

**RESOLUTION APPROVING TERMS FOR THE PREPAYMENT OF THE
CITY'S LOAN TO THE BUFFALO HIGHLANDS METROPOLITAN DISTRICT
FOR THE CONSTRUCTION OF 96TH AVENUE AND AUTHORIZING
ACTIONS RELATED THERETO
NO. 2018-46**

WHEREAS, the owner of the Buffalo Highlands Subdivision in the City of Commerce City ("City") was responsible for the construction of certain public improvements to 96th Avenue ("Improvements") in connection with the development of that property, which construction obligation was assumed by the Buffalo Highlands Metropolitan District ("District");

WHEREAS, by Resolution 2013-15, on March 14, 2013, the City Council of the City of Commerce City ("City Council"), approved an agreement to consolidate prior agreements relating to the development of the property and to address the funding and construction of the Improvements, among other things, which agreement was amended and restated by on April 9th, 2014, and October 1, 2014;

WHEREAS, by Resolution 2013-42, on July 15, 2013, the City Council approved, among other things, a Loan Agreement dated July 16, 2013 ("Loan Agreement") by which the City agreed to loan to the District the maximum amount of \$5,500,000, at an interest rate of six percent (6%) per annum ("Loan") for the purposes of financing the construction of the Improvements;

WHEREAS, by Resolution 2013-85, on December 16, 2013, the City Council approved an amendment to the Loan, executed on December 16, 2013, to increase the amount of the Loan by \$680,000 to the total maximum amount \$6,180,000;

WHEREAS, among other terms, the Loan Agreement provides that the maturity date of the Loan is June 1, 2038, and the road impact fees from a designated area of the City are to be applied to the repayment of the Loan as collected (estimated to be approximately \$1,308,000 when the planned future development of property along East 96th Avenue between Nucla Street and Tower Road is included);

WHEREAS, as of April 30, 2018, the principal amount of the Loan was \$5,939,999.90 with accrued interest in the amount of \$1,467,139.68;

WHEREAS, the District has proposed to prepay the Loan early subject to a reduction in the interest payable to the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE CITY, COLORADO, AS FOLLOWS:

1. Acceptance of the prepayment of the Loan in accordance with the terms authorized by this resolution is and shall be in the best interests of the public;

2. The City Manager is authorized to accept prepayment of the Loan and to negotiate terms of the prepayment acceptable to the City Manager and consistent with the terms of the Loan and related agreements, subject to the following limitations:
 - a. The principal amount shall be paid in full no later than July 31, 2018;
 - b. The interest payable shall be reduced to no less than \$300,000;
 - c. The District shall waive any claim to road impact fees under the Loan Agreement, as amended, or any related agreement and the City shall be permitted to retain any such fees collected that would otherwise be applied to the Loan; and
 - d. The District shall not seek any further distributions under the Loan Agreement.
3. The officers of the City are authorized and directed to take all action that they deem necessary or reasonably required in conformity with the City's charter and state law to give effect to and carry out the prepayment and conclusion of the Loan Agreement contemplated by this resolution, including without limitation the execution and delivery of any necessary and appropriate documents and agreements.

RESOLVED AND PASSED THIS 21ST DAY OF MAY 2018.

CITY OF COMMERCE CITY

Sean Ford, Mayor

ATTEST:

Laura J. Bauer, MMC, City Clerk