

# IRON WORKS VILLAGE METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

## NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Taylor Strickland	President	2022/May 2023
Cecily VanHouten	Vice President	2022/May 2023
Carter Harris	Treasurer	2023/May 2023
Bryan Karns	Secretary	2023/May 2022
Jennifer Bartlett	Assistant Secretary	2022/May 2022

**DATE:**        **October 12, 2021**

**TIME:**        **6:00 P.M.**

**PLACE:**        Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus, this meeting will be held via Zoom and can be joined through the directions below: *Please email Peggy Ripko if there are any issues ([pripko@sdmsi.com](mailto:pripko@sdmsi.com)).*

### Zoom Meeting

<https://us02web.zoom.us/j/89652975675?pwd=cjc4M2xTT2cxY1FHZXNCbUNrUVV0UT09>

Meeting ID: 896 5297 5675

Passcode: 878486

Dial In: 1-253-215-8782

## I. ADMINISTRATIVE MATTERS

A. Confirm Quorum and Present Conflict Disclosures.

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B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

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II. PUBLIC COMMENTS- of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes per person

A. \_\_\_\_\_

III. FINANCIAL MATTERS

- A. Review and discuss summary of Bank Term Sheets and possible issuance of Bonds (enclosures).
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IV. OTHER MATTERS

- A. \_\_\_\_\_

- V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 1, 2021**

	<b>NBH</b>	<b>Great Western Bank</b>	<b>MidWest One Bank</b>
<b>Total Principal Amount</b>	\$3,878,000	\$3,900,000	\$3,880,000
<b>Maturity (Amortization)</b>	20 Years (27-year Amortization)	Option 1: 15 Years (27-year Amortization) Option 2: 20 Years (27-year Amortization)	Option 1: 15 Years (27-year Amortization) Option 2: 20 Years (27-year Amortization)
<b>Estimated Rate (TIC)</b>	3.22%	Option 1: 2.94% <sup>1</sup> Option 2: 2.78%	Option 1: 3.01% <sup>1</sup> Option 2: 2.91%
<b>Projected Debt Service Mill Levy</b>	45.077	Option 1: 42.130 Option 2: 43.100	Option 1: 43.924 Option 2: 42.979
<b>Net PV Savings</b>	\$1,516,308 (42.2%)	Option 1: \$1,929,731 (53.8%) Option 2: \$1,924,415 (53.6%)	Option 1: \$1,713,425 (47.7%) Option 2: \$1,821,300 (50.7%)
<b>Reserve Fund</b>	None	None	None
<b>Prepayment Features</b>	Callable in whole with no penalty after year 10	Option 1: 3% (2022-2026) 1% (2027-2029) Option 2: 3% (2022-2029) 1% (2030-2033)	3% 2022-2024 2% 2025 1% 2026
<b>Rate Lock</b>	45 Days Prior to Close	60 Days	30 Days Prior to Close
<b>Origination Fee</b>	None	\$19,550	None
<b>Lender's Counsel Fee</b>	\$15,000	\$7,500	\$7,500

<sup>1</sup> For purposes of analysis, D.A. Davidson's model assumes a rate of 4.50% after the term maturity dates in 2036 and 2041. This is a conservative estimate of a long-term investment grade interest rates which results in a TIC (true interest cost) rate that is higher for the 15-year term maturity than the 20-year term.



# Great Western Bank<sup>SM</sup>

Making Life Great

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## SUMMARY OF TERMS AND CONDITIONS

### For Discussion Purposes Only: Not a Commitment to Lend

**Lender:** Great Western Bank  
**Borrower:** Iron Works Village Metropolitan District  
**Issue Date:** 9/23/2021  
**Issued By:** Michael Bowlby and Mark A. Mooney

### PROPOSED REQUEST :

**Loan Amount:** Up to \$3,900,000

**Tax Status:** Taxable. On or around 9/17/2023, subject to legal opinion, loan to convert to tax-exempt at the GWB NBQ multiplier of 83%. An earlier conversion would be acceptable so long as the applicable tax law governing such as conversion deems it permissible and upon receipt of a clean opinion of tax-exemption.

