

NEW ISSUE - BOOK ENTRY ONLY

\_\_\_\_\_: “\_\_\_\_”  
See “RATING”

*In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain certifications and continuing compliance with certain covenants, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2019 Bonds is not a tax preference item for purposes of the alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that, for any period during which interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, that interest on the Series 2019 Bonds is excludable from taxable income for purposes of the State of Colorado income tax and State of Colorado alternative minimum tax. See “TAX MATTERS” herein. The District has designated the Series 2019 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. See “MISCELLANEOUS—Financial Institution Interest Deduction.”*

\$ \_\_\_\_\_\*

**FORT COLLINS URBAN RENEWAL AUTHORITY  
CITY OF FORT COLLINS, COLORADO  
TAX INCREMENT REVENUE REFUNDING BONDS  
(PROSPECT SOUTH)  
SERIES 2019**

Dated: Date of Delivery

Due: December 1, 20\_\_\*, as shown below

The Fort Collins Urban Renewal Authority (the “**Authority**” or “**Issuer**”) is issuing its Tax Increment Revenue Refunding Bonds (Prospect South), Series 2019 (the “**Series 2019 Bonds**”) pursuant to an Indenture of Trust dated as of \_\_\_\_\_ 1, 20\_\_ (the “**Indenture**”), between the Authority and U.S. Bank National Association, Denver, Colorado, as trustee. The Trustee will also act as Registrar and Paying Agent for the Series 2019 Bonds. The Series 2019 Bonds will be issued in book-entry-only form, and purchasers of the Series 2019 Bonds will not receive certificates evidencing their ownership interests in the Series 2019 Bonds. *Capitalized terms used on the cover page of this Official Statement are defined herein.*

The Series 2019 Bonds are special limited obligations, secured and payable solely from and to the extent of the Pledged Revenues, generally consisting of (a) the Pledged Property Tax Revenues, and (b) all income derived from the investment and reinvestment of the Funds established by the Indenture, except the Rebate Fund. The Series 2019 Bonds are also secured by the Reserve Fund, which will initially be funded with proceeds of the Series 2019 Bonds in the amount of \$\_\_\_\_\_.\*

The City of Fort Collins (the “**City**”) has covenanted annually to consider in its sole discretion appropriating legally available revenues in an amount sufficient to replenish the Reserve Fund or repay draws made under a reserve fund insurance policy to the extent Pledged Revenues are not available; however, it is not legally obligated to replenish the Reserve Fund or repay such draws. See “THE SERIES 2019 BONDS—Security for the Series 2019 Bonds—City’s Appropriation Covenant.”

The Series 2019 Bonds are being issued initially in denominations of \$5,000 or integral multiples thereof, as fully registered bonds. Interest on the Series 2019 Bonds is payable semiannually on June 1 and December 1 each year, commencing June 1, 2020, at the rates set forth below. The Series 2019 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their respective maturity dates as described herein.

**Maturity Schedule  
(CUSIP 6-digit number: 347141.†)**

Maturity (December 1)	Principal Amount	Interest Rate	Yield	CUSIP Number	Maturity (December 1)	Principal Amount	Interest Rate	Yield	CUSIP Number
2020	\$				2029	\$			
2021					2030				
2022					2031				
2023					2032				
2024					2033				
2025					2034				
2026					2035				
2027					2036				
2028					2037				

Proceeds from the sale of the Series 2019 Bonds will be used to (a) finance a portion of the Project, (b) fund an initial deposit to the Reserve Fund, and (c) pay the costs of issuing the Series 2019 Bonds.

**The Series 2019 Bonds do not constitute a general obligation of the City or the Authority. Owners of the Series 2019 Bonds may not look to any other funds or accounts other than those specifically pledged by the Authority to the payment of the Series 2019 Bonds. The Authority does not have the power to impose property or any other taxes for the payment of debt service on the Series 2019 Bonds, nor may the Authority or the City compel any other taxing jurisdiction to levy a tax.**

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SERIES 2019 BONDS. POTENTIAL INVESTORS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION AND SHOULD GIVE PARTICULAR ATTENTION TO THE SECTION ENTITLED “CERTAIN RISK FACTORS.”**

Ehlers, Inc. has acted as financial advisor to the Authority in connection with the issuance of the Series 2019 Bonds.

The Series 2019 Bonds are offered when, as, and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Greenberg Traurig, LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Certain matters will be passed upon by Brownstein Hyatt Farber Schreck, LLP, Denver, Colorado, as General Counsel to the Authority. The Series 2019 Bonds are expected to be available for delivery through the facilities of DTC on or about December \_\_, 2019.

This Official Statement is dated \_\_\_\_\_, 2019.

\* Preliminary; subject to change.

† Copyright 2019, CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP numbers are provided for convenience of reference only. None of the Issuer, the Trustee, or the Underwriter assumes any responsibility for the accuracy of such numbers.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The definitive Official Statement with respect to these securities will be made available concurrent with their sale.

## USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the appendices, does not constitute an offer to sell the Series 2019 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesperson or other person has been authorized by the Authority to give any information or to make any representations other than those contained herein, and if given or made, such information must not be relied upon as having been authorized by the Authority or the Underwriter.

The information contained in this Official Statement has been obtained from the Authority and from other sources believed to be reliable, but is not guaranteed as to accuracy or completeness.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit, or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2019 Bonds is made only by means of this entire Official Statement.

This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2019 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement. This Official Statement has been prepared only in connection with the original offering of the Series 2019 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Series 2019 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the Authority, the Series 2019 Bonds, and the terms of the offering, including the merits and risks involved. Neither the Securities and Exchange Commission nor any state securities regulatory authority has approved or disapproved of the Series 2019 Bonds or passed upon the adequacy or accuracy of this Official Statement.

THE PRICES AT WHICH THE SERIES 2019 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE SERIES 2019 BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is being provided to prospective purchasers in electronic form only.

## FORWARD-LOOKING STATEMENTS

This Official Statement, including, but not limited to, the information contained under the headings entitled "INTRODUCTION," "CERTAIN RISK FACTORS," and "REVENUES Available For Debt Service," contains statements relating to future results that may be considered "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," "assume" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statement. Inevitably, some assumptions used to develop the forward-looking statement will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between forward-looking statements and actual results, and those differences may be material.

# **FORT COLLINS URBAN RENEWAL AUTHORITY**

## **Board of Directors**

Wade Troxell, Chair  
Kristin Stephens  
Ken Summers  
Ross Cunniff  
Susan Gutowsky  
Julie Pinataro  
Emily Gorgol  
Steve Johnson  
Christopher Febvre  
Andy Smith  
Joe Wise

## **Authority Administration**

Darin Atteberry, Executive Director  
Josh Birks, Economic Health and Redevelopment Director

## **General Counsel to the Authority**

Brownstein Hyatt Farber Schreck, LLP  
Denver, Colorado

## **Bond Counsel**

Greenberg Traurig, LLP  
Denver, Colorado

## **Trustee and Paying Agent**

U.S. Bank National Association  
Denver, Colorado

## **Financial Advisor**

Ehlers, Inc.  
Denver, Colorado

## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>	<b>AD VALOREM PROPERTY TAXES.....</b>	<b>36</b>
THE CITY .....	1	AD VALOREM PROPERTY TAX DATA .....	41
THE AUTHORITY AND THE PLAN AREA.....	1	ESTIMATED OVERLAPPING GENERAL	
THE SERIES 2019 BONDS .....	2	OBLIGATION DEBT .....	44
TAX STATUS .....	4	URBAN RENEWAL AUTHORITY FUND – HISTORY	
CONTINUING DISCLOSURE .....	5	OF REVENUES, EXPENDITURES, AND CHANGES IN	
INVESTMENT CONSIDERATIONS AND RISKS .....	5	FUND BALANCE .....	45
OFFERING AND DELIVERY INFORMATION .....	5	TABOR REVENUE AND SPENDING LIMITATIONS .....	46
ADDITIONAL INFORMATION .....	6	<b>LEGAL MATTERS.....</b>	<b>48</b>
MISCELLANEOUS .....	6	APPROVAL OF CERTAIN LEGAL PROCEEDINGS.....	48
<b>CERTAIN RISK FACTORS.....</b>	<b>7</b>	NO PENDING AND THREATENED LITIGATION	
LIMITED SECURITY FOR THE SERIES 2019 BONDS .....	7	INVOLVING THE AUTHORITY .....	48
LIMITATIONS ON PRIORITY OF PLEDGE OF TRUST		SOVEREIGN IMMUNITY .....	49
ESTATE .....	7	<b>TAX MATTERS .....</b>	<b>50</b>
AUTHORITY TO ISSUE ADDITIONAL BONDS ON		GENERAL .....	50
PARITY WITH THE LIEN OF THE SERIES 2019		CHANGES IN FEDERAL AND STATE TAX LAW .....	51
BONDS .....	8	INFORMATION REPORTING AND BACKUP	
ECONOMIC FACTORS MAY AFFECT THE PLEDGED		WITHHOLDING .....	51
REVENUES .....	8	<b>MISCELLANEOUS .....</b>	<b>53</b>
RISKS RELATED TO PROPERTY TAX REVENUE.....	8	RATING .....	53
RISKS RELATED TO REPLENISHMENT		REGISTRATION OF BONDS .....	53
RESOLUTION .....	10	CONTINUING DISCLOSURE .....	53
LIMITATIONS ON REMEDIES AVAILABLE TO		INTEREST OF CERTAIN PERSONS NAMED IN THIS	
OWNERS OF THE SERIES 2019 BONDS.....	11	OFFICIAL STATEMENT.....	54
FUTURE CHANGES IN LAW.....	11	INDEPENDENT AUDITORS .....	54
RISK OF INTERNAL REVENUE SERVICE AUDIT .....	11	MUNICIPAL ADVISOR .....	54
<b>USE OF PROCEEDS AND DEBT SERVICE</b>		ADDITIONAL INFORMATION .....	54
<b>REQUIREMENTS.....</b>	<b>13</b>	OFFICIAL STATEMENT CERTIFICATION .....	55
USE OF PROCEEDS .....	13	<b>APPENDIX A - SELECTED DEFINITIONS .....</b>	<b>A-1</b>
DEBT SERVICE REQUIREMENTS .....	14	<b>APPENDIX B - FORM OF REPLENISHMENT</b>	
<b>THE SERIES 2019 BONDS.....</b>	<b>15</b>	<b>RESOLUTION .....</b>	<b>B-1</b>
DESCRIPTION .....	15	<b>APPENDIX C - THE CITY OF FORT</b>	
AUTHORIZED DENOMINATIONS .....	15	<b>COLLINS.....</b>	<b>C-1</b>
PAYMENT PROVISIONS.....	15	<b>APPENDIX D - CITY FINANCIAL</b>	
REDEMPTION .....	16	<b>INFORMATION AND DEBT STRUCTURE ....</b>	<b>D-1</b>
SECURITY FOR THE SERIES 2019 BONDS.....	17	<b>APPENDIX E - BASIC FINANCIAL</b>	
FUNDS AND ACCOUNTS .....	19	<b>INFORMATION OF THE CITY FOR THE</b>	
CITY’S APPROPRIATION COVENANT .....	23	<b>YEAR ENDED DECEMBER 31, 2018.....</b>	<b>E-1</b>
ADDITIONAL OBLIGATIONS .....	24	<b>APPENDIX F - ECONOMIC AND</b>	
EVENTS OF DEFAULT AND REMEDIES .....	25	<b>DEMOGRAPHIC INFORMATION .....</b>	<b>F-1</b>
CERTAIN INDENTURE PROVISIONS .....	29	<b>APPENDIX G - BOOK-ENTRY-ONLY</b>	
<b>THE AUTHORITY AND THE PLAN AREA .....</b>	<b>32</b>	<b>SYSTEM .....</b>	<b>G-1</b>
ORGANIZATION AND DESCRIPTION .....	32	<b>APPENDIX H - FORM OF BOND COUNSEL</b>	
<b>REVENUES AVAILABLE FOR DEBT</b>		<b>OPINION .....</b>	<b>H-1</b>
<b>SERVICE.....</b>	<b>36</b>	<b>APPENDIX I - FORM OF CONTINUING</b>	
AUTHORITY TO RAISE REVENUE.....	36	<b>DISCLOSURE CERTIFICATE .....</b>	<b>I-1</b>

## INDEX OF TABLES

TABLE 1 Estimated Sources and Uses of Proceeds.....	13
TABLE 2 Series 2019 Bonds Annual Debt Service Requirements.....	14
TABLE 3 Outstanding Plan Area Obligations.....	35
TABLE 4 State Property Appraisal System.....	37
TABLE 5 History of Assessed Valuations in the Plan Area .....	41
TABLE 6 Valuation of Property within the Plan Area by Classification– 2018.....	42
TABLE 7 Assessed Valuation of Classes of Property in the Plan Area - 2019.....	42
TABLE 8 Largest Taxpayers in the Plan Area – 2019 Assessed Valuation.....	43
TABLE 9 Sample Mill Levies Affecting Property Owners within the Plan Area.....	44
TABLE 10 Estimated Overlapping General Obligation Debt .....	45
TABLE 11 Urban Renewal Authority Fund.....	46

## INTRODUCTION

This Official Statement is furnished in connection with the issuance by the Fort Collins Urban Renewal Authority (the “**Authority**” or “**Issuer**”), of its \$\_\_\_\_\_ \* Tax Increment Revenue Refunding Bonds (Prospect South), Series 2019 (the “**Series 2019 Bonds**”), pursuant to an Indenture of Trust (the “**Indenture**”) dated as of \_\_\_\_\_ 1, 20\_\_, by and between the Authority and U.S. Bank, National Association., as trustee (the “**Trustee**”). The offering of the Series 2019 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Series 2019 Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information set forth in this Official Statement has been obtained from the Authority, and other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Official Statement, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See “FORWARD-LOOKING STATEMENTS” following the cover page. Any capitalized terms not defined herein have the respective meanings set forth in APPENDIX A hereto, unless the context clearly indicates a contrary meaning.

