (the “**Project**”).

Background

- Approximately 1,000 acres
- 4,308 Residential Units
  - 1,142 Single Family Attached Units
  - 1,656 Single Family Detached Units
  - 1,510 Multi-Family Units
- 700,000 sq. ft. Commercial
  - Mixed Use, Office, Business/Industrial

Proposed First Amendment to Service Plan

- **Increase Maximum Debt Authorization:**
  - The Service Plan establishes the maximum amount of debt the Districts are permitted to issue to pay for public improvement costs.
    - Original Limitation: $163,000,000
    - Proposed Limitation: $297,000,000

- **Authorize Establishment of Special Improvement Districts (SIDs):**
  - State statute authorizes metropolitan districts to establish SIDs if they are so authorized in the service plan, or approved in writing by the municipality that approved the service plan.

Increase Maximum Debt Authorization

- Proposed Increase from $163,000,000 to $297,000,000.
- In 2018, the Maximum Debt Authorization represented approximately 50% of the estimated public improvement costs ($325,194,543).
- Since 2018, public improvement cost estimates have increased to $396,215,044
- The proposed Maximum Debt Authorization would represent approximately 70% of the current estimated public improvement costs.
- The City's Policy for Reviewing Service Plans for Metropolitan Districts establishes that the total debt authorized in a service plan must not exceed 100% of the projected maximum debt capacity show in the financial plan.
- The updated financial plan prepared by Piper Sandler & Co establishes the Districts can support the issuance of $297,000,000 in debt under the limitations and existing authorizations in the Service Plan.

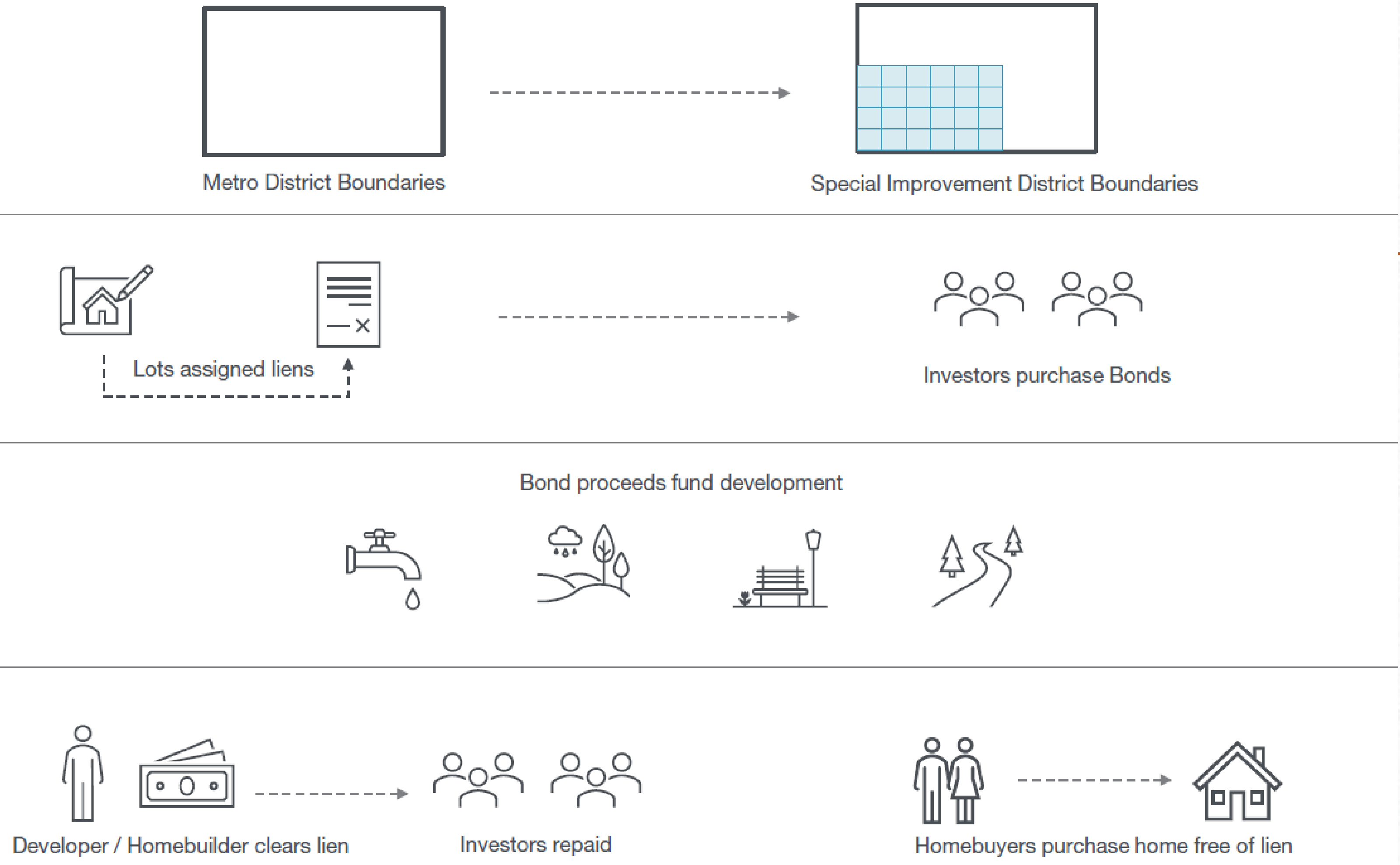
Increase Maximum Debt Authorization

- The increased Maximum Debt Authorization will allow the Districts to efficiently plan for the financing and construction of public infrastructure necessary for the Project.
- Helps assure the Districts that they will have the authorization to finance necessary public infrastructure as the Project gets underway.
- Without an increase, the Districts' financing authority will fall significantly short of the resources necessary to construct required infrastructure for the Project which may result in delayed work, incomplete infrastructure delivery, slower delivery of public community spaces, and ultimately, increased costs to the Districts and the residents they serve.