**Purpose:** Advance refunding of the existing Series 2018A and B General Obligation **Limited** Tax Bonds for interest rate savings. The form of issuance is anticipated to be a taxable to tax-exempt convertible loan with the conversion date scheduled on or around 9/17/2023.

**Term:** Interest due semiannually (6/1 and 12/1) after the loan closes with scheduled Principal Payments annually starting in December 1, 2022.

- Option A: 15-year maturity with a 27-year amortization.
- Option B: 20-year maturity with a 27-year amortization.

**Amortization:** As defined in the RFP under "Series 2021: Advance Refunding of Series 2018 A&B". \$65,000 at 12/1/2022, \$70,000 at 12/1/2023, \$85,000 at 12/1/2024, \$90,000 at 12/1/2025, and so forth.

**Rate:** Both rates below are quoted as taxable. Furthermore, the rates below incorporate a 60-day lock, contemplated from the date of the term letter through sixty days.

- Option A:** 3.01%, fixed for 15-years.
- Option B:** 3.12 %, fixed for 20-years.

This proposal is for discussion purposes only and is issued at a time when the Lender has not completed its credit review and due diligence of the Borrower and the Collateral to secure the Credit Facilities outlined herein. Furthermore, all terms of the Credit Facilities will be outlined in a comprehensive loan agreement if the Credit Facility is approved by the Lender. The Loan Agreement and related documentation may contain additional terms and conditions regarding matters not addressed in this proposal.

**Fees and Costs:** All transaction fees including GWB Counsel. GWB expected to use Scott Shaver of Stradling Yocca Carlson & Rauth. Bank and counsel will make best efforts to keep fees at or below \$7,500. It is our understanding the bond counsel will be Kutak Rock.

**Origination Fee:** 0.5% or \$19,550

**Prepayment Fee:** Prepayment for either option as defined below:

Option A: 3% through year five and 1% from year 6 through year 8. No prepay after year eight.

Option B: 3% through year 8, and 1% from year 9 through year 12. No prepay after year twelve.

**Collateral:** Secured by a pledge of the full faith and credit of the District. All of the taxable property in the District is subject to the levy of ad valorem tax to pay the principal and interest on the Series 2018A&B Bonds on a limited basis until an unlimited basis is achieved as defined by the Service Plan.

**COVENANTS AND CONDITIONS:**

Subject to general underwriting approvals, the above proposed request(s) will be subject to the following:

1. The execution of a loan agreement and all other loan documents prepared by Kutak Rock, Bond Counsel and reviewed by Lender's counsel, in such form and including such terms and conditions as deemed necessary in Lender's sole discretion.
2. Borrower shall be in compliance with all applicable laws, rules, regulations and orders of any federal, state or local government, or governmental instrumentality or agency, relating to or affecting Borrower's business or assets.
3. Financial and Business Covenants as set forth in the Loan Agreement which shall include, the following:
  - 1) All customary and financial covenants presented in the Loan Agreement submitted for review.
  - 2) Annual Audits 180 days after fiscal year end or before
  - 3) Tax Assessed value within 30 days of publishing
  - 4) UMB Bank (trustee) to serve as escrow agent.
4. The laws of the State of Colorado shall govern this transaction.
5. In addition to the terms set forth herein, this letter is made based on the accuracy and completeness of all information which Borrower has submitted to Lender and Borrower

This proposal is for discussion purposes only and is issued at a time when the Lender has not completed its credit review and due diligence of the Borrower and the Collateral to secure the Credit Facilities outlined herein. Furthermore, all terms of the Credit Facilities will be outlined in a comprehensive loan agreement if the Credit Facility is approved by the Lender. The Loan Agreement and related documentation may contain additional terms and conditions regarding matters not addressed in this proposal.

acknowledges and agrees that Lender may require additional financial and/or non-financial information prior to any approval.

**PROPOSAL LETTER EXPIRATION:**

If not agreed to sooner, the preliminary terms and conditions discussed in this letter will expire at the close of business ten (10) days from the date of this letter. Upon execution please forward an executed copy to my attention.

