

**Colorado Springs Urban Renewal Authority**  
**University Village Project**  
**Series 2008 Refunding Analysis**  
**February 24, 2016**

Current Bond Terms:

- 2008A Senior Bonds
  - \$42,050,000 outstanding par as of 12/1/15
  - 7% Interest Rate
  - Callable 12/1/17 at par plus accrued and past due interest
  - Structured principal and interest schedule based on revenue expectations in 2008
  - Failure to pay principal and interest when due is an Event of Default
  - Existing debt plan shows these pay by maturity and get out of default in 2021
- 2008B Subordinate Bonds
  - ~\$9,666,000 outstanding par and past due interest
  - 7.5% Interest Rate
  - Callable 12/1/17 at 102% of par plus accrued and past due interest
  - Structured principal and interest schedule based on revenue expectations in 2008
  - Failure to pay principal and interest when due is an Event of Default
  - Existing debt plan shows these pay in 2029 and stay in default until that point.
- 2008 UCCS Sub Note
  - ~\$3,400,000 outstanding par and \$1,400,000 back interest
  - 4.5% Interest Rate
  - Callable anytime
  - Maturity recently extended
  - Existing debt plan shows payoff in 2030
  - Pays in 2030 with \$2M of surplus cashflow

Goals:

- Cure current default and make future defaults unlikely
- Fund Authority operations from annual revenues and from refunding proceeds
- Repay all outstanding obligations before the end of the TIF period
- Shorten the TIF clock after all debt is repaid

Potential Refunding Structures:

- Series 2016 Bond refunding
  - 2016A Senior Bonds ~ \$58M par
    - 1.2x projected coverage
    - 4.75% Interest rate estimated
    - Structured debt schedule
    - Failure to pay principal and interest on schedule will not be an Event of Default

- Assuming surplus revs are applied to pay seniors after subs are fully paid, they show full payment in 2029
- 2016B Subordinate Bonds ~ \$4M par
  - 6.75% Interest rate estimated
  - Cashflow bond that pays from avail rev only, projected to pay off in 2022
  - No default for failure to pay
- UCCS Note
  - Projected payments starting in 2029, pays in full with \$2M of surplus cashflow in 2030
- Series 2016 Loan refunding
  - 2016A Loan - \$52M par
    - Accelerates from 100% of revenue that would have otherwise gone to 2008A, projected payoff in 2028
    - Balloon maturity in 2026 of ~\$18M remaining par
    - 3.71% swap to 2030 w costless termination at 2026 maturity if needed.
    - Structured debt schedule
    - Failure to pay principal and interest on schedule will be a “rate increase event”
  - 2016B Subordinate Bonds - \$9.2M par
    - 7.75% Interest rate estimated (higher based on senior refi risk, longer expected repayment and lower coverage)
    - Cashflow bond that pays from avail rev only, projected to pay off in 2026
    - No default for failure to pay
  - UCCS Note
    - Projected payments starting in 2029, pays in full with \$8M of surplus cashflow in 2030
- Other Considerations:
  - Refunding before December 2017 will incur expense of negative arbitrage (~\$2.8M)
  - Rates are currently below historic averages
  - Potential HB 1348 implications
  - Property tax administrator changes
  - Projected impacts based on model assumptions:
    - 2% biennial reassessment on tax base
    - 3% annual sales tax growth
    - 63.7 mills
    - 2% sales tax
    - \$50,000/year Authority deduction
    - \$250,000 upfront Authority fee

**COLORADO SPRINGS URA - UNIVERSITY VILLAGE**

Snr. Ser. 2016A NR Advance Refg of Snr. 2008A, 2030 final maturity, plus Sub. Ser. 2016B (cash flow) adv refg of Sub 2008B, plus UCCS Note