*The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.*

### **The City**

The City of Fort Collins, Colorado (the “**City**”) has a current population of approximately 171,000 and is located in Larimer County (the “**County**”) approximately 65 miles north of Denver. The City was incorporated as a statutory town in 1873 and became a home-rule city in 1913 following adoption of a home rule charter (the “**Charter**”). Historically, the City was a trading center for the surrounding agricultural area, but more recently the City has attracted a significant number of light industry and high technology businesses. See APPENDICES C, D, and E.

### **The Authority and the Plan Area**

**Organization and Purpose.** The Authority is an urban renewal authority created pursuant to the Urban Renewal Law of the State of Colorado, §31-25-101 *et seq.*, Colorado Revised Statutes, as amended (the “**Urban Renewal Law**” or the “**Act**”). The resolution establishing the Authority was adopted by the Council in 1982, upon the finding and determination of the Council that there were blight conditions within the City and that the acquisition, clearance, rehabilitation, conservation, and development or redevelopment of the designated blighted area was in the interest of public health, safety, morals, or welfare of City residents.

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\* Preliminary; subject to change.

***The Plan and the Plan Area.*** The Prospect South Tax Increment Financing District of the Midtown Urban Renewal Area (the “**Plan Area**”) is located near the center of the City and approximately one (1) mile south of the main campus of Colorado State University. In 2011, the Fort Collins City Council (the “**Council**” or “**City Council**”) determined that the area comprising the Plan Area was a blighted area in accordance with statutory criteria. The Plan Area was designated and approved pursuant to an urban renewal plan entitled the “Midtown Urban Renewal Plan,” originally adopted by the City Council on September 6, 2011 (as amended and modified pursuant to the City Council’s Resolution No. 2013-043, and as it may be amended, modified, or supplement further in accordance with the Act, the “**Plan**” or the “**Urban Renewal Plan**”). The Plan described a series of activities designed to eliminate and prevent blight by stimulating development or vacant land and encouraging the improvement of existing properties in the Plan Area. See “THE AUTHORITY AND THE PLAN AREA.”

The Plan authorizes the use of property tax increment financing for a period of 25 years following adoption of the Plan (i.e., through September 6, 2036).

The Plan Area encompasses approximately 57 acres, including approximately 31 acres of commercial property, 10.4 acres of residential property, 3.9 acres of exempt property, 6.7 acres of non-taxable governmental property and 4.2 acres of industrial property. There are approximately 1.2 acres in the Plan Area that are not developed. Owners of property within the Plan Area continue to explore additional development and redevelopment activities opportunities; provided, however, the Authority is not directly involved in any such activities.

## **The Series 2019 Bonds**

***General.*** The Series 2019 Bonds will be issued in the aggregate principal amount, will be dated and will mature as indicated on the cover of this Official Statement. For a complete description of the details of the Series 2019 Bonds, reference is made to the Indenture, copies of which are available from the Authority prior to delivery of the Series 2019 Bonds. See “INTRODUCTION–Additional Information.”

The Series 2019 Bonds are issued solely as fully registered certificates in denominations of \$5,000, or any integral multiple thereof. See “THE SERIES 2019 BONDS–Book-Entry Only System.” The Series 2019 Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Series 2019 Bonds. Purchases of the Series 2019 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Series 2019 Bonds. See “THE SERIES 2019 BONDS–Book-Entry Only System.”

***The Series 2019 Bonds are authorized, issued, and secured by and in accordance with the Bond Resolution and the Indenture. No covenant, agreement, or other provision other than the Bond Resolution or the Indenture secures or is otherwise made by the Authority or the Trustee for the benefit of Owners of the Series 2019 Bonds.***

***Purpose.*** Proceeds from the sale of the Series 2019 Bonds will be used to: (a) finance the Refunding Project, (b) fund an initial deposit to the Reserve Fund, and (c) pay the costs of

issuing the Series 2019 Bonds. The Authority will use a portion of the proceeds to pay and cancel the Refunded Notes concurrently with the closing of the Series 2019 Bonds. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS–Use of Proceeds.”

***Authority for Issuance.*** The Series 2019 Bonds are issued in full conformity with the Constitution and laws of the State, particularly the Urban Renewal Law, the Supplemental Public Securities Act (Title 11, Article 57, Part 2, C.R.S.), Title 11, Article 56, C.R.S., and pursuant to the Indenture and a resolution adopted by the Board of Commissioners of the Authority (the “**Board**”) on \_\_\_\_\_, 2019 (the “**Resolution**”).

***Security and Sources of Payment for the Series 2019 Bonds.*** The Series 2019 Bonds constitute special limited obligations of the Authority payable solely from and to the extent of the Pledged Revenues described in “THE SERIES 2019 BONDS–Security for the Series 2019 Bonds,” which may or may not be sufficient to pay the principal of and interest on the Series 2019 Bonds. The Series 2019 Bonds constitute an irrevocable lien upon the Pledged Revenues, but not necessarily an exclusive lien on the Pledged Revenues as Additional Bonds may hereafter be issued with a parity or subordinate lien on the Pledged Revenues. The Series 2019 Bonds are additionally secured by the Reserve Fund, as more particularly described herein. See “THE SERIES 2019 BONDS–Funds and Accounts.”

“**Pledged Revenue**” is defined in the Indenture as (a) the Pledged Property Tax Revenues, and (b) all income derived from the investment and reinvestment of the Funds established by the Indenture, except the Rebate Fund. **The Series 2019 Bonds do not constitute a debt or indebtedness, and are not considered or held to be a general obligation of the Authority, the City, the State, or any political subdivision thereof.**

“**Pledged Property Tax Revenues**” is defined in the Indenture as, for each Fiscal Year, that portion of ad valorem property taxes produced by the levy at the rates fixed each year by and for each governing body of the various taxing jurisdictions within or overlapping the Plan Area, as such boundaries exist on the date hereof, upon that portion of the valuation for assessment of all taxable property within the Plan Area, as such boundaries exist on the date hereof, which is in excess of the Property Tax Base Amount; provided, however, that such Revenues shall be reduced by any lawful collection fee charged by the County; and provided further that Pledged Property Tax Revenues shall not extend to any property taxes that are placed in the Property Tax Reserve Fund for refunds of overpayments by taxpayers pursuant to Section 31-25-107(9)(b) of the Act.

***Authorized Denominations.*** The Series 2019 Bonds are issued solely as fully registered certificates in the denomination of \$5,000, and integral multiples thereof.

***Interest Rates; Payment Provisions.*** The Series 2019 Bonds mature and bear interest as set forth on the cover page hereof (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Series 2019 Bonds (calculated based on a 360-day year consisting of twelve 30-day months) is payable semiannually on June 1 and December 1 (each an “**Interest Payment Date**”), commencing June 1, 2020. To the extent principal of any Series 2019 Bond is not paid when due, such principal shall remain Outstanding and shall continue to bear interest at the rate then borne by the Series 2019 Bond. Further information



regarding the payment of principal and interest on the Series 2019 Bonds is described in “THE SERIES 2019 BONDS—Payment Provisions” and “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM.”

**Prior Redemption.** Certain of the Series 2019 Bonds are subject to redemption prior to maturity at the option of the Authority as described in “THE SERIES 2019 BONDS—Prior Redemption.”

**Book-Entry-Only System.** The Series 2019 Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Series 2019 Bonds may be acquired in Authorized Denominations through participants in the DTC system (the “Participants”). Such beneficial ownership interest will be recorded in the records of the Participants. Persons for which Participants acquire interests in the Series 2019 Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Series 2019 Bonds. So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, payments of principal, premium, if any, and interest on the Series 2019 Bonds, and notices and other communications made by or on behalf of the Authority pursuant to the Indenture, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participant to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2019 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

*None of the Authority, the Trustee or the Underwriter has any responsibility or obligation to any Beneficial Owner with respect to (a) the accuracy of any records maintained by DTC or any Participant, (b) the distribution by DTC or any Participant of any notice that is permitted or required to be given to the Owners of the Series 2019 Bonds under the Indenture, (c) the payment by DTC or any Participant of any amount received under the Indenture with respect to the Series 2019 Bonds, (d) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2019 Bonds, or (e) any other related matter.*

## **Tax Status**

In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain certifications and continuing compliance with certain covenants, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2019 Bonds is not a tax preference item for purposes of the alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that, for any period during which interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, that

interest on the Series 2019 Bonds is excludable from taxable income for purposes of the State of Colorado income tax and State of Colorado alternative minimum tax. See “TAX MATTERS.”

The District has designated the Series 2019 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. See “MISCELLANEOUS–Financial Institution Interest Deduction.”

### **Continuing Disclosure**

The Authority will execute a continuing disclosure certificate at the time of the closing for the Series 2019 Bonds (the “**Disclosure Certificate**”). The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Series 2019 Bonds (the “**Beneficial Owners**”) and the Authority will covenant in the Replenishment Resolution (defined herein) to comply with its terms. The Disclosure Certificate will provide that so long as the Series 2019 Bonds remain outstanding, the Authority will annually provide certain financial information and operating data and notice of certain material events to the Municipal Securities Rulemaking Board (“**MSRB**”) through the Electronic Municipal Market Access system (“**EMMA**”), in compliance with the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX I. See also “MISCELLANEOUS–Continuing Disclosure.”

### **Investment Considerations and Risks**

Prospective purchasers are urged to read this Official Statement in its entirety, giving particular attention to the matters discussed under “CERTAIN RISK FACTORS.”

### **Offering and Delivery Information**

Each purchaser of the Series 2019 Bonds agrees and consents to all of the limitations in respect of the payment of the principal of and interest on the Series 2019 Bonds contained in the Indenture, in the Resolution, and in the Replenishment Resolution.

The Series 2019 Bonds are offered when, as, and if issued by the Authority and accepted by the Underwriter, subject to prior sale, the approving legal opinion of Bond Counsel (the form of which is attached hereto as APPENDIX H), and certain other matters. It is expected that the Series 2019 Bonds will be available for delivery through the facilities of DTC on or about December \_\_, 2019.

### **Additional Information**

ALL OF THE SUMMARIES OF THE STATUTES, RESOLUTIONS, INDENTURES, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from:

Fort Collins Urban Renewal Authority  
c/o City of Fort Collins  
222 Laporte Avenue  
Fort Collins, CO 80521  
Attn: Director of Economic Health & Redevelopment  
Telephone: (970) 416-4349

### **Miscellaneous**

This Official Statement is not to be construed as a contract or agreement between the Authority or the Underwriter and the Owners or Beneficial Owners of any of the Series 2019 Bonds.

The foregoing information is qualified in its entirety by reference to the detailed information contained in this Official Statement. Each prospective investor should read this Official Statement in its entirety.