Lender has based the proposed terms on the current market conditions and limited information received regarding the Borrower and Collateral. Lender reserves the right to modify the proposed terms to compensate for risks not yet perceived upon receipt of any information obtained as a result of Lender's due diligence efforts. Additionally, any significant change in market conditions could prompt the Lender to modify the proposed terms until a commitment letter has been awarded to the Borrower.

**Borrower confirms receipt of the above this \_\_\_ day of \_\_\_\_\_, 2021.**

**BORROWER:**

Iron Works Village Metropolitan District

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

This proposal is for discussion purposes only and is issued at a time when the Lender has not completed its credit review and due diligence of the Borrower and the Collateral to secure the Credit Facilities outlined herein. Furthermore, all terms of the Credit Facilities will be outlined in a comprehensive loan agreement if the Credit Facility is approved by the Lender. The Loan Agreement and related documentation may contain additional terms and conditions regarding matters not addressed in this proposal.



September 28, 2021

Iron Works Village Metropolitan District  
Englewood, Colorado  
Attn: District Manager

MidWestOne Bank ("Bank") is pleased to provide to District with the following Term Sheet Proposal in connection with the Credit Facility as set forth below. This term sheet is for discussion purposes only and is subject to formal loan committee approval.

**Issuer:** Iron Works Village Metropolitan District (the "District")

**Facility:** Taxable Direct Purchase Bond

**Amount:** \$3,910,000

**Tax Status:** Interest income earned on the bond will be subject to taxation. If eligible the District may choose to convert to a tax-exempt status at which point the interest on the bond would not be subject to taxation. If/when this occurs the interest rate will be reset for the duration of the term at 81.8% of the taxable interest rate if the bonds are designated "non bank qualified" or 79.8% of the taxable interest rate if the bonds are designated "bank qualified"

**Purpose:** Advance refund of the District's Series 2018A and B General Obligation Limited Tax Bonds

**Term/Maturity:** **Option 1:**  
15 years with final maturity of December 1, 2036  
**Option 2:**  
20 years with final maturity of December 1, 2041

**Amortization:** 27 year amortization following the amortization scheduled provided in the Request for Proposal dated September 14<sup>th</sup>, 2021 with a final "balloon" payment in either December 1, 2036 or December 1, 2041 based on the term selected.

- Interest Rate:**
- Option 1:**  
15 year fixed rate with 27 year amortization  
As of September 28, 2021, the taxable rate would be 3.23%. The taxable rate will be priced at the sum of the 10-year UST plus a spread of 1.70% rounded to the nearest hundredth of a percent and is subject to change until 30 days prior to closing.
- Option 2:**  
20 year fixed rate with 27 year amortization  
As of September 28, 2021, the taxable rate would be 3.38%. The taxable rate will be priced at the sum of the 10-year UST plus a spread of 1.85% rounded to the nearest hundredth of a percent and is subject to change until 30 days prior to closing.
- Interest Rate Lock:** Interest rate can be locked at the choice of the Borrower at or within 30 days of the transaction closing date.
- Interest Calculation:** Interest will be calculated on a 30/360 day basis
- Prepayment Terms:**
- Option 1:**  
15 year fixed rate option  
5% during the first year, 4% during the second, 3% during the third year, 2% during the fourth, 1% during the fifth year and no prepayment penalty thereafter.
- Option 2:**  
20 year fixed rate option  
5% during the first year, 4% during the second, 3% during the third year, 2% during the fourth year, 1% during the fifth year and no prepayment penalty thereafter.
- Interest Payments:** Semi-annual interest payments on June 1 and December 1 of each year commencing June 1, 2022.
- Principal Payments:** Annual principal payments on December 1 of each year, commencing December 1, 2022.
- Interest After Default:** 3% over applicable interest rate





**Fees and Expenses:** \$0 origination fee; Bank's attorney fees of \$7,500; any other 3<sup>rd</sup> party fees including but not limited to Bond Counsel to be paid by the District which may come from bond proceeds.