Snr. Ser. 2016A Accelerated to 2029 after Ser. 2016B Subs Payoff

**U.R.A.'s Property Assessed Value & Sales Taxes (25-year agreement)**

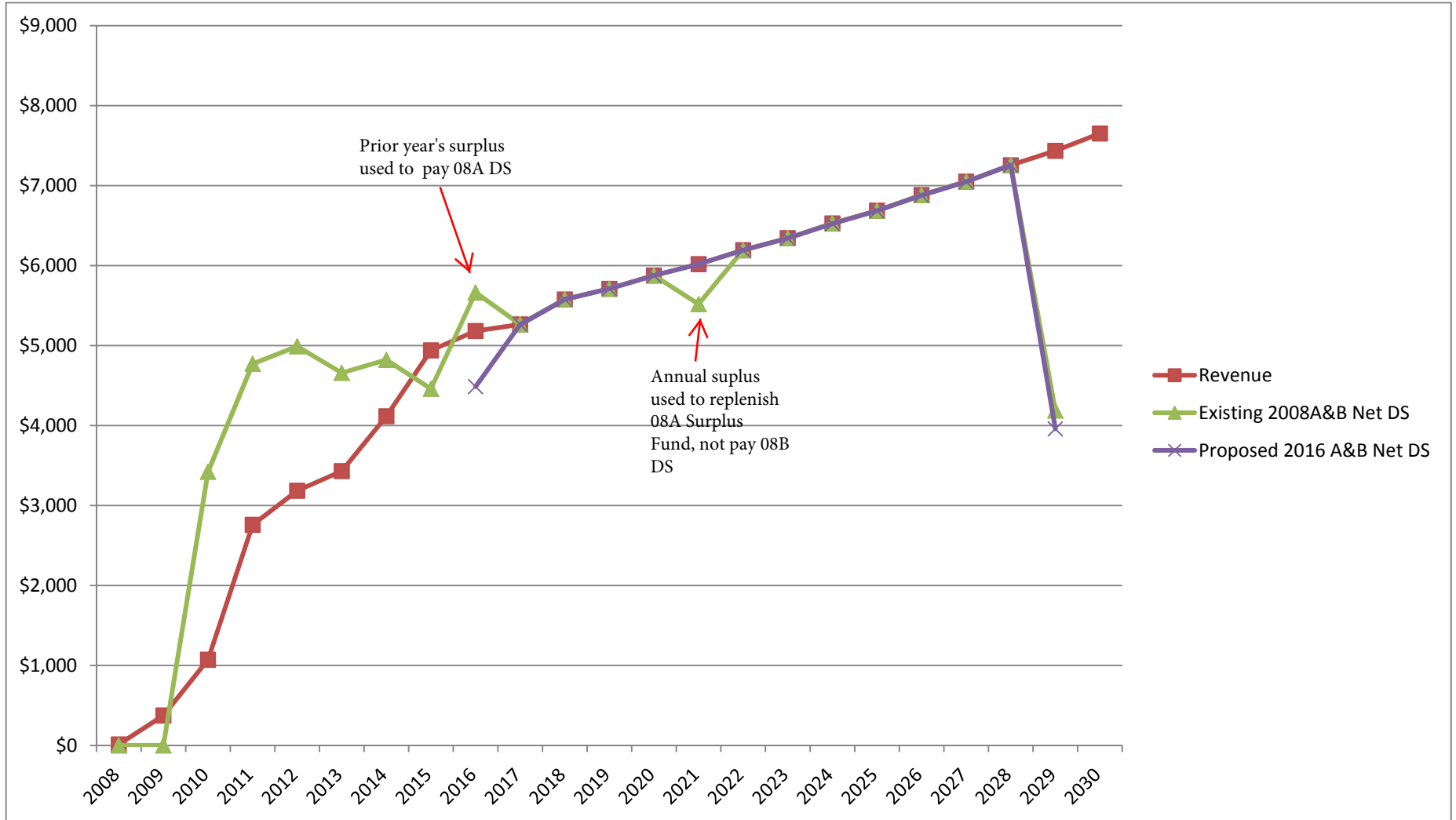
**Bond Debt Service Payments**

YEAR	U.R.A. Property Assessed Value & Sales Taxes (25-year agreement)			U.R.A. Property Assessed Value & Sales Taxes (25-year agreement)						Bond Debt Service Payments					Potential UCCS Note Payments	
	U.R.A. Total Gross Assessed Value <sup>1</sup>	Less U.R.A. Base A.V.	U.R.A. Total Net Assessed Value	Total Estimated Retail Sales Revenue	Total Estimated Retail Sales Tax Revenue	Less \$375,603 Base	Annual Retail Sales Tax Rev. Net Collections	Less CSURA Oper'g Fee of \$50,000/yr	Total Revenue Available for Debt Svc	Ser. 2008A Senior Bonds	Ser. 2008B Subord. Bonds	Senior Series 2016A Net Debt Service \$58,385,000 Par	Subordinate Series 2016B Net Debt \$4,235,077 Par	Total Refunding Debt Service		
2007	\$6,253,240	\$5,923,450	\$329,790	\$17,450,000	\$347,255	\$0	\$0	\$0	\$19,715							
2008	7,621,280	6,215,540	1,405,740	17,450,000	347,255	0	0	\$0	12,465	\$0	\$0					
2009	7,621,280	6,215,540	1,405,740	42,182,205	839,426	375,603	463,823	\$50,000	374,855	0	0					
2010	6,632,238	1,813,418	4,818,820	120,846,905	2,404,853	375,603	2,029,250	50,000	1,072,370	3,289,425	130,860					
2011	15,644,879	2,770,189	12,874,690	118,163,417	2,351,452	375,603	1,975,849	50,000	2,758,800	4,138,228	632,875					
2012	19,283,720	5,181,210	14,102,510	140,544,975	2,796,845	375,603	2,421,242	50,000	3,184,053	4,276,947	712,625					
2013	19,839,550	5,180,650	14,658,900	150,193,869	2,988,858	375,603	2,613,255	50,000	3,429,953	4,316,800	721,000					
2014	21,517,500	5,197,510	16,319,990	179,087,387	3,563,839	375,603	3,188,236	50,000	4,116,996	4,092,900	727,875					
2015	22,425,000	5,123,760	17,301,240	204,386,327	4,067,288	375,603	3,691,685	50,000	4,939,459	4,459,300	[ def'd as of 12/15/14 ]					
2016	26,030,930	5,184,610	20,846,320	216,297,917	4,304,329	375,603	3,928,726	50,000	5,181,978	1,472,625	\$2,882,674	\$131,817	\$3,014,491			0
2017	25,338,394	5,184,610	20,153,784	222,613,454	4,430,008	375,603	4,054,405	50,000	5,264,362	[ refunded by Ser. '16 ]	[ refunded by Ser. '16 ]	4,423,836	840,526	\$5,264,362		0
