



Commerce City

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Council Communication

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Agenda Date:

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Status: ATS Review

In Control: E-470 Commercial Area General Improvement District

File Type: Presentation

Placement Agreement for Limited Tax General Obligation Loan Series 2021 Discussion

Summary and Background Information:

Third Creek West is a 234 acre site located on the east side of E-470 and west of DIA. and once developed will allow for the installation of critical infrastructure across E-470, helping to facilitate economic development in the E-470 corridor, and generate revenue for the City, ECAGID, and ERAGID. The entirety of Third Creek is 1,300 acres, and Third Creek West is the first parcel that will be developed.

At the time of annexation, the City pledged approximately \$13.8M contribution for regional infrastructure, and the Developer pledged to construct other off and on-site improvements. Earlier this year, City Council approved the formation of Third Creek Metropolitan Districts Nos. 1-3. The districts will facilitate the construction of the residential, commercial, and mixed-use development. At the December 21, 2020 Council Meeting, the ECAGID directed staff to execute an engagement letter with DA Davidson to pursue a privately placed loan with an estimated 2.13% interest to fund the project's regional infrastructure.

As compensation for the Placement Agent services for the Loan, the District will need to pay to D.A. Davidson a fee up to 1.5% of the original principal amount of the Loan as a Placement Agent Fee. Staff is still negotiating this amount with D.A. Davidson, but the maximum that will be agreed upon is 1.5%. The agreement attached to this discussion item is an example agreement of the terms that will be included in the execution agreement. Because staff is still negotiating the final percentage for the Placement Agent Fee, staff formally requests that Interim City Manager Roger Tinklenberg be authorized to negotiate and execute the Placement Agreement with a Placement Agent Fee no greater than 1.5% of the original principal amount of the loan.

Staff Responsible (Department Head): Roger Tinklenberg, Interim City Manager

Staff Member Presenting: Roger Tinklenberg, Interim City Manager

Staff Recommendation: Provide Interim City Manager Roger Tinklenberg with authorization to enter into Placement Agreement for the Limited Tax General Loan Obligation Series 2021 for a Placement Agent Fee of 1.5% or less