**Pledge / Security:** General Obligation

**Bank's Counsel** Toni I. Stegeman with Gilmore & Bell, legal fees of \$7,500.

**Conditions  
Precedent  
To Closing**

- Formal Credit Approval (typically takes 1-2 weeks)

**Reporting**

- Annual CPA audited financial statements, due within 180 days after each fiscal year end.
- Annual budget, within 30 days of fiscal year end.

**Governing Law** State of Colorado

This Term Sheet is for discussion purposes only. MidWestOne Bank is not obligated to enter into a credit relationship with you. If we mutually choose to continue negotiations (neither side is under any obligation to do so), upon final review and approval, a commitment letter setting forth the terms and conditions of the credit relationship will be presented to you.

Thank you for the opportunity to issue you this proposal. Feel free to call me at (720) 739-2294 or email at [nraffensperger@midwestone.com](mailto:nraffensperger@midwestone.com) with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Raffensperger".

Nick Raffensperger  
Vice President  
MidWestOne Bank



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September 28, 2021

Iron Works Village Metropolitan District  
Attn: Brooke Hutchens  
C/o D.A. Davidson  
1550 Market Street, Suite 300  
Denver, Colorado 80202

Dear Brooke Hutchens

On behalf of NBH Bank, I am pleased to present you with the following Summary of Indicative Terms and Conditions. This Summary has been provided for the sole use of the Borrower and Borrower's paid advisors. The information contained in this document is confidential and proprietary to NBH Bank, and its affiliates, and cannot be disclosed to any third party without prior written consent of the Bank.

The terms and general conditions of the proposed facility are detailed below. Please note that this proposal is for discussion purposes and has not been formally approved nor is it intended to imply that a formal commitment will be approved. We look forward to discussing this proposal after you have had adequate time to review.

Please do not hesitate to contact us with any questions or comments about our proposal. We look forward to speaking with you soon.

Sincerely,

*Maren Eckert*

Maren Eckert  
Government & Nonprofit Finance  
(303) 784-5921  
Maren.Eckert@nbhbank.com

<b>Borrower:</b>	Iron Works Village Metropolitan District (the “District” or the “Borrower”)
<b>Lender:</b>	NBH Bank (the “Bank”)
<b>Credit Facilities:</b>	Series 2021, bank-qualified, tax exempt loan or direct purchase on November, 2021.
<b>Facility Amount:</b>	up to \$3,900,000.
<b>Purpose:</b>	Refund Series 2018A and 2018B Bonds.
<b>Security:</b>	Senior pledge of the District’s limited debt service mill levy (converting to unlimited), associated specific ownership taxes, and any other legally available funds.
<b>Maturity:</b>	Option 1) 15 years from closing, or approximately 2036, or; Option 2) 20 years from closing, or approximately 12/1/2041.
<b>Amortization:</b>	Option 1) 15 year maturity with a 27 year amortization. Interest will be due semiannually on each 6/1 and 12/1 beginning 12/1/2021 and Principal will be due annually on each 12/1 in accordance with the scheduled attached as Exhibit A, or;  Option 2) 20 year maturity with a 27 year amortization. Interest will be due semiannually on each 6/1 and 12/1 beginning 12/1/2021 and Principal will be due annually on each 12/1 in accordance with the scheduled attached as Exhibit A.
<b>Interest Rate:</b>	Taxable of 3.75% (10 Year Treasury + 2.20%) converting to bank-qualified, tax-exempt on 9/17/2023, or earlier if deemed permissible per a clean opinion of tax-exemption, to 3.03% fixed through maturity (equivalent of 80.72% of the taxable rate). Interest shall be computed as twelve 30 day months and a 360 day year.  The fixed rate is <i>subject to change based on fluctuations in the index prior to the rate lock date</i> . The Borrower may lock the rates up to 45 days prior to closing with no additional cost. After the initial 45 days, the rate will reset to 10 Year LIBOR + 2.20%.
<b>Callability:</b>	Callable in whole at par after the 10 <sup>th</sup> anniversary after closing. Prepayments prior to the 10 <sup>th</sup> anniversary will be subject to the prepayment fee outlined in Exhibit B.
<b>Reserve Fund:</b>	None
<b>Covenants:</b>	1) The District may not issue additional debt secured by pledged revenues without Bank consent.
<b>Default Rate:</b>	None.