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## **CERTAIN RISK FACTORS**

THE SERIES 2019 BONDS ARE NOT APPROPRIATE FOR ALL INVESTORS. INVESTMENT IN THE SERIES 2019 BONDS INVOLVES SPECIAL RISK. PROSPECTIVE INVESTORS IN THE SERIES 2019 BONDS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT AND CAREFULLY CONSIDER ALL POSSIBLE FACTORS WHICH MAY AFFECT THEIR INVESTMENT DECISION. THE FACTORS SET FORTH BELOW, AMONG OTHERS, MAY AFFECT THE SECURITY FOR THE SERIES 2019 BONDS. THE INFORMATION BELOW DOES NOT PURPORT TO BE A COMPREHENSIVE OR EXHAUSTIVE DISCUSSION OF ALL RISKS OR OTHER CONSIDERATIONS THAT MAY BE RELEVANT TO AN INVESTMENT IN THE SERIES 2019 BONDS. IN ADDITION, THE ORDER IN WHICH THE FOLLOWING INFORMATION IS PRESENTED IS NOT INTENDED TO REFLECT THE RELATIVE IMPORTANCE OF ANY SUCH CONSIDERATIONS. ADDITIONAL RISK FACTORS RELATING TO THE PURCHASE AND OWNERSHIP OF THE SERIES 2019 BONDS ARE DESCRIBED THROUGHOUT THIS OFFICIAL STATEMENT, WHETHER OR NOT SPECIFICALLY DESIGNATED AS RISK FACTORS. FURTHERMORE, ADDITIONAL RISK FACTORS NOT PRESENTLY KNOWN, OR CURRENTLY BELIEVED TO BE IMMATERIAL, MAY ALSO MATERIALLY AND ADVERSELY AFFECT, AMONG OTHER THINGS, THE SOURCES OF PAYMENT OF AND SECURITY FOR THE SERIES 2019 BONDS. THERE CAN BE NO ASSURANCE THAT OTHER RISKS OR CONSIDERATIONS NOT DISCUSSED HEREIN ARE OR WILL NOT BECOME MATERIAL IN THE FUTURE.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT WITH ITS OWN LEGAL, TAX, AND FINANCIAL ADVISORS TO DETERMINE WHETHER AN INVESTMENT IN THE SERIES 2019 BONDS IS APPROPRIATE IN LIGHT OF ITS INDIVIDUAL LEGAL, TAX AND FINANCIAL SITUATION.

### **Limited Security for the Series 2019 Bonds**

The Series 2019 Bonds are special limited obligations of the Authority payable solely from the Trust Estate established pursuant to the Indenture. See “THE SERIES 2019 BONDS—Security for the Series 2019 Bonds.” The Series 2019 Bonds are not secured by an encumbrance or mortgage on any property located within the Plan Area. No property owner in the Plan Area is obligated to pay debt service on the Series 2019 Bonds. Therefore, the security for the punctual payment of the Series 2019 Bonds is dependent upon the generation of Pledged Revenues (and, if necessary, the use of funds in the Reserve Fund) in an amount sufficient to meet the debt service requirements on the Series 2019 Bonds. The Authority does not have the power to impose property or any other taxes for the payment of debt service on the Series 2019 Bonds, nor may the Authority or the City compel any other taxing jurisdiction to levy a tax.

### **Limitations on Priority of Pledge of Trust Estate**

The Series 2019 Bonds are secured by a lien upon the Trust Estate, including the Pledged Revenues. Such pledge is intended to be prior to any other security interest in, lien on or pledge of the Pledged Revenues except as the such Pledged Revenues may be encumbered by the following: (a) statutory liens, (b) rights arising in favor of the United States of America or any

agency thereof, (c) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction, (d) federal bankruptcy laws and (e) rights of third parties in any revenue, including revenue converted to cash, not in the possession of the Trustee.

### **Authority to Issue Additional Bonds on Parity with the Lien of the Series 2019 Bonds**

The Indenture permits the Authority to issue, subject to certain conditions set forth in the Indenture, Additional Bonds secured on a parity with the Series 2019 Bonds, by security interests in the Pledged Revenues. Such Additional Bonds, if issued, could dilute the value of the security for the Series 2019 Bonds. See “SECURITY FOR THE SERIES 2019 BONDS–Additional Bonds.”

### **Economic Factors May Affect the Pledged Revenues**

Certain circumstances or developments, many of which will be beyond the control of the City or the Authority, may have an effect on the generation of Pledged Revenues. Such circumstances or developments may include, among others, general and local economic conditions which have been under pressure due to many factors, including the tightening of credit standards and reduction of access to capital, changes in the rate of levy of property taxes, a decline in property valuations, the rate of employment or economic growth, and the ability or inability of property owners to pay property taxes as they become due.

### **Risks Related to Property Tax Revenue**

**Generally.** The Series 2019 Bonds are primarily secured by the Pledged Property Tax Revenues. Accordingly, payment of the principal of and interest on the Series 2019 Bonds is dependent upon the amount of the Pledged Property Tax Revenues and upon the increases or decreases in the total mill levy imposed by overlapping taxing entities. There is no assurance that the Pledged Property Tax Revenues will remain at a level sufficient to pay debt service on the Series 2019 Bonds, or that mill levies of overlapping taxing jurisdictions will not materially decrease. See “REVENUES AVAILABLE FOR DEBT SERVICE–Ad Valorem Property Tax Data.”

**Competition Risks.** The collection of Pledged Property Tax Revenues depends upon the level of commercial activity within the Plan Area. The current businesses located within the Plan Area compete with other developments in the area, including some which are in the immediate vicinity of the Plan Area. The impact of competing developments on sustained commercial activity within the Plan Area cannot be assessed at the present time because future demand cannot be predicted with accuracy and the success of any development is speculative and may change over time.

**Assessed Valuation Procedures and Factors.** The amount of Pledged Property Tax Revenues available in any given year is subject, in part, to the rate of increase or decrease in the assessed valuation of property within the Plan Area above or below the Property Tax Base Amount. The assessed value of taxing jurisdictions which are within or overlap the Plan Area could decrease or increase as a result of reassessment or other factors.

The assessed value of property in the Plan Area for ad valorem property tax purposes is determined according to the statutory procedures described under “REVENUES AVAILABLE FOR DEBT SERVICE–Ad Valorem Property Taxes.” Assessed valuations may be affected by a number of factors beyond the control of the City or the Authority. For example, property owners are allowed each year by State law to challenge the valuations of their property. Should the actions of property owners result in lower assessed valuations of property in the Plan Area, the security for the Series 2019 Bonds would be diminished. Further, property used for tax-exempt purposes is not currently subject to taxation. If any property becomes tax-exempt, the Property Tax Base Amount will be decreased accordingly. Regardless of the level at which property is assessed for tax purposes, the ability of each taxing entity to enforce and collect the property tax is dependent upon the property in the Plan Area having sufficient fair market value to support the taxes which are imposed. No assurance can be given as to the future market values of property in the Plan Area.

***Risk of Reduction in Mill Levies.*** The amount of Pledged Property Tax Revenues generated by the incremental assessed valuation is directly dependent upon the mill levies imposed by taxing jurisdictions which overlap the Plan Area. Information regarding the historic mill levies imposed in the Plan Area is set forth in “REVENUES AVAILABLE FOR DEBT SERVICE–Ad Valorem Property Tax Data.” There is no guarantee that the overlapping entities will continue to maintain their mill levies at the current or higher rates, and such mill levies may decrease.

In addition, each of the overlapping taxing jurisdictions is subject, with certain exceptions, to limitations as to the amount of revenues which it may generate from its property tax mill levy. These limitations are both statutory and constitutional. If assessed valuations increase significantly, mill levies may be required to be reduced accordingly in order for the overlapping taxing jurisdictions to stay within their statutory and constitutional revenue raising limits. No assurance can be given that any jurisdiction which overlaps the Plan Area will in fact impose any particular mill levy in any year or that mill levies currently imposed by overlapping taxing entities will not decrease in the future. See “REVENUES AVAILABLE FOR DEBT SERVICE–Ad Valorem Property Taxes” and “–TABOR Revenue and Spending Limitations.”

***Taxpayer Concentration.*** The collection of Pledged Property Tax Revenues may be subject to the ability or inability of property owners in the Plan Area to pay property taxes as they become due and the successful completion of buildings and development within the Plan Area as planned. A large percentage of the property in the Plan Area is commercial property. Businesses in the Plan Area may be particularly susceptible to cyclical factors such as economic conditions and competition. Should such factors cause the businesses within the Plan Area to close, the ability of the property owners to pay their property taxes may be compromised. See “REVENUES AVAILABLE FOR DEBT SERVICE–Ad Valorem Property Tax Data.”

***Ability or Willingness of Owners to Pay Property Taxes.*** Should a large percentage of the properties in the Plan Area cease operations or otherwise fail to pay their property taxes when due, Pledged Property Tax Revenues eventually may be insufficient to pay debt service on the Series 2019 Bonds when due. No representation can be made about the financial condition or stability of the owners or tenants of properties in the Plan Area or their ability to pay property taxes levied on their properties. There also can be no assurance that any additional development

or redevelopment will take place at a rate or level which would generate sufficient increases in assessed valuation and Pledged Property Tax Revenues to offset decreases in the Pledged Property Tax Revenues, if any, after a general reassessment. “REVENUES AVAILABLE FOR DEBT SERVICE–Pledged Property Tax Revenues.”

*Enforcement of Tax Collections by County.* The Pledged Property Tax Revenues are based upon property taxes levied by the taxing entities overlapping the Plan Area and are collected at the same time and in the same manner as taxes paid to the other taxing entities. Taxes levied must be paid in full; taxpayers may not choose to pay portions of their tax bills. The collection of Pledged Property Tax Revenues will be subject to the ability or inability of property owners in the Plan Area to pay property taxes as they become due. No representation can be made about the financial condition or stability of any of the property owners in the Plan Area or their ability to pay property taxes levied on their properties. The payment of property taxes does not constitute a personal obligation of each of the property owners within the Plan Area. Instead, the obligation to pay property taxes is tied to the properties taxed, and if timely payment is not made, the obligation constitutes a lien against the specific properties. To the extent payment of property taxes depends upon the financial stability of property owners in the Plan Area, no assurance can be given that timely payment will occur. The Authority has not undertaken any independent investigation of the financial condition of any property owners within the Plan Area.

To enforce the property tax liens, the County Treasurer is obligated to foreclose on and cause the sale of tax liens upon the property that is subject to the delinquent taxes or fees, as provided by law. However, foreclosure is a time-consuming remedy which may extend more than one year. In addition, proceeds realized from a foreclosure sale, if any, may or may not be sufficient to cover the delinquent taxes or fees and there is no assurance that such tax liens will sell at such a sale. Owners of the Series 2019 Bonds cannot foreclose on property within the Plan Area or sell such property in order to pay the principal of or interest on their Bonds.

In addition, the sales of tax liens applicable to property in the Plan Area to enforce such liens could be delayed by bankruptcy laws and other laws affecting creditor’s rights generally. During the pendency of any bankruptcy of any property owner in the Plan Area, the parcels in the Plan Area owned by such property owner could be sold only if the bankruptcy court approves the sale. There is no assurance that property taxes would be paid during the pendency of any bankruptcy; nor is it possible to predict the timeliness of such payment. If the property taxes are not paid over a period of years, the Authority’s ability to pay principal and interest on the Series 2019 Bonds could be affected.

### **Risks Related to Replenishment Resolution**

Under the terms of the Replenishment Resolution, the obligation of the City to restore the Reserve Fund to the Reserve Fund Requirement is subject to annual appropriation by the City Council and does not constitute a mandatory obligation of the City in any fiscal year. Such obligation does not constitute the creation of indebtedness or authorize borrowing of money by the City within the meaning of any constitutional, home-rule charter, or statutory limitation or provision. The Replenishment Resolution does not directly or indirectly obligate the City to make any payments into the Reserve Fund beyond those appropriated for any fiscal year, and the

decision as to whether to appropriate such amounts is in the sole discretion of the City Council of the City. No particular funds or sources of revenue are pledged by the City pursuant to the Replenishment Resolution and the City may choose in its sole discretion not to appropriate funds to repay such draws or replenish the Reserve Fund. The City is not obligated to provide funds to repay such draws or replenish the Reserve Fund in any year and its willingness to do so may be impacted by many factors including financial pressures caused by poor economy or any other factor that result in reduced General Fund revenues or increased costs of services.

### **Limitations on Remedies Available to Owners of the Series 2019 Bonds**

*No Acceleration; No Payment Default.* The Indenture provides that acceleration of the Series 2019 Bonds is not an available remedy for an Event of Default under the Indenture. *In addition, the Authority's failure to pay principal and interest on the Series 2019 Bonds when due does not constitute an Event of Default under the Indenture so long as the Authority is otherwise in compliance with the covenants and other provisions relating to the Pledged Revenues.* See "THE SERIES 2019 BONDS—Events of Default and Remedies" for a more detailed description of the events and occurrences that constitute an Event of Default under the Indenture.

### **Future Changes in Law**

Various State laws, constitutional provisions and federal laws and regulations (including, but not limited to the Urban Renewal Law) apply to the obligations created by the issuance of the Series 2019 Bonds, the Pledged Revenues, and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, regulations and provisions which would have a material adverse effect, directly or indirectly, on the affairs of the Authority or the Pledged Revenues.