2018	28,371,207	5,288,302	23,082,905	229,118,458	4,559,457	375,603	4,183,854	50,000	5,576,932			4,687,736	889,196	5,576,932		0
2019	28,371,207	5,288,302	23,082,905	235,818,612	4,692,790	375,603	4,317,187	50,000	5,710,265			4,796,073	914,192	5,710,265		0
2020	28,938,631	5,394,068	23,544,563	242,719,770	4,830,123	375,603	4,454,520	50,000	5,876,459			4,938,561	937,899	5,876,459		0
2021	28,938,631	5,394,068	23,544,563	249,827,963	4,971,576	375,603	4,595,973	50,000	6,017,912			5,053,898	964,014	6,017,912		0
2022	29,517,404	5,501,950	24,015,454	257,149,402	5,117,273	375,603	4,741,670	50,000	6,193,048			5,454,686	737,290	6,191,975		1,072
2023	29,517,404	5,501,950	24,015,454	264,690,484	5,267,341	375,603	4,891,738	50,000	6,343,115			6,341,461	0	6,341,461		1,655
2024	30,107,752	5,611,989	24,495,764	272,457,799	5,421,910	375,603	5,046,307	50,000	6,527,712			6,523,648	0	6,523,648		4,064
2025	30,107,752	5,611,989	24,495,764	280,458,133	5,581,117	375,603	5,205,514	50,000	6,686,919			6,684,298	0	6,684,298		2,621
2026	30,709,907	5,724,228	24,985,679	288,698,477	5,745,100	375,603	5,369,497	50,000	6,881,530			6,878,586	0	6,878,586		2,944
2027	30,709,907	5,724,228	24,985,679	297,186,031	5,914,002	375,603	5,538,399	50,000	7,050,432			7,047,586	0	7,047,586		2,847
2028	31,324,105	5,838,713	25,485,392	305,928,212	6,087,971	375,603	5,712,368	50,000	7,255,642			7,254,336	0	7,254,336		1,307
2029	31,324,105	5,838,713	25,485,392	314,932,658	6,267,160	375,603	5,891,557	50,000	7,434,831			3,958,606	0	3,958,606		3,476,225
2030	31,950,587	5,955,487	25,995,100	324,207,238	6,451,724	375,603	6,076,121	50,000	7,651,260			0	0	0		5,649,583
					99,348,953		90,391,177	1,100,000	115,561,063	26,046,225	2,925,235	76,925,981	5,414,933	82,340,914		9,142,318

[1] Includes projected additions of 20K SF Retail in 2015, Auto Dealership in 2015, and Hospital in 2016

**2030 Note Balance:**  
\$0  
(incl. accr'd int.)

## CSURA North Nevada -- University Village Non-Rated Bond Refinancing Structure



**COLORADO SPRINGS URA - UNIVERSITY VILLAGE**

Snr. Ser. 2016 TFL (with swapped rate) Advance Refg of Snr. 2008A and Sub 2008B, plus UCCS Note

