

***A RESOLUTION FINDING DEMONSTRATION OF
REASONABLE DILIGENCE ON THE CONSOLIDATED
APPLICATION OF CASTLE PINES COMMERCIAL
METROPOLITAN DISTRICT NOS. 1 & 4 FOR
QUINQUENNIAL REVIEW PURSUANT TO THE SPECIAL
DISTRICT ACT***

SEPT 15, 2020



WHAT IS A QUINQUENNIAL REVIEW?

BASED ON GUIDANCE IN CRS TITLE 32-1-1101.5(2)

- “to consider whether the service plan and financial plan of the district are adequate to meet the debt financing requirements of the authorized and unissued general obligation debt based upon present conditions within the district”
- “determine that the implementation of the service plan or financial plan will result in the timely and reasonable discharge of the special district’s general obligation debt”

or

- “... will not result in timely and reasonable discharge of the special district’s general obligation debt”

WHAT IS A QUINQUENNIAL REVIEW?

CONTINUED

**THE TOWN MAY REQUEST THAT A DISTRICT APPLY FOR A QUINQUENNIAL REVIEW
NO MORE FREQUENTLY THAN EVERY FIVE YEARS**

Addressed in three sections:

1. Background – framework of what the approved service plan committed the district to perform
2. Service Plan Review - compares the Service Plan commitments to actual performance identifying any modification and discrepancies
3. Annual Report Review – reviews the annual report for the year ending December 31, 2018 and the performance of the District to date

OVERVIEW OF CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NOS. 1 & 4

- Amended and Restated Service plan approved by Council on January 6, 2015
- Districts created for the purpose of financing and providing public improvements
- CPCMD 3 and 4 – taxing districts, CPCMD 1 – financing district (no mill levy certified for D1)
 - Capital pledge agreement – D3 and D4 to remit property tax to D1 for bond payment

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS NOS. 1 & 4



CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS NOS. 1 & 4

Service Plan Review

The Amended and Restated service plan and projected financial plan included:

- Maximum General Obligation Debt not to exceed \$12 million
 - Actual issued \$5,875,000
- Maximum debt service mill levy – 50.000 mills
 - Actual 40.000
- Maximum operation mill levy – 15.000 mills
 - Actual 11.152

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS NOS. 1 & 4

Annual Report Review

- Limited Tax Supported Revenue Bonds issued January 16, 2015
 - Reimbursement and payment of constructions costs of public improvements
 - Establish a reserve fund for the Bonds
 - Cover the cost of issuance
- Bonds mature in 2039
- Interest rate of 5%
- Amount outstanding at December 31, 2018 was \$5,595,000

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS NOS. 1 & 4

Review and Analysis - Conclusion

- Districts 1 & 4 are operating in accordance with the parameters as defined in the Amended and Restated Service Plan.
- Combined actual assessed valuation for D3 & D4 exceeded the projected values used in the Financial projections for the debt issuance.
- District 1 is on track to fund their debt service requirements based on:
 - Amortization schedule for the Series 2015 bonds
 - Performance to date
 - Conservative growth estimate of 3.0 percent in the property tax revenues of D3 and D4 per the Capital Pledge Agreement

MOTION

I MOVE TO APPROVE RESOLUTION 2020-089 AS INTRODUCED BY TITLE



THANK YOU

NOTE: The information presented in this report was generated from a review of the Castle Pines Commercial Metropolitan District Nos. 1 & 4 Quinquennial Reports; the Districts' 2018, 2017, 2016 and 2015 Consolidated Annual Reports, which include Audited Financial Statements and Compiled Budgets for the Districts; the Amended Public Finance Agreement; and the Districts' Service Plans. The Town's review is based on the information presented in these documents, statements submitted by management, and a conservative projection of future market and revenue trends. Staff has not performed a full audit of the information. Accordingly, the statements and conclusions in this report represent the Town's analysis of the information provided and do not predict future performance of the Districts.