### **Risk of Internal Revenue Service Audit**

The Internal Revenue Service (the "Service") regularly audits tax-exempt bonds issued by governmental units, such as the Authority, for the purpose of determining whether the Service agrees (a) with the determination of bond counsel that interest on the Series 2019 Bonds is tax-exempt for federal income tax purposes or (b) that the Authority is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Series 2019 Bonds. The commencement of an audit of the Series 2019 Bonds could adversely affect the market value and liquidity of the Series 2019 Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Series 2019 Bonds could be expected to adversely impact the secondary market, if any, for the Series 2019 Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the Series 2019 Bonds can be sold. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2019 Bonds in the event of a change in the tax-exempt status of the Series 2019 Bonds. Owners of the Series 2019 Bonds should note that, if the Service audits the Series 2019 Bonds, under current audit procedures the Service will treat the Authority as the taxpayer during the initial stage of the audit, and the owners of the Series 2019 Bonds will have limited rights to participate in such procedures. There can be no assurance that the Authority will have revenues available to contest an adverse determination by the Service.



No transaction participant, including none of the Authority, the Underwriter or Bond Counsel, is obligated to pay or reimburse the owner of any Bond for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Series 2019 Bonds.

There can be no assurance that an audit by the Service of the Series 2019 Bonds will not be commenced. However, the Authority has no reason to believe that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Series 2019 Bonds. See also "TAX MATTERS" herein.

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**USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS**

**Use of Proceeds**

*General.* Proceeds from the sale of the Series 2019 Bonds will be used to: (a) finance the Refunding Project, (b) fund an initial deposit to the Reserve Fund, and (c) pay the costs of issuing the Series 2019 Bonds. The Authority will use a portion of the proceeds to pay and cancel the Refunded Notes concurrently with the closing of the Series 2019 Bonds.

*Estimated Uses of Proceeds.* The estimated uses of the proceeds of the Series 2019 Bonds are as follows:

**TABLE 1**

**Estimated Sources and Uses of Proceeds**

SOURCES:

Principal Amount of the Series 2019 Bonds.....	\$
Net Original Issue Premium .....	_____
TOTAL.....	<u>\$</u>

USES:

Refunding Project .....	\$
Deposit to the Reserve Fund.....	_____
Costs of Issuance <sup>(1)</sup> .....	_____
TOTAL.....	<u>\$</u>

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(1) Includes legal fees and underwriter's discount.  
Source: The Underwriter

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## Debt Service Requirements

The following table sets forth the debt service requirements for the Series 2019 Bonds.

**TABLE 2**

### Series 2019 Bonds Annual Debt Service Requirements

Year	Principal	Interest	Estimated Annual Total <sup>(1)</sup>
2019	\$	\$	\$
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
TOTAL	\$	\$	\$

(1) Assumes no redemptions, other than mandatory sinking fund redemptions, prior to maturity.  
 Figures have been rounded and may differ from actual debt service payments.

Source: The Underwriter

## THE SERIES 2019 BONDS

### Description

**General.** The Series 2019 Bonds will be dated as of their date of delivery and will mature and bear interest as shown on the inside cover page of this Official Statement. The Series 2019 Bonds will be issued in fully registered form and initially will be registered in the name of “Cede & Co.,” as nominee for DTC. Purchases by beneficial owners of the Series 2019 Bonds (“**Beneficial Owners**”) are to be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof. Payments to Beneficial Owners are to be made as described below in “–Redemption–Book-Entry Only System” and APPENDIX G hereto.

For a complete description of the details of the Series 2019 Bonds, reference is made to the Indenture, copies of which are available from the Authority prior to delivery of the Series 2019 Bonds. See “INTRODUCTION–Additional Information.”

***The Series 2019 Bonds are authorized, issued, and secured by and in accordance with the Bond Resolution and the Indenture. No covenant, agreement, or other provision other than the Bond Resolution or the Indenture secures or is otherwise made by the Authority or the Trustee for the benefit of Owners of the Series 2019 Bonds.***

**Authorization.** The Series 2019 Bonds are issued in full conformity with the Constitution and laws of the State, particularly the Urban Renewal Law, the Supplemental Public Securities Act (Title 11, Article 57, Part 2, C.R.S.), Title 11, Article 56, C.R.S., and pursuant to the Indenture and a resolution adopted by the Board of Commissioners of the Authority (the “**Board**”) on \_\_\_\_\_, 2019 (the “**Resolution**”).

### Authorized Denominations

The Series 2019 Bonds are issued solely as fully registered certificates in the denomination of \$5,000, and integral multiples thereof.

### Payment Provisions

Interest on the Series 2019 Bonds (calculated based on a 360-day year consisting of twelve 30-day months) is payable semiannually on June 1 and December 1 (each an “**Interest Payment Date**”), commencing June 1, 2020. Interest shall be paid on each Interest Payment Date by check mailed by the Trustee on that date to the Person in whose name the Bond is registered at the close of business on the means the 15th day of the calendar month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date (the “**Record Date**”) on the registration records of the Authority kept by the Trustee (the “**Bond Register**”). Notwithstanding the foregoing, while the Series 2019 Bonds are held by a DTC (or any other Depository, as defined in APPENDIX A), interest on any Bond shall be paid by wire transfer in immediately available funds to the bank account number and address filed with the Trustee by such Owner or in accordance with the provisions of the Representation Letter (defined in APPENDIX A). If and to the extent, however, that payment of interest on any Bond is not made on any Interest Payment Date, interest shall cease to be payable to the Person who was the Owner of that Bond as of the applicable Record Date. When moneys become available for

payment of the interest, the Trustee shall establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment, and the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to such Owner at its address as it appears on the Bond Register no fewer than 10 days prior to the Special Record Date and thereafter the interest shall be payable to the Persons who are the Owners of the Series 2019 Bonds at the close of business on the Special Record Date. The principal of any Bond shall be payable when due to an Owner upon presentation and surrender of such Bond at the Principal Corporate Trust Office (defined in APPENDIX A) of the Trustee. The principal of and interest on the Series 2019 Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Trustee.

Notwithstanding the foregoing, payments of the principal of and interest on the Series 2019 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Series 2019 Bonds. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and the Indirect Participants, as more fully described herein. See "Redemption—*Book-Entry Only System*" below and in "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

## **Redemption**

***Optional Redemption.*** The Series 2019 Bonds maturing on and after December 1, 2027, shall be subject to redemption prior to their respective maturity dates at the option of the Authority, in whole or in part, in integral multiples of \$5,000, and if in part in such order of maturities as the Authority shall determine and by lot within a maturity, on December 1, 2027, and on any date thereafter, at a redemption price equal to the principal amount of the Series 2019 Bonds so redeemed plus accrued interest to the redemption date without a premium.

***Notice of Redemption.*** Notice of optional or mandatory redemption shall be given by the Trustee in the name of the Authority by sending a copy of such notice by first-class, postage prepaid mail, or in the event that the Series 2019 Bonds to be redeemed are registered in the name of the Depository, such notice may, in the alternative, be given by electronic means in accordance with the requirements of the Depository, not more than sixty (60) nor less than thirty (30) days prior to the redemption date to each Owner at his or her address as it last appears on the registration books kept by the Trustee, as registrar; but neither failure to give such notice nor any defect therein shall affect the redemption of any other Bond. Such notice shall identify the Series 2019 Bonds to be so redeemed (if less than all are to be redeemed) and the redemption date, and shall further state that on such redemption date there will become and be due and payable upon each Bond so to be redeemed, at the Trustee, the principal amount thereof, accrued interest to the redemption date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the Trustee, the Trustee will pay the Bond or Bonds so called for redemption.

Notwithstanding the provisions described in the previous paragraph, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee on or before the redemption date of funds sufficient to pay the redemption price of the Series 2019 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the Series 2019 Bonds called for redemption in the same manner as the original redemption notice was delivered.

On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is authorized and directed by the Indenture to apply such funds to the payment of the Series 2019 Bonds or portions thereof called, together with accrued interest thereon to the redemption date and any required premium. No further interest shall accrue on the principal of any such Bond called for redemption from and after the redemption date, provided sufficient funds are deposited with the Trustee and available on the redemption date.

***Book-Entry-Only System.*** The Trustee is required to send notice of redemption of the Series 2019 Bonds only to Cede & Co. (or subsequent nominee of DTC) as the Owner thereof. Receipt of such notice initiates DTC's standard call. In the event of a partial call, the Beneficial Ownership Interests to be redeemed will be determined in accordance with the rules and procedures of the DTC book-entry system as discussed in "APPENDIX G-BOOK-ENTRY-ONLY SYSTEM." Participants are responsible for notifying the Beneficial Owners of the redemption of their Beneficial Ownership Interests and for remitting the redemption price thereof to such Beneficial Owners. Any failure by DTC or Participants to notify a Beneficial Owner of any such notice of redemption and its content or effect will not affect the validity of the redemption of the Series 2019 Bonds properly called for redemption or any other action premised on that notice.

### **Security for the Series 2019 Bonds**

The Series 2019 Bonds are special limited obligations of the Authority equally secured by an irrevocable pledge of, and payable as to principal, premium, if any, and interest from, the portions of the Trust Estate provided in the Indenture, without priority for number, date of sale, date of execution or authentication or date of delivery, except as provided in the Indenture. Principal of, premium, if any, and interest on the Series 2019 Bonds will not constitute an indebtedness of the City, the State or any political subdivision thereof, and neither the City, the State nor any political subdivision thereof will be liable thereon, nor in any event will the principal of, premium, if any, or interest on the Series 2019 Bonds be payable out of any funds or properties other than the Trust Estate. Further, the Series 2019 Bonds will not constitute a debt or an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or provision applicable to the City. Neither the members, officials, staff, attorneys or consultants of the Authority or the City nor any Persons executing the Series 2019 Bonds will be liable personally on the Series 2019 Bonds or subject to any personal liability or accountability by reason of the issuance thereof.

Pursuant to the Indenture, the "**Trust Estate**" includes (a) the Pledged Revenues, (b) all moneys and securities from time to time held by the Trustee under the terms of the Indenture in the Trust Funds, and (c) all of the Authority's right, title, and interest under the Cooperation

Agreement, as it may be amended from time to time. The Series 2019 Bonds constitute an irrevocable and first lien upon the Trust Estate, but not necessarily an exclusive such lien.

**“Pledged Revenues”** is defined in the Indenture as (a) the Pledged Property Tax Revenues, and (b) all income derived from the investment and reinvestment of the Funds established by the Indenture, except the Rebate Fund. **The Series 2019 Bonds do not constitute a debt or indebtedness, and are not considered or held to be a general obligation of the Authority, the City, the State, or any political subdivision thereof.**

**“Pledged Property Tax Revenues”** is defined in the Indenture as, for each Fiscal Year, that portion of ad valorem property taxes produced by the levy at the rates fixed each year by and for each governing body of the various taxing jurisdictions within or overlapping the Plan Area, as such boundaries exist on the date hereof, upon that portion of the valuation for assessment of all taxable property within the Plan Area, as such boundaries exist on the date hereof, which is in excess of the Property Tax Base Amount; provided, however, that such Revenues shall be reduced by any lawful collection fee charged by the County; and provided further that Pledged Property Tax Revenues shall not extend to any property taxes that are placed in the Property Tax Reserve Fund for refunds of overpayments by taxpayers pursuant to Section 31-25-107(9)(b) of the Act.

The Property Tax Base Amount is the amount last certified by the County Assessor as the valuation for assessment of all taxable property within the Plan Area as such boundaries exist on the date hereof on or about the effective date of the Plan; and provided, however, that in the event of a general reassessment of taxable property in the Plan Area, the valuation for assessment of taxable property within the Plan Area shall be proportionately adjusted in accordance with such general reassessment in the manner required by the Act. The property tax base amount, as adjusted over time, currently is \$[11,436,065]. See “REVENUES AVAILABLE FOR DEBT SERVICE–Ad Valorem Property Tax Data.”

Pursuant to the Indenture and the Act, Pledged Property Tax Revenues do not include any taxes that are placed in a reserve fund to be returned to the County for refunds of overpayments by taxpayers. If the County refunds property taxes to any taxpayer, the Authority is required to refund its proportional share of the taxes refunded. As a general rule, the County Treasurer withholds such amounts before transmitting property tax increment revenues to the Authority. The Indenture creates the Property Tax Reserve Fund, to the extent there are not sufficient property taxes due to the Authority for the County Treasurer to offset the Authority’s pro-rata share of any refunds, the Authority is required to deposit amounts into the Property Tax Reserve Fund to provide for its share of the refund. The Authority reports that it has never had to repay amounts to the County Treasurer to cover its portion of taxpayer refunds.

The Series 2019 Bonds are not secured directly by any lien on property located within the Plan Area; rather they are secured by the components of the Pledged Revenues. See “CERTAIN RISK FACTORS–Limited Security for the Series 2019 Bonds” and “–Risks Related to Property Tax Revenue.”