Snr. Ser. 2016A Accelerated to 2028 after Ser. 2016B Subs Payoff

**U.R.A.'s Property Assessed Value & Sales Taxes (25-year agreement)**

**Bond Debt Service Payments**

YEAR	U.R.A. Assessed Value			Total Estimated Retail Sales Revenue	Total Estimated Retail Sales Tax Revenue	Less \$375,603 Base	Annual Retail Sales Tax Rev. Net Collections	Less CSURA Oper'g Fee of \$50,000/yr	Total Revenue Available for Debt Svc	Bond Debt Service Payments				Total Refunding Debt Service	Potential UCCS Note Payments		
	U.R.A. Total Gross Assessed Value <sup>1</sup>	Less U.R.A. Base A.V.	U.R.A. Total Net Assessed Value							Ser. 2008A Senior Bonds	Ser. 2008B Subord. Bonds	Senior Series 2016A Net Debt Service \$51,865,000 Par	Subordinate Series 2016B Net Debt \$9,276,246 Par				
2007	\$6,253,240	\$5,923,450	\$329,790	\$17,450,000	\$347,255	\$0	\$0	\$0	\$19,715								
2008	7,621,280	6,215,540	1,405,740	17,450,000	347,255	0	0	\$0	12,465								
2009	7,621,280	6,215,540	1,405,740	42,182,205	839,426	375,603	463,823	\$50,000	374,855								
2010	6,632,238	1,813,418	4,818,820	120,846,905	2,404,853	375,603	2,029,250	50,000	1,072,370	3,289,425	130,860						
2011	15,644,879	2,770,189	12,874,690	118,163,417	2,351,452	375,603	1,975,849	50,000	2,758,800	4,138,228	632,875						
2012	19,283,720	5,181,210	14,102,510	140,544,975	2,796,845	375,603	2,421,242	50,000	3,184,053	4,276,947	712,625						
2013	19,839,550	5,180,650	14,658,900	150,193,869	2,988,858	375,603	2,613,255	50,000	3,429,953	4,316,800	721,000						
2014	21,517,500	5,197,510	16,319,990	179,087,387	3,563,839	375,603	3,188,236	50,000	4,116,996	4,092,900	727,875						
2015	22,425,000	5,123,760	17,301,240	204,386,327	4,067,288	375,603	3,691,685	50,000	4,939,459	4,459,300	[ def'd as of 12/15/14 ]						
2016	26,030,930	5,184,610	20,846,320	216,297,917	4,304,329	375,603	3,928,726	50,000	5,181,978	1,472,625	[ refunded by Ser. '16 ]	\$3,038,746	\$670,607	\$3,709,353	0		
2017	25,338,394	5,184,610	20,153,784	222,613,454	4,430,008	375,603	4,054,405	50,000	5,264,362	[ refunded by Ser. '16 ]		4,555,324	709,038	\$5,264,362	0		
2018	28,371,207	5,288,302	23,082,905	229,118,458	4,559,457	375,603	4,183,854	50,000	5,576,932			4,609,597	967,335	5,576,932	0		
2019	28,371,207	5,288,302	23,082,905	235,818,612	4,692,790	375,603	4,317,187	50,000	5,710,265			4,648,120	1,062,145	5,710,265	0		
2020	28,938,631	5,394,068	23,544,563	242,719,770	4,830,123	375,603	4,454,520	50,000	5,876,459			4,706,264	1,170,196	5,876,459	0		
2021	28,938,631	5,394,068	23,544,563	249,827,963	4,971,576	375,603	4,595,973	50,000	6,017,912			4,753,100	1,264,812	6,017,912	0		
2022	29,517,404	5,501,950	24,015,454	257,149,402	5,117,273	375,603	4,741,670	50,000	6,193,048			4,808,815	1,384,233	6,193,048	0		
2023	29,517,404	5,501,950	24,015,454	264,690,484	5,267,341	375,603	4,891,738	50,000	6,343,115			4,852,852	1,490,263	6,343,115	0		
2024	30,107,752	5,611,989	24,495,764	272,457,799	5,421,910	375,603	5,046,307	50,000	6,527,712			4,905,397	1,622,316	6,527,712	0		
2025	30,107,752	5,611,989	24,495,764	280,458,133	5,581,117	375,603	5,205,514	50,000	6,686,919			3,615,892	3,071,027	6,686,919	0		
2026	30,709,907	5,724,228	24,985,679	288,698,477	5,745,100	375,603	5,369,497	50,000	6,881,530			6,593,867	284,059	6,877,926	3,603		
2027	30,709,907	5,724,228	24,985,679	297,186,031	5,914,002	375,603	5,538,399	50,000	7,050,432			7,047,574	0	7,047,574	2,858		
2028	31,324,105	5,838,713	25,485,392	305,928,212	6,087,971	375,603	5,712,368	50,000	7,255,642			5,396,424	0	5,396,424	1,859,218		
2029	31,324,105	5,838,713	25,485,392	314,932,658	6,267,160	375,603	5,891,557	50,000	7,434,831			0	0	0	6,950,402		
2030	31,950,587	5,955,487	25,995,100	324,207,238	6,451,724	375,603	6,076,121	50,000	7,651,260			0	0	0	0		
					99,348,953		90,391,177	1,100,000	115,561,063			26,046,225	2,925,235	63,531,970	13,696,030	77,228,000	8,816,082

[1] Includes projected additions of 20K SF Retail in 2015, Auto Dealership in 2015, and Hospital in 2016

**2030 Note Balance:**  
\$0  
(incl. accr'd int.)

## CSURA North Nevada -- University Village TFL Swap Refinancing Structure