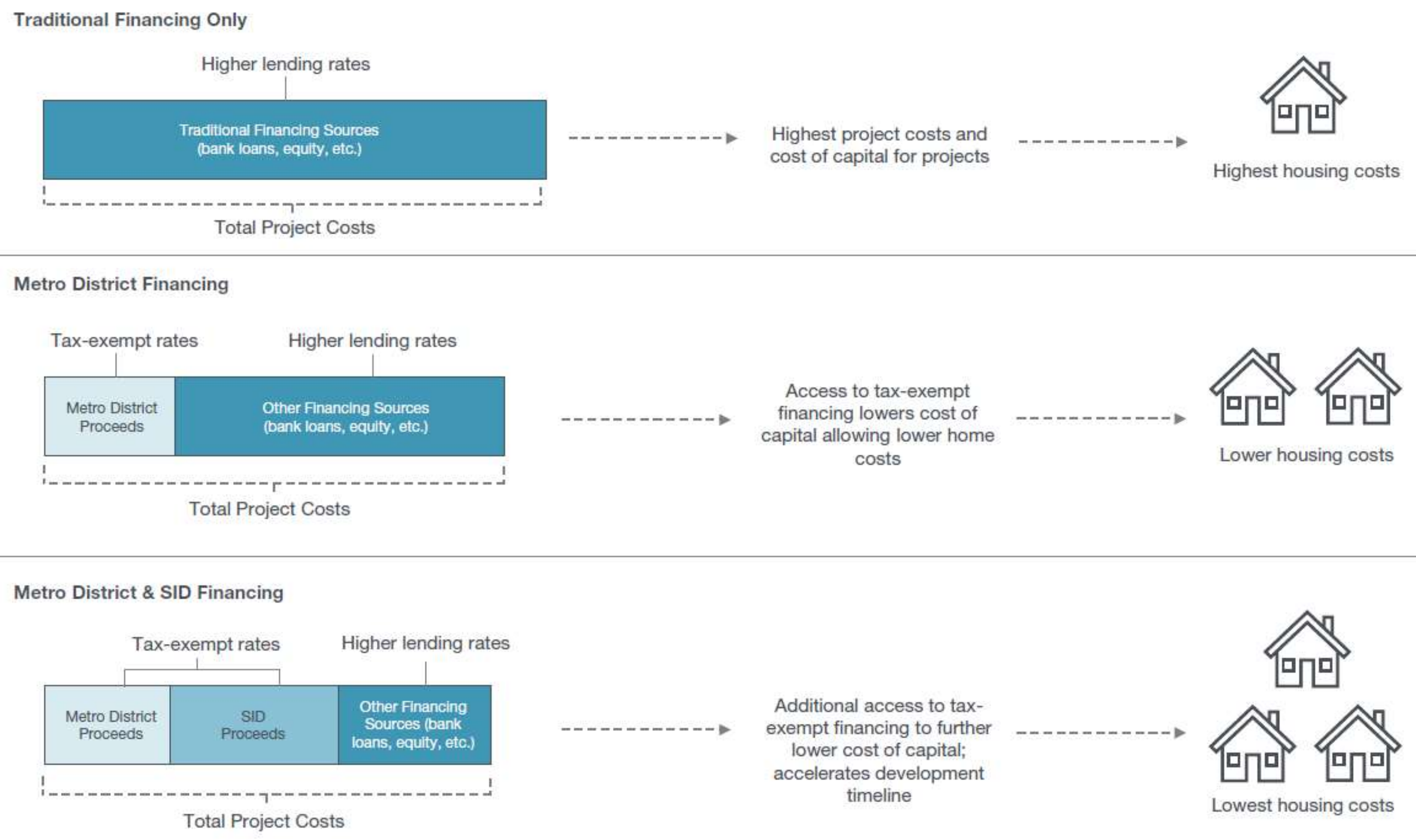
Authorize Establishment of Special Improvement Districts (SIDs)

- SIDs are created and located within the boundaries of metropolitan district boundaries and are governed by the board of the metropolitan district that created the SID, and may include all, or a portion of the property within the metropolitan district.
- Through SIDs, metropolitan districts have the power to issue assessment lien bonds, which are paid from special assessments imposed by the SID on property benefiting from such improvements but paid only during the construction phase through the projects sources and uses.
- 100% of assessment liens encumbering any finished lot will be repaid prior to a resident taking possession of a home. These costs are never assessed against the homeowner in the manner traditional bonds are.
- Cannot be used to finance public improvements the Districts are not authorized to finance in the Service Plan.
- Debt issued by SID not counted against Maximum Debt Authorization.

Special Improvement District (How)



Special Improvement District (Why)



Questions and Answers