The Series 2019 Bonds are also secured by amounts on deposit in the Reserve Fund, which is required to be maintained at all times in the amount of the Reserve Fund Requirement

and will be funded upon the issuance of the Series 2019 Bonds from the proceeds thereof in the amount of \$\_\_\_\_\_.<sup>\*</sup> See “THE SERIES 2019 BONDS–Funds and Accounts–*The Reserve Fund*” and “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS.”

## **Funds and Accounts**

***Creation of Funds and Accounts.*** Under the Indenture, there are created and established the following funds and accounts, which shall be established with and maintained by the Trustee in accordance with the provisions of the Indenture: (a) the Revenue Fund; (b) the Bond Fund; (c) the Reserve Fund; (d) the 2019 Costs of Issuance Fund, and (e) the Rebate Fund. All moneys required to be deposited with or paid to the Trustee under any provision of the Indenture are to be held by the Trustee in trust for the benefit of the Owners of the Bonds, and such moneys (other than moneys held in the Rebate Fund or in any defeasance escrow account) will, while so held, constitute part of the Trust Estate and be subject to the lien or security interest created by the Indenture.

***Application of Pledged Revenues; the Revenue Fund.*** The Indenture establishes the Fort Collins Urban Renewal Authority (Prospect South) Revenue Fund (the “**Revenue Fund**”) to be held by the Trustee. After all payments and deposits that are required to be made to the Property Tax Reserve Fund (defined in APPENDIX A), if any, have been made or provided for, on or prior to the last day of each month the Authority shall remit to the Trustee, for deposit in the Revenue Fund, all Pledged Property Tax Revenues received by the Authority, until such time as no further deposits are required as described below. Amounts deposited in the Revenue Fund shall be applied by the Trustee to the following purposes in the following order of priority in each Fiscal Year:

FIRST: All amounts deposited in the Revenue Fund during any Fiscal Year shall be transferred to the Interest Account until the total of the amounts on deposit in the Interest Account shall equal the portion of Debt Service Requirements for such Fiscal Year representing interest on the Series 2019 Bonds.

SECOND: All amounts deposited in the Revenue Fund during any Fiscal Year remaining after the transfer described in paragraph (1) above has been made or provided for shall be transferred to the Principal Account until the amount on deposit in the Principal Account shall equal the portion of Debt Service Requirements for such Fiscal Year representing principal of the Series 2019 Bonds scheduled to mature or that are subject to mandatory sinking fund redemption in such Fiscal Year.

THIRD: All amounts deposited in the Revenue Fund during any Fiscal Year remaining after the transfers described above have been made or provided for shall be transferred to the Reserve Fund, to the extent that the amount on deposit in the Reserve Fund is less than the then-applicable Reserve Fund Requirement, on a pari passu basis with any transfers required to be made to any separate reserve fund securing Additional Bonds.

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<sup>\*</sup> Preliminary; subject to change.



FOURTH: All amounts deposited in the Revenue Fund during any Fiscal Year remaining after the transfers described above have been made or provided for shall be transferred to the Rebate Fund to the extent required by the Indenture, on a pari passu basis with any transfers required to be made to any separate rebate fund created in connection with the issuance of any Additional Bonds.

After there is on deposit in the Revenue Fund sufficient money to make all of the payments and transfers from the Revenue Fund described above for the remainder of the then-current Fiscal Year, the Authority shall no longer be required to remit Pledged Property Tax Revenues to the Trustee and any excess amounts remaining on deposit with the Trustee in the Revenue Fund after all such required amounts are on deposit in such funds shall be transferred to the Authority for any lawful purpose of the Authority. The Authority shall also direct the Trustee in writing to apply any such excess amounts to the payment of Subordinate Debt. If during any Fiscal Year the Authority has deposited all required Pledged Property Tax Revenues to the Revenue Fund and is no longer making deposits to the Revenue Fund, and thereafter it is determined by the Trustee that further expenditures are required pursuant to the provisions described above, the Trustee shall notify the Authority in writing and the Authority shall resume transferring Pledged Property Tax Revenues and Pledged Sales Tax Revenues to the Trustee for deposit to the Revenue Fund.

***The Bond Fund.*** Amounts on deposit in the Interest Account are to be used solely to pay interest on the Bonds as and when the same becomes due. All amounts deposited in the Revenue Fund during any Fiscal Year are to be transferred first to the Interest Account until the total of the amounts on deposit in the Interest Account are equal to the portion of the Debt Service Requirements for such Fiscal Year representing interest on the Bonds. Amounts on deposit in the Principal Account are to be used solely for the payment of principal of, and premium, if any, on the Bonds as and when the same become due at maturity or prior redemption thereof pursuant to the terms of the Indenture. All amounts deposited in the Revenue Fund during any Fiscal Year remaining after the transfer to the Interest Account described above has been made or provided for shall be transferred to the Principal Account until the amount on deposit in the Principal Account shall equal the portion of Debt Service Requirements for such Fiscal Year representing principal of the Bonds scheduled to mature or that are subject to mandatory sinking fund redemption in such Fiscal Year, subject to the provisions of the Indenture.

***The Reserve Fund.*** The Series 2019 Bonds also are secured by a Reserve Fund created in the Indenture. The Reserve Fund is required to be maintained in an amount equal to the “**Reserve Fund Requirement**,” which is an amount equal to the least of: (a) 10% of the stated principal amount of the Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund; (b) the Maximum Annual Debt Service Requirements on the Outstanding Bonds and any Additional Bonds that are secured by the Reserve Fund; or (c) 125% of the Average Annual Debt Service Requirements on the Outstanding Bonds and any Additional Bonds that are secured by the Reserve Fund. Upon issuance of the Series 2019 Bonds, the Reserve Fund Requirement will be \$\_\_\_\_\_.\*

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\* Preliminary; subject to change.

In lieu of cash, the Indenture allows the Authority to substitute a letter of credit, surety bond, insurance policy, agreement guaranteeing payment or other undertaking by a financial institution to ensure that cash in the amount otherwise required to be maintained in the Reserve Fund will be available to the Authority as needed.

There is to be deposited in the Reserve Fund moneys in the amount of the Reserve Fund Requirement, and any amounts required by a resolution or indenture authorizing the issuance of Additional Bonds if such Additional Bonds are secured by the Reserve Fund. In the event that, on the Business Day immediately prior to any Interest Payment Date, the amount on deposit in the Principal Account is less than the principal of the Bonds secured by the Reserve Fund maturing or subject to mandatory sinking fund redemption on such Interest Payment Date or the amount on deposit in the Interest Account is less than the interest on the Bonds secured by the Reserve Fund coming due on such Interest Payment Date, an amount equal to such deficiency is to be transferred from the Reserve Fund to the Principal Account or Interest Account, as the case may be. Within 120 days of any such transfer from the Reserve Fund, the money so used is to be replaced to the Reserve Fund from moneys deposited in the Revenue Fund after the deposits to the Interest Account and Principal Account described above have been made, and, if necessary, from any moneys received from the City pursuant to the City's Replenishment Resolution. Amounts on deposit in the Reserve Fund may also be used to make the final debt service payments due on the Series 2019 Bonds and any Additional Bonds secured by the Reserve Fund or for the purpose of discharging the Indenture in accordance with the Indenture by paying or providing for the payment of such Bonds.

Within five (5) Business Days following a draw on the Reserve Fund, to the extent any deficiency is not replenished from another source, the Trustee is to notify the City in writing of such draw, stating the amount of the deficiency and requesting that the City make payment pursuant to and as provided in the City's Replenishment Resolution. Any such written notice is to include instructions for making the payment and is to be sent to the City Manager. Any payments received by the Trustee from the City pursuant to the City's Replenishment Resolution is to be deposited in the Reserve Fund to the extent necessary to restore the Reserve Fund to the Reserve Fund Requirement, any such excess is to be returned to the City. While the City Council has agreed in the City's Replenishment Resolution to consider appropriating money to replenish deficiencies in the Reserve Fund, the City Council may in its sole discretion determine whether to make such an appropriation, and is never required to do so. The City's Replenishment Resolution will not create or constitute a debt, liability or multiple fiscal year financial obligation of the City. Failure by the City Council to appropriate moneys to replenish the Reserve Fund pursuant to the City's Replenishment Resolution and the Cooperation Agreement will never constitute an Event of Default under the Indenture.

***The Rebate Fund.*** Upon written request of the Authority, there is to be deposited into the Rebate Fund amounts transferred from the Revenue Fund as required to comply with Section 148(f) of the Code and the Tax Compliance Certificate. In addition, notwithstanding any other provision of the Indenture, upon the written request of the Authority, any investment income or other gain on moneys in any of the Funds may be transferred to the Rebate Fund to enable the Authority to satisfy the requirements of Section 148(f) of the Code. Moneys in the Rebate Fund are to be paid to the United States in the amounts and at the times required by the Code. Any

excess moneys contained in the Rebate Fund is to, at the written direction of the Authority, be transferred to the Bond Fund.

***Investment of Funds.*** Any moneys held as part of any Trust Fund are to be invested and reinvested by the Trustee, at the written direction of the Authority, in Permitted Investments in accordance with the provisions of the Investment Instructions. All Investment Instructions are to comply with applicable law and with the provisions set forth in the Tax Compliance Certificate and the Indenture. Any such investments are to be held in the name of the Trustee, as Trustee under the Indenture. The Trustee is to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any Trust Fund is insufficient to make a required payment from such Trust Fund or upon the written direction of the Authority. The Trustee is to incur no liability for any such investments or reinvestments hereunder except in the case of its negligence or failure to comply with any provision of the Investment Instructions.

The Authority has covenanted and certified to the Trustee and to and for the benefit of the purchasers and Owners of the Outstanding Bonds that so long as any of the Bonds remain Outstanding, moneys on deposit in any Trust Fund or on deposit in any other fund or account created in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will be invested in accordance with the Investment Instructions, the Tax Compliance Certificate and the Indenture.

Obligations purchased as a result of an investment or reinvestment of moneys in any of the Trust Funds and the Rebate Fund are to be deemed at all times to be a part of such fund and the accounts therein, except as hereinafter provided. Any interest or other gain as a result of any investments or reinvestments of moneys in the Reserve Fund is to be retained in the Reserve Fund until the amount on deposit therein equals the Reserve Fund Requirement and thereafter any interest or other gain in excess of such amount is to be transferred to the Revenue Fund and applied as set forth in the Indenture to pay interest on and principal of the Series 2019 Bonds on the next Interest Payment Date, unless such amount must be rebated to the federal government, in which case such excess amount is to be transferred to the Rebate Fund. Any interest accruing on or any gain realized from the investment or reinvestment of the Revenue Fund, the Bond Fund, the 2019 Costs of Issuance Fund or Rebate Fund is to be credited or retained in such fund. Any loss resulting from any authorized investment or reinvestment of moneys in any of the Trusts Funds and the Rebate Fund is to be charged to such fund or account without liability to the Authority or the Trustee or to the commissioners, officers, staff, attorneys, consultants, agents and employees thereof. For the purpose of determining at any given time the balance in any fund or account, any such investment or reinvestment constituting a part of such fund or account is to be valued at the lower of cost or the then estimated or appraised market value of such investment or reinvestment.

The Trustee is to determine the balance on deposit in the Reserve Fund as of December 31 of each year and upon any principal payment of the Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund, whether at stated maturity or upon optional or mandatory redemption, and upon the defeasance of all or a portion of the Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund. The Trustee is also to immediately determine the balance on deposit in the Reserve Fund upon any withdrawal from the Reserve Fund.

The Trustee is to be entitled to assume that any investment, which at the time of purchase is a Permitted Investment, remains a Permitted Investment thereafter absent receipt of written notice or information to the contrary. Investments permitted under the Indenture may be purchased from the Trustee or from any of its affiliates. The Trustee is not liable for any loss resulting from any such investment, nor from failure to preserve rights against endorsers or other prior parties to instruments evidencing any such investment. The Trustee will have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of the Indenture.

### **City's Appropriation Covenant**

***Replenishment Resolution.*** Prior to the closing date for the Series 2019 Bonds, the City will adopt the Replenishment Resolution, in which it declares its present intent to appropriate funds to replenish the Reserve Fund to the Reserve Fund Requirement or repay draws made under the Reserve Fund Policy, if necessary. While the City Council has agreed in the City's Replenishment Resolution to consider appropriating money to repay such draws or replenish deficiencies in the Reserve Fund, the City Council may in its sole discretion determine whether to make such an appropriation, and is never required to do so. The City's Replenishment Resolution does not create or constitute a debt, liability or multiple fiscal year financial obligation of the City. Failure by the City Council to appropriate moneys to replenish the Reserve Fund pursuant to the City's Replenishment Resolution shall never constitute an Event of Default under the Indenture. See also "RISK FACTORS—Risks Related to Replenishment Resolution."

