

Crowfoot Valley Ranch Metropolitan District No. 2 Transaction Summary: \$41,015,000 Series 2024A | \$22,105,000 Series 2024B

Taxpayer Impact

- Achieved \$62.3 million of taxpayer savings.
 - This represents a significant increase from August's estimate of \$37.6 million and October's estimate of \$49.2 million.
 - Since the formal pricing on 10/30, market rates have increased slightly, which indicates that the District's financing achieved some of the lowest possible rates over the period this was being considered.

District Mill Levy Impact

- 4% (2 mill) reduction in the maximum mill levy of 50 mills (adjusted).
 - As a part of the refinancing, the Developer agreed to reduce the maximum authorized mill levy from the service plan from 50 mills to 48 mills.

2024AB Bond Statistics

- The District's average life of its outstanding debt was reduced by 2.1 years.
 - The prior Series 2018AB bonds and the Series 2022C(3) bonds had a weighted average aggregate life of 23.5 years.
 - The refunding issuance, along with the remaining portion of the 2022C(3) bonds have a weighted average life of 21.4 years.

To: Crowfoot Valley Ranch Metropolitan District No. 2 (the “District”)
Cc: Public Alliance LLC
From: Stifel, *Municipal Advisor to the District for the Bond Issuance*
Date: November 12, 2024
Subject: Transaction Summary for the District’s Limited Tax General Obligation Refunding Bonds, Series 2024A and Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B

MEMO

On November 12th, the District successfully closed on its Limited Tax General Obligation Refunding Bonds, \$41,015,000 Series 2024A and Subordinate Limited Tax General Obligation Refunding Bonds, \$22,105,000 Series 2024B. Stifel has summarized the aggregate \$63,120,000 transaction and results below:

Use of Proceeds: Proceeds from the sale of the District’s Series 2024A and 2024B Bonds were used to currently refund the District’s 2018A and 2018B Bonds, and partially refund the District’s 2022C Bonds for significant taxpayer savings.

Bond Holder Security: The 2024A Bonds are limited tax general obligations of the District, secured by Senior Pledged Revenues including: all senior property tax revenues, all senior specific ownership tax revenues, all capital fees, and other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The refunded bonds had a 50 mill tax limit, and the new bonds were reduced to 48 mills.

Enhanced Credit Rating: The District’s Bonds did not receive an underlying credit rating; however, the 2024A Bonds did receive an ‘AA’ insured Standard & Poor’s rating from Build America Mutual. The 2024B Bonds did not receive an insured rating given their subordinate nature.

Structure and Final Pricing: Piper Sandler, as underwriter to the District, sold the bonds with a final maturity of December 1, 2054. The Bonds are callable on December 1, 2029 at a price of 103, declining to par thereafter.

Market Conditions: Despite a rise in the tax-exempt municipal index rates (known as MMD) on the day of pricing, strong marketing efforts and large municipal inflows led to high demand for the District’s bond sale. The Bonds received orders from 49 separate institutional accounts, who combined placed orders for a total of \$513.40 million of bonds. This resulted in 8.8x oversubscription on the 2024A Bonds and 7.1x oversubscription on the 2024B Bonds.

Savings Results: The strong oversubscription on both the 2024A and 2024B Bonds allowed for interest rates to be lowered and resulted in gross debt service savings of \$62.3 million for the District. As part of the transaction, the District will also be able to reduce its debt service mill levy by 2 mills (adjusted), equal to a 4% annual reduction in related District property taxes for each homeowner.

We appreciate the efforts made by all members of the working group to achieve this positive outcome for the District’s residents.