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**Post Maturity Rate:** At maturity, the rate will reset to the then 1 Year Treasury Rate + 3.00%, resetting annually.

**Reporting:**

1. The District to make available Audited Annual Financial Statements on the earlier of either 2 weeks following audit completion or 270 days after fiscal year end;
2. The District to make available Annual Budgets by February 28<sup>th</sup> of each year;
3. The District to make available Annual Certification of Assessed Value and Mill Levy due by February 28<sup>th</sup> of the following year;
4. Other financial information upon request.

**Fees & Expenses:** Whether or not the Financing Agreement is executed and the Bank has provided a commitment to lend, Obligor will pay all fees and expenses relating to preparation of the loan documents (the Bank intends to use Kline Alvarado Veio and the cost is expected not to exceed \$15,000).

AGREED AND ACCEPTED:

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

***All preliminary terms and conditions outlined herein are confidential and may not be shared with any financial institution without the prior consent of NBH Bank. This information is intended for discussion purposes only, and is offered by NBH Bank as a preliminary indication of interest.***

***This indication of interest does not represent a commitment to lend monies, nor is it an indication that a formal lending commitment may be forthcoming. Any formal lending commitment that may be issued by NBH Bank will be subject to the satisfactory conclusion of the Bank's due diligence, completion of the Bank's credit underwriting process, and requisite approval by the Bank's credit authorities.***

**EXHIBIT A – Principal Schedule**

Date	Payment	Date	Payment
12/1/2021	\$ 73,000	12/1/2031	\$ 96,000
12/1/2022	\$ 75,000	12/1/2032	\$ 99,000
12/1/2023	\$ 78,000	12/1/2033	\$ 104,000
12/1/2024	\$ 80,000	12/1/2034	\$ 110,000
12/1/2025	\$ 82,000	12/1/2035	\$ 112,000
12/1/2026	\$ 84,000	12/1/2036	\$ 115,000
12/1/2027	\$ 86,000	12/1/2037	\$ 120,000
12/1/2028	\$ 88,000	12/1/2038	\$ 124,000
12/1/2029	\$ 91,000	12/1/2039	\$ 128,000
12/1/2030	\$ 93,000	12/1/2040	\$ 132,000
		12/1/2041	\$ 135,000
<b>Total</b>		<b>\$ 2,105,000</b>	

**EXHIBIT B**
**Loan Prepayment Fee - FOR DISCUSSION PURPOSE ONLY**

Upon two Business Days' prior written notice to NBH, the Borrower may prepay amounts owing under the Note at any time and from time to time. Such prepayment notice shall specify the amount of the prepayment which is to be applied. In the event of prepayment, the Borrower may be required to pay NBH an additional fee, determined in the manner provided below, to compensate NBH for all losses, costs and expenses incurred in connection with such prepayment.

The Loan is subject to redemption and payment prior to maturity, at the option of the District, which shall be exercised upon prior written direction from the District, on any Payment Date prior to Call Date, in whole or in part if applicable (minimum increments of \$250,000) at a redemption price equal to **100%** of the principal amount of the redeemed Loan, plus accrued interest thereon to the redemption date, plus a make-whole fee, if any, equal to present value of the difference between (i) the total amount of interest based on the Original Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred and (ii) the amount of interest based on the Current Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred, both (i) and (ii) discounted at the then "Current Interest Rate Swap Rate", as determined by NBH Bank ("Bank"). The "Original Interest Rate Swap Rate" is the quotation in effect at the time of issuance maturing on the stated Maturity Date of this Loan. The "Current Interest Rate Swap Rate" is the quotation in effect at the time of the Redemption maturing on the stated Maturity Date. Should the present value have no value or a negative value, the Loan may be optionally redeemed with no make-whole fee. The make-whole fee shall apply in the event of any prepayment, whether by acceleration, prepayment, or otherwise. All calculations and determinations by the Bank of the amounts payable pursuant to the preceding provisions



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or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.