Within five Business Days following a draw on the Reserve Fund, to the extent any deficiency is not replenished from another source, the Trustee is required to notify the City in writing of such draw (a "**Written Notice of Deficiency**"), stating the amount of the deficiency and requesting that the City make payment as provided in the Replenishment Resolution. Within 90 days after the City's receipt of the Written Notice of Deficiency, the City is to replenish the Reserve Fund to the Reserve Fund Requirement from legally available funds of the City, subject to appropriation by the City Council in its sole discretion.

To the extent that the Reserve Fund is provided by a Reserve Fund Policy, in the event that the City receives written notice (a "**Written Notice of Draw**") from the Trustee that a draw has been made on the Reserve Fund Policy and such draw has not been repaid from another source, the City Council has directed the City Manager, upon receipt of such notice, to forthwith prepare and submit to the City Council a request for an appropriation in an amount sufficient to repay the provider of such Reserve Fund Policy for such draw, plus any interest due thereon.

Unless otherwise expressly provided in a subsequent resolution, the provisions of the Replenishment Resolution apply only to the Series 2019 Bonds and do not apply to reserve funds established in connection with the issuance of any Additional Bonds.

In the Replenishment Resolution, the City Council states its present intention and expectation to appropriate the City payment (a "**City Payment**") requested in any Written Notice of Draw or Written Notice of Deficiency received by the City, within the limits of available funds and revenues, but the declaration of intent shall not be binding upon the City Council or

any future City Council in any future fiscal year. The City Payments shall constitute currently appropriated expenditures of the City. Any payments received by the Trustee from the City pursuant to the City's Replenishment Resolution shall be deposited in the Reserve Fund to the extent necessary to restore the Reserve Fund to the Reserve Fund Requirement. The Replenishment Resolution specifically provides that it does not create a general obligation or other indebtedness or multiple fiscal year direct or indirect debt or other financial obligation of the City within the meaning of its Charter or any constitutional debt limitation, including Article X, Section 20 of the Colorado Constitution (See "REVENUES AVAILABLE FOR DEBT SERVICE-TABOR Revenue and Spending Limitations."). Neither the Replenishment Resolution nor the issuance of the Series 2019 Bonds obligates or compels the City to make City Payments beyond those appropriated in the City Council's sole discretion.

The Replenishment Resolution specifically states that any City Payments transferred to the Trustee will be treated as advances under the Cooperation Agreement and shall be repaid from legally available revenues of the Authority. The Authority's obligation to repay amounts advanced by the City is subordinate and junior to the lien of the Series 2019 Bonds.

### **Additional Obligations**

***No Superior Lien Bonds.*** Nothing in the Indenture permits the Authority to issue Additional Bonds, except as described below. Nothing in the Indenture shall affect or restrict the right of the Authority to issue or incur obligations which are not Additional Bonds under the Indenture; provided that notwithstanding the foregoing or anything herein to the contrary, the Authority shall not create, incur, assume, or suffer to exist any liens or encumbrances upon the Pledged Revenues or any part thereof superior to the lien thereon of the Series 2019 Bonds.

***Additional Parity Lien Bonds.*** The Indenture authorizes the issuance of Additional Bonds for the purpose of providing the Authority with funds for any lawful purpose of the Authority, so long as the following requirements are met: (a) no Default or Event of Default has occurred and is at the time continuing under the Indenture; (b) all amounts required to be on deposit in the funds and accounts established under the Indenture are on deposit therein, or will be on deposit therein upon the issuance of such Additional Bonds; and (c) the requirements described below (among others) have been satisfied.

Prior to the issuance of Additional Bonds, the Authority must deliver a certificate of the Authority Representative, addressed to the Trustee, establishing that the Pledged Revenues for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the date of the issuance of such Additional Bonds were at least 125% of the Maximum Annual Debt Service Requirements of the combination of the Series 2019 Bonds then Outstanding and the Additional Bonds.

Notwithstanding the foregoing, in the case of Additional Bonds issued for the purpose of refunding less than all of the Series 2019 Bonds then Outstanding, compliance with the coverage test described in the prior paragraph shall not be required so long as the Debt Service Requirements payable on all Bonds Outstanding after the issuance of such Additional Bonds in each Fiscal Year does not exceed the Debt Service Requirements payable on all Bonds outstanding prior to the issuance of such Additional Bonds in each Fiscal Year.

For purposes of the coverage test described above, when computing the Debt Service Requirements for any issue of securities bearing interest at a variable, adjustable, convertible or other similar rate that is not fixed for the entire term thereof, the rate of interest on such securities shall be assumed to be a rate equal to the average per annum rate of interest on such securities during the preceding twelve month period, plus 100 basis points. If such securities have not been outstanding during the preceding twelve month period, the assumed rate of interest on such securities shall be determined by reference to the preceding 12 month average of an index comparable to that utilized in connection with such securities, plus 100 basis points. It shall further be assumed that any such securities which may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated maturity dates or mandatory redemption dates and not on any tender option date. The Authority shall be permitted to treat any fixed rate payable on an interest rate exchange agreement or “swap” contract as the interest rate on any such issue of securities if the counterparty to such agreement or contract has unconditionally agreed to pay all interest due on such securities.

Except as otherwise described herein with respect to the Reserve Fund and Rebate Fund, each series of Additional Bonds issued pursuant to the Indenture shall be equally and ratably secured with the Series 2019 Bonds and all other series of Additional Bonds, if any, previously issued, without preference, priority or distinction of any such Bonds over any other thereof.

***Subordinate Bonds.*** Notwithstanding anything contained in the Indenture to the contrary, the Authority may, subject to applicable law, issue or incur Subordinate Debt from time to time as determined by the Authority without the consent of or notice to the Owners of the Bonds at the time Outstanding or any other Person; provided, however, that no Subordinate Debt may be issued if and for so long as any Event of Default will have occurred and be continuing under the Indenture. Payment of such Subordinate Debt will be subordinate to payment of the Bonds.

## **Events of Default and Remedies**

***Due to the limited nature of the Pledged Revenues, the failure to pay the principal of or interest on the Series 2019 Bonds when due shall not, in and of itself, constitute an Event of Default under the Indenture.***

***Events of Default under the Indenture.*** The occurrence of any of the following events constitutes an “**Event of Default**” under the Indenture:

- (a) Default in the due and punctual payment of interest on any Bond;
- (b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof;
- (c) a material default in the performance or observance of any other of the covenants, requirements, agreements or conditions on the part of the Authority set forth in the Indenture or in the Bonds and failure to remedy the same after notice thereof pursuant to the Indenture; or
- (d) the Authority files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America,

or if a court of competent jurisdiction approves a petition seeking reorganization of the Authority under the federal bankruptcy laws or any other applicable law of the United States of America, which petition, if filed without the consent of the Authority, is determined by the court to be meritorious, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Authority, or of the whole or ten percent (10%) or more of its property.

***Remedies upon Occurrence of Event of Default.***

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds; provided that acceleration shall not be a remedy available to enforce such payment.

(b) If an Event of Default shall have occurred and be continuing and if requested to do so by the Owners of twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and provided that indemnification is furnished as set forth in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

(c) No remedy conferred upon or reserved to the Trustee (or to the Owners) by the terms of the Indenture is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity.

(d) No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

(e) No waiver of an Event of Default hereunder, whether by the Trustee or by the Owners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

***Control of Proceedings.*** The Owners of a majority in aggregate principal amount of Outstanding Bonds are to have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings thereunder; provided, that such direction will not be otherwise than in accordance with the provisions of law and of the Indenture.

***Application of Moneys.*** All moneys received by the Trustee pursuant to any right given or action taken under the provisions relating to Events of Default are to (after payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee) be deposited in the Bond Fund and all moneys in the Bond Fund are to be applied as follows:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available are not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), with interest on such Bonds from the respective dates upon which they became due (with interest on overdue installments of interest, to the extent permitted by law, at the rate of interest borne by the respective Bond) and, if the amount available are not sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

THIRD: to be held for the payment to the Persons entitled thereto as the same become due of the principal of and premium, if any, and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available are not sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment is to be made ratably according to the amount of principal due on such date to the Persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the above provisions, such moneys are to be applied at such times, and from time to time, as the Trustee determines, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee applies such moneys, it is to fix the date (which is to be an Interest Payment Date unless it deems another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee is to give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and of the Special Record Date in accordance with the Indenture. The Trustee will not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

***Limitations on Actions by Owners of the Series 2019 Bonds.*** No Owner shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless, (a) a Default has occurred of which the Trustee has been notified as provided in Section 9.02(h) hereof, or of which by said subsection it is deemed to have notice, unless such Default shall have become an Event of Default and the Owners of twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, they have offered to the Trustee indemnity as provided in Section 9.02(m)



hereof, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name. Such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his, her or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided herein and for the equal and ratable benefit of the Owners of all Outstanding Bonds. However, nothing set forth in this Indenture shall affect or impair the right of any Owner to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective Owners at the time, place, from the source and in the manner expressed in the Bonds.

***Remedies Vested in Trustee.*** All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee is to be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owner of the Bonds, and any recovery of judgment is to be for the equal and ratable benefit of the Owner of the then Outstanding Bonds.

***Rights and Remedies of Bondholders.*** No Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy thereunder, unless a Default has become an Event of Default and the Owners of 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the powers in the Indenture before granted or to institute such action, suit or proceeding in their own name or names, they have offered to the Trustee indemnity as provided in the Indenture, and unless the Trustee thereafter fails or refuses to exercise the powers in the Indenture before granted, or to institute such action, suit or proceeding in its own name. Such notification, request, offer of indemnity and consent are declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy thereunder, it being understood and intended that no one or more Owners of the Bonds are to have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by any action or to enforce any right thereunder except in the manner in the Indenture provided, and that all proceedings at law or in equity are to be instituted, had and maintained in the manner in the Indenture provided and for the equal and ratable benefit of the Owners of all Bonds Outstanding. Nothing in the Indenture contained is to, however, affect or impair the right of any Owner to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Bonds issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner in said Bonds expressed.

***Waiver of Events of Default.*** The Trustee may, with the consent of the Owners of a majority in aggregate principal amount of Bonds then Outstanding, waive any Event of Default thereunder and its consequences, and notwithstanding anything else to the contrary contained in the Indenture, is to do so upon the written request of the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding; provided, however, that there is not to be waived any Event of Default in the payment of the principal of or interest on any Outstanding Bonds unless prior to such waiver or rescission, all arrears of principal and interest, both, to the extent permitted by law, with interest at the rate of interest borne by the respective Bond on overdue installments, and all expenses of the Trustee in connection with such Event of Default have been paid or provided for. In case of any such waiver or rescission, then and in every such case the Authority, the Trustee and the Owners are to be restored to their former positions and rights thereunder, respectively, but no such waiver or rescission is to extend to any subsequent or other Default, or impair any right consequent thereon.

### **Certain Indenture Provisions**

The following is a description of certain provisions of the Indenture and is subject in all respects to the more specific provisions of the Indenture.

***Tax Covenants.*** The Authority covenants for the benefit of each Owner of the Series 2019 Bonds that it will not take any action or omit to take any action with respect to the Series 2019 Bonds, the proceeds thereof, any other funds of the Authority or any facilities financed or refinanced by the Bonds if such action or omission (a) would cause the interest on the Series 2019 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (b) would cause interest on the Series 2019 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (c) would cause interest on the Series 2019 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant will remain in full force and effect notwithstanding the payment in full or defeasance of the Series 2019 Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code and the law of the State have been met.

***Supplemental Indentures Not Requiring Consent of Owners.*** The Authority and the Trustee may, without the consent of, or notice to, any of the Owners, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes so long as such action does not materially adversely affect the rights of the Owners hereunder: (a) to cure any ambiguity or formal defect or omission in the Indenture; (b) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, or the Trustee, or to impose any additional covenants, duties or responsibilities upon the Trustee for the benefit of the Owners or the Authority; (c) to subject to the Indenture additional revenues, properties or collateral; (d) to modify, amend or supplement the Indenture or any indenture supplemental hereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America; (e) to provide for the issuance of Additional Bonds pursuant to and subject to the provisions of the Indenture; (f) to evidence the succession of a new Trustee under the Indenture; (g) to preserve or protect the

excludability from gross income for federal income tax purposes of the interest allocable to the Bonds; (h) to permit continued compliance with the Tax Compliance Certificate; or (i) to make any other amendment to the terms and provisions of the Indenture that is not materially adverse to the interests of the Owners of the Bonds.

***Supplemental Indentures Requiring Consent of Owners.*** In addition to supplemental indentures covered by the preceding paragraph and subject to the terms and provisions contained under this caption, and not otherwise: the Owners of a majority in aggregate principal amount of Outstanding Bonds, are to have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental hereto as is to be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that nothing contained under this caption or in the preceding paragraph hereof is to permit, or be construed as permitting without the consent of the Owners of all Bonds Outstanding who are materially adversely affected thereby, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued under the Indenture, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures, or (e) the creation of any lien ranking prior to or on a parity with the lien of the Indenture on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the Owner of any Outstanding Bond of the lien hereby created on the Trust Estate.

***Book-Entry-Only System.*** The Series 2019 Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Series 2019 Bonds may be acquired in Authorized Denominations through participants in the DTC system (the “Participants”). Such beneficial ownership interest will be recorded in the records of the Participants. Persons for which Participants acquire interests in the Series 2019 Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Series 2019 Bonds. So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, payments of principal, premium, if any, and interest on the Series 2019 Bonds, as well as notices and other communications made by or on behalf of the Authority pursuant to the Indenture, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participant to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2019 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the Authority nor the Trustee will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined in APPENDIX G), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the Series 2019 Bonds as further described in "APPENDIX G-BOOK-ENTRY-ONLY SYSTEM" to this Official Statement.

*None of the Authority, the Trustee or the Underwriter has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2019 Bonds under the Indenture, (iii) the payment by DTC or any DTC Participant of any amount received under the Indenture with respect to the Series 2019 Bonds, (iv) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2019 Bonds or (v) any other related matter.*

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## THE AUTHORITY AND THE PLAN AREA

### Organization and Description

***Organization and Purpose.*** The Authority is an independent body corporate and politic established by the Council pursuant to the Urban Renewal Law for the purpose of undertaking certain urban renewal activities within the City. The resolution establishing the Authority was adopted by the Council in 1982, upon the finding and determination of the Council that there were blight conditions within the City and that the acquisition, clearance, rehabilitation, conservation, and development or redevelopment of the designated blighted area was in the interest of public health, safety, morals, or welfare of City residents. Since that time the Authority has also established the Midtown Urban Renewal Plan (as previously defined, the “Plan”) within its boundaries.

***The Plan and the Plan Area.*** The Prospect South Tax Increment Financing District of the Midtown Urban Renewal Area (the “Plan Area”) is located near the center of the City and approximately one (1) mile south of the main campus of Colorado State University. In 2011, the Fort Collins City Council (the “Council” or “City Council”) determined that the area comprising the Plan Area was a blighted area in accordance with statutory criteria. The Plan Area was designated and approved pursuant to an urban renewal plan entitled the “Midtown Urban Renewal Plan,” originally adopted by the City Council on September 6, 2011 (as amended and modified pursuant to the City Council’s Resolution No. 2013-043, and as it may be amended, modified, or supplement further in accordance with the Act, the “Plan” or the “Urban Renewal Plan”). The Plan describes a series of activities designed to eliminate existing blight, including, among other activities, the updating and restoring of public infrastructure, eliminating impediments to the redevelopment of key facilities within the Plan Area, renovating or redeveloping deteriorated and/or outdated residential and commercial buildings and providing enhanced amenities.

The Plan authorizes the use of property tax increment financing for a period of 25 years following adoption of the Plan (i.e., through September 6, 2036).

The Plan Area encompasses approximately 57 acres, including approximately 31 acres of commercial property, 10.4 acres of residential property, 3.9 acres of exempt property, 6.7 acres of non-taxable governmental property and 4.2 acres of industrial property. There are approximately 1.2 acres in the Plan Area that are not developed. Owners of property within the Plan Area continue to explore additional development and redevelopment activities opportunities; provided, however, the Authority is not directly involved in any such activities.

***Authority Powers.*** The Authority has all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Urban Renewal Law, including but not limited to the power to sue and be sued; to undertake urban renewal activities and to make and execute all contracts and other instruments necessary or convenient to its purposes, including contracts for advances, loans, grants, and contributions; to arrange for the furnishing or repair by any person or public body of services, facilities or utilities in connection with an activity of the Authority; to dedicate its property for public works; to arrange with the City or other public body to plan, replan, zone, or rezone land areas in connection with an activity of the Authority; to

acquire any property by purchase, lease, gift, or to otherwise acquire any interest in property by condemnation and to hold, improve, clear, or prepare such property for redevelopment; to mortgage or otherwise encumber or dispose of its property; to provide for insurance of any property or operations of the Authority; to sell, lease, or otherwise transfer real property or any interest therein as part of an urban renewal plan at not less than fair value, as determined by the Authority, or to negotiate for the sale, lease, or other transfer of such property for redevelopment or rehabilitation; to borrow money and to give such security as may be required; to make appropriations and expenditures and to establish such funds and accounts necessary for the Authority purposes; to submit proposed plans to the Council for appropriate action of the Council's necessary to carry out the Authority's purposes; to make reasonable relocation payment to or with respect to individuals, families, and business concerns in an urban renewal area which may be displaced as a result of the Plan; and to issue bonds, notes, or other evidences of indebtedness and to expend the proceeds thereof for lawful purposes. Further, no provision of any other law with respect to the planning or undertaking of projects or the acquisition, clearance, or disposition of property by public bodies shall restrict the Authority with respect to a project of the Authority unless the General Assembly specifically so states. The Authority does not have the power to levy or assess any ad valorem taxes, personal property taxes, or any other forms of taxes, including special assessments, against any property.

***Cooperation with Other Public Bodies.*** Pursuant to the Urban Renewal Law, any public body (defined as the State of Colorado or any municipality, quasi-municipal corporation, board, commission, authority, or other political subdivision or public corporate body of the state) is entitled, within the scope of its own powers, to aid the Authority in the Authority's undertakings. Upon such terms as may be developed, such public body may sell, convey, lease, grant easements, licenses, or other rights or privileges in property of the public body to the Authority; incur expenses of any public improvement made by such public body in exercising these cooperative powers; do all things necessary to aid or cooperate with the Authority in planning and undertaking its activities; enter into agreements with respect to cooperative activities; cause public improvements, services, and facilities which the public body is entitled to undertake to be furnished or otherwise improved within the urban renewal area; plan, replan, zone, or rezone any area under the jurisdiction of the public body; or cause administrative or other services to be furnished to the Authority.

The City has been instrumental in aiding the Authority, both through the provision of administrative services and support and through the sponsorship and financing of other improvements pursuant to the Urban Renewal Plan. In particular, the Authority and the City have entered into the Intergovernmental Agreement, pursuant to which the City has agreed, subject to its Charter and applicable laws, to cooperate with the Authority in the undertaking of the Plan, in accordance with the terms of the Intergovernmental Agreement.

***Governing Body.*** The powers of the Authority are vested in its eleven-member Board. As permitted by the Urban Renewal Law, the resolution of the Council which established the Authority also designated the Council as the Board. Commissioners hold meetings as necessary. Each commissioner is entitled to one vote on all questions before the Board when a quorum is present. Commissioners receive no compensation for services, but are entitled to necessary expenses incurred in the performance of their duties. The terms of office of each commissioner coincides with the commissioner's term on the Council. A commissioner holds office until a

successor has been elected or appointed. Vacancies on the Board created other than by reason of expiration of terms are filled in accordance with the City's procedures for filling such vacancies to the Council. [GENERAL COUNSEL TO REVISE]

***Administration and Employees.*** The Board is responsible for the overall management and administration of the affairs of the Authority. However, the day to day operations of the Authority are conducted by City staff members. The City Manager of the City, Darin Atteberry, serves as the Executive Director of the Authority. The Director of Economic Health & Redevelopment of the City, Josh Birks, serves as the lead staff member for the Authority.

Darin Atteberry has served as the City Manager of the City since December 2004. Darin previously served as the Assistant City Manager of the City for more than 8 years. He serves as a member on the Board of Directors for Transforming Local Governments' Alliance for Innovation and for the Center for Public Safety Excellence. In 2016 he was elected as a Fellow with the National Academy of Public Administration, chartered by Congress to serve federal, state, and local governments. Prior to coming to Fort Collins, Darin worked with cities in California, Washington, and Georgia. He earned a Master of Science in Civil Engineering and Master of City Planning at Georgia Institute of Technology and a Bachelor of Science from California Polytechnic State University. He has also completed the Senior Executive Program in State and Local Government at Harvard University.

Josh Birks has been Economic Health and Redevelopment Director since 2012 and was previously the Economic Advisor for the City. During his tenure as Director, he has guided the Economic Health Office through several transitions, including movement to the Sustainability Service Area, expansion to include Innovation and the Climate Economy, and growth to six staff members. In that time, the office has helped retain a major corporate headquarter, overseen the \$330 million redevelopment of the community major mall, and supported the development of a number of cluster initiatives. He attended the University of Denver and graduate school in Urban and Regional Planning at Portland State University.

***Pledged Revenues Data.*** The Plan became effective on September 6, 2011 and the Property Tax Base Amount of the Plan Area was initially established in 2011. See "REVENUES AVAILABLE FOR DEBT SERVICE—Ad Valorem Property Tax Data" for information about the total assessed valuation of the Plan Area, the property tax increment, and the resulting Pledged Property Tax Revenues received by the Authority.

***Budget Process and Financial Statements.*** Pursuant to the Intergovernmental Agreement entered into between the City and the Authority, the City Manager prepares and submits to the Board an annual budget for the operation of the Authority and causes the books and accounts of the Authority to be audited annually. The Authority covenants in the Indenture to at all times keep, or cause to be kept, proper and current books, records, and accounts in which complete and accurate entries are to be made of all transactions relating to the Authority (as defined in the Indenture, which includes but is not limited to the Improvements) and the Pledged Revenues, and to prepare or cause to be prepared within 180 days after the close of each fiscal year a complete financial statement or statements for such year in reasonable detail covering the Project and the Pledged Revenues, certified by a certified public accountant or firm of certified public accountants selected by the Authority, and shall furnish a copy of such financial statement

or statements to the Trustee, the Underwriters, and to any registered owner of any Bond upon written request. The City also maintains accounting records for the Authority; for accounting purposes the Authority is considered to be a component unit of the City and its activities are included in the City’s annual audited financial statements. [GENERAL COUNSEL TO REVISE]

**Outstanding Obligations.** The following table sets forth the Authority’s outstanding obligations related to the Prospect South Tax Increment Financing District of the Midtown Urban Renewal Area (as previously defined the “**Plan Area**”) as of \_\_\_\_\_, 2019. No additional obligations have been issued by the Authority. According to City officials, the Authority may issue additional debt in the future to finance public improvements in the Plan Area.

**TABLE 3**

**Outstanding Plan Area Obligations**

City Loan Obligations	Outstanding Principal
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Source: The Authority

The Prior Obligations represented by \_\_\_\_\_ and \_\_\_\_\_ above will be refunded from proceeds of the Series 2019 Bonds. The Prior Obligations represented by \_\_\_\_\_ are subordinate to the Series 2019 Bonds.

The City may make advances to the Authority pursuant to the Replenishment Resolution. See “THE SERIES 2019 BONDS–Security for the Series 2019 Bonds.” Pursuant to the Intergovernmental Agreement, such advances constitute a loan and obligation of the Authority subordinate to the repayment of the Series 2019 Bonds. The City may also make loans to the Authority to fund additional amounts which may be required for obligations incurred in the acquisition of property by the Authority, the repayment of which would be subordinate to the repayment of the Series 2019 Bonds.

Issuance of the Series 2019 Bonds and other indebtedness which the Authority may incur in the future does not require prior voter approval. See “REVENUES AVAILABLE FOR DEBT SERVICE–TABOR Revenue and Spending Limitations–*Authority Not a District Under TABOR.*”

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## REVENUES AVAILABLE FOR DEBT SERVICE

The Series 2019 Bonds are special, limited obligations of the Authority payable as to principal and interest solely from the Trust Estate, which is comprised primarily of the Pledged Revenues. Each component of the Pledged Revenues is described in more detail below.

### Authority to Raise Revenue

Pursuant to the Act, the Plan contains a provision that ad valorem property taxes levied upon taxable property within the Plan Area may be divided (for a period not to exceed 25 years from the adoption of the Plan) between the Authority and the taxing jurisdictions within or overlapping the Plan Area. The revenues allocated to the Authority consist of that portion of such ad valorem taxes (at the prevailing rate of levy of each taxing jurisdiction) attributable to that portion of the certified assessed valuation of the taxable property in the Plan Area which is in excess of the Property Tax Base Amount, subject to periodic adjustment as described below. See “–Ad Valorem Property Taxes” below for a description of the statutory provisions applicable to the levy and collection of property taxes. **The Authority itself has no power to levy ad valorem property taxes to pay debt service on the Series 2019 Bonds, nor may the Authority or the City compel any other taxing jurisdiction to levy any property tax.**

In years of general reassessment (as described in “–Ad Valorem Property Taxes” below), the assessed valuation of property within the Plan Area is required to be proportionately adjusted in accordance with such general reassessment. Any increase or decrease in assessed valuation which may occur as a result of such general reassessment is not attributable entirely to the property tax increment. Rather, such increase or decrease is allocated proportionately between the Property Tax Base Amount and the property tax increment in accordance with a methodology developed by the County Assessor and approved by the County Attorney. Such methodology requires the County Assessor to apply a percentage that represents a typical increase due to market activity on a County-wide basis to the overall change in valuation experienced within the Plan Area and assign such amount to the Property Tax Base Amount. Any increase in value above the amount attributable to County-side inflation is to be assigned to the property tax increment.

The total amount of Pledged Property Tax Revenues in any given year will be subject to increases or decreases in the total mill levy imposed by the overlapping taxing entities. See “CERTAIN RISK FACTORS.”

### Ad Valorem Property Taxes

**Property Subject to Taxation.** Subject to the limitations imposed by Article X, Section 20 of the State constitution (the Taxpayers Bill of Rights or “TABOR,” described in “REVENUES AVAILABLE FOR DEBT SERVICE–TABOR Revenue and Spending Limitations”), the governing body of each of the entities overlapping the Authority has the power to certify to the Larimer County Commissioners (the “**Commissioners**”) a levy for collection of ad valorem taxes against all taxable property within the Plan Area. Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the jurisdictions

overlapping the Plan Area. Both real and personal property located within the boundaries of a governmental entity, unless exempt, are subject to taxation by such governmental entity. Property taxes are uniformly levied against the assessed valuation of all property to taxation by such governmental entity. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

**Assessment of Property.** Taxable property is first appraised by the County Assessor to determine its statutory “actual” value. This amount is then multiplied by the appropriate assessment percentage to determine each property’s assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

**Determination of Statutory “Actual” Value.** The County Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory “actual” value of all taxable property within the County based upon its condition on June 30. Most property is valued using a market approach, a cost approach, or an income approach.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a “level of value” ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessor’s office every odd numbered year. The statutory actual value is based on the “level of value” for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2019 / collection year 2020 are based on an analysis by the County Assessor of sales and other information for the period January 1, 2017 to June 30, 2018.

The following table sets forth the State Property Appraisal System for property tax levy years 2015 through 2019:

**TABLE 4**

**State Property Appraisal System**

Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2016	2015	June 30, 2014	Jan. 1, 2013 to June 30, 2014
2017	2016	June 30, 2014	Jan. 1, 2013 to June 30, 2014
2018	2017	June 30, 2016	Jan. 1, 2015 to June 30, 2016
2019	2018	June 30, 2016	Jan. 1, 2015 to June 30, 2016
2020	2019	June 30, 2018	Jan. 1, 2017 to June 30, 2018
2021	2020	June 30, 2018	Jan. 1, 2017 to June 30, 2018

If there were insufficient sales during the stated market period to accurately determine the level of value, the County Assessor may also consider market sales from the 18-month period preceding the market period.

Agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate. Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State property tax administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

***Determination of Assessed Value.*** Assessed valuation, which represents the value upon which ad valorem taxes are levied, is calculated by the Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Colorado General Assembly to adjust the assessment rate of residential property for year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval). Pursuant to the adjustment process described above, the residential assessment rate is adjusted every two years. The residential assessment rate was 9.15% for levy years 2003-2016 and was 7.20% for levy years 2017-2018. For levy years 2019-2020, the residential assessment rate is 7.15%.

All non-residential taxable property, with certain specified exceptions is assessed at 29% of statutory actual value. Producing oil and gas property is generally assessed at 87.5% of statutory actual value which is based upon the selling price of the oil and gas.

***Statewide Review.*** The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the assessed valuation of the Authority may be subject to modification following any such annual assessment study.

### ***Exemptions.***

***Homestead/Disabled Veterans Property Tax Exemptions.*** The Colorado Constitution provides property tax exemptions for qualifying senior citizens (adopted in 2000) and for disabled veterans (adopted in 2006). The senior citizens provisions that the exemption is equal to 50% of the first \$200,000 of actual value of residential real property that is owner-occupied in the owner or his or her spouse is 65 years of age or older and has occupied such residence for at least 10 years. The Colorado General Assembly has suspended the senior citizen exemption in several years. The disabled veterans provisions provides the same exemption to homeowners who have served on active duty in the U.S. Armed Forces and who are rated 100% permanently disabled by the federal government due to a service-connected disability. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions; therefore, it is not expected that these exemptions will result in the loss of any property tax revenue to the Authority. There is no assurance, however, that the State reimbursement will be received in a time period which is sufficient to replace the reduced property tax revenue.

***Governmental and Exempt Entities.*** Certain types of property are also exempt from ad valorem property taxes. Exempt property generally includes property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; non-profit cemeteries, irrigation ditches, canals and flumes; household furnishings; personal effects; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and agricultural equipment which is used on the farm or ranch in the production of agricultural products.

***Taxation Procedure.*** The assessed valuation and statutory “actual” valuation of taxable property within the Plan Area is required to be certified by the County Assessor to the Authority (and each taxing entity overlapping it) no later than August 25 each year. Such value is subject to recertification by the county assessor prior to December 10. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the governing body of each overlapping entity computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the entity’s property tax, and together with other legally available revenues, will raise the amount required by the taxing entity in its upcoming fiscal year. The taxing entity subsequently certifies to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a \$250 tax on a parcel of property with an assessed valuation of \$10,000.

The Commissioners levy the tax on all property subject to taxation by the various taxing entities in the County. By December 22<sup>nd</sup> of each year, the Commissioners must certify to the County Assessor the levy for all taxing entities within the County. If the Commissioners fail to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing

procedure, which is the delivery by the County Assessor of the tax list and warrant to the County Treasurer.

***Protests, Appeals, Abatements and Refunds.*** Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the County Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the board of county commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the board of county commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

***Property Tax Collections; Tax Liens; Tax Sale.*** Property taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 will be collected in 2019. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1st until the date of payment unless the whole amount is paid by April 30th. If the second installment is not paid by June 15th, the unpaid installment will bear interest at the rate of 1% per month from June 16th until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the taxing entity on a monthly basis.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on parity with the tax liens of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale.

Tax liens may not necessarily be bid on and sold, and the proceeds of tax liens sold may not necessarily be sufficient to produce the amount required with respect to property taxes levied by the taxing entity and property taxes levied by overlapping taxing authorities, as well as any interest or costs due thereon. If a tax lien is not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the County and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the County after that time.

**Ad Valorem Property Tax Data**

The following table sets forth the history of the total assessed valuation in the Plan Area, the amount of such valuation allocable to the Property Tax Base Ament and the amount allocable to the incremental assessed valuation.

**TABLE 5**

**History of Assessed Valuations in the Plan Area**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Total Assessed Valuation</u>	<u>Allocable to Base Amount</u>	<u>Allocable to Increment</u>
2012	2013	\$	\$	\$
2013	2014			
2014	2015			
2015	2016			
2016	2017			
2017	2018			
2018	2019			
2019	2020			

Source: County Assessor's Office

The following table sets forth the history of the Authority's ad valorem property tax collections in the Plan Area.

**TABLE 6**

**Valuation of Property within the Plan Area by Classification– 2018**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied <sup>(1)</sup>, (2)</u>	<u>Tax Collections (2), (3)</u>	<u>Collection Rate</u>
2012	2013	\$	\$	%
2013	2014			
2014	2015			
2015	2016			
2016	2017			
2017	2018			
2018	2019			

- (1) Levied amounts do not reflect abatements and other adjustments
- (2) The County Treasurer's 2% collection fee has been deducted from these amounts.
- (3) The County Assessor's Office current policy regarding collections in the Plan Area is to remit 100% of the property tax increment levied in the Plan Area to the Authority (less the 2% collection fee), regardless of the amount collected. Figures do not include interest, fees, and penalties.

Source: County Assessor's Office

The following table sets forth the assessed valuation of specific classes of real and personal property within the Plan Area based upon the 2019 certified assessed valuation.

**TABLE 7**

**Assessed Valuation of Classes of Property in the Plan Area - 2019**

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>
Residential	\$	\$
Commercial		
Industrial		
Agricultural		
Vacant		
State Assessed		
<b>TOTAL:</b>	<b>\$</b>	<b>\$</b>

Source: County Assessor's Office

Based upon the most recent information available from the County Assessor's Office, the following table represents the ten largest taxpayers within the Plan Area. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessed value in excess

of those set forth in the following chart. Furthermore, the taxpayers shown in the chart may own additional parcels within the Plan Area not included herein.

**TABLE 8**

**Largest Taxpayers in the Plan Area – 2019 Assessed Valuation**

Taxpayer’s Name	Assessed Valuation	Percentage of Total Assessed Valuation
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Source: County Assessor’s Office

*No independent investigation has been made and no representation is made herein as to the financial condition of the above described property owners or that such property owners will continue to maintain their status as major taxpayers in the Plan Area.*

***Sample Mill Levies Affecting Owners Within the Plan Area.*** Individual property owners within the Plan Area are obligated to pay ad valorem property taxes to all taxing jurisdictions in which their property is located. Such levies applied to the property tax increment generate the Pledged Property Tax Revenues. According to the Larimer County Assessor’s Office there are currently seven entities overlapping all or a portion of the Plan Area. As a result, property owners within the Plan Area may be subject to various mill levies depending upon the location of their property. The following table is representative of a sample total 2018 mill levy (for payment in 2019) attributable to taxpayers within the Plan Area and is not intended to portray the mills levied against all properties within the Plan Area. Additional taxing entities may overlap the Plan Area in the future.



**TABLE 9**

**Sample Mill Levies Affecting Property Owners within the Plan Area**

<b>Taxing Entity</b>	<b>Mill Levy <sup>(2)</sup></b>
Poudre R-1 School District .....	52.630
Larimer County .....	22.403
City of Fort Collins .....	9.797
Health District of Northern Larimer County .....	2.167
Larimer County Pest Control .....	0.142
Poudre River Public Library District .....	3.000
Northern Colorado Water Conservation District .....	1.000
Total Overlapping Sample Mill Levy .....	91.139

(1) One mill equals 1/10 of one percent. Mill levies certified in 2018 result in the collection of taxes in 2019.  
Source: County Assessor’s Office.

**Estimated Overlapping General Obligation Debt**

Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the Plan Area are also authorized to incur general obligation debt, and to the extent that properties within the Plan Area are also within such overlapping public entities such properties will be liable for an allocable portion of such debt. The following table sets forth the estimated overlapping general obligation debt chargeable to properties within the Plan Area as of the date of this Official Statement. For purposes of this Official Statement, the percentage of each entity’s outstanding debt chargeable to property owners in the Plan Area is calculated by comparing the assessed valuation of the portion overlapping the Authority, in the aggregate, to the total assessed valuation of the overlapping entity. To the extent the Authority’s aggregate assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which property owners in the Plan Area are responsible will also change.

The Authority is not financially or legally obligated with regard to any of the indebtedness shown on the immediately following tables. Although the Authority has attempted to obtain accurate information as to the outstanding debt of the entities which overlap the Authority, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

**TABLE 10**

**Estimated Overlapping General Obligation Debt**

<b>Overlapping Entity <sup>(1)</sup></b>	<b>Outstanding General Obligation Debt</b>	<b>Estimated Amount Allocable to Properties in the Plan Area <sup>(3)</sup></b>	
		<b>Percent</b>	<b>Amount</b>
Poudre R-1 School District <sup>(2)</sup> .....	\$	%	\$

- (1) Other public entities overlap the Authority, but currently have no general obligation debt outstanding.
- (2) As of June 30, 2019. Poudre R-1 School District reports its outstanding debt as of the close of its fiscal year. The 2019 assessed valuation for Poudre R-1 School District is \$\_\_\_\_\_.
- (3) The percentage of an overlapping entity’s outstanding debt chargeable to properties in the Plan Area is calculated by comparing the current gross assessed valuation (i.e., not reduced by amounts attributable to a tax increment district) of the overlapping property to the total current gross assessed valuation of the overlapping entity. Such percentage is subject to fluctuation in accordance with future changes in assessed valuations.
- Sources: County Assessor’s Office and overlapping entities

**Urban Renewal Authority Fund – History of Revenues, Expenditures, and Changes in Fund Balance**

**General.** The Authority’s revenues are provided primarily from the Pledged Property Tax Revenues. The activities of the Authority are recorded in the Urban Renewal Authority Fund, which is included in the City’s audited financial statements.

The City’s audited basic financial statements for the year ended December 31, 2018, including the financial statements for the Urban Renewal Authority Fund, are attached to this Official Statement as APPENDIX E. Those financial statements represent the most recent audited financial statements for the City and for the Authority. The City’s audited financial statements are attached to this Official Statement because the financial activity of the Authority is included in them. The Series 2019 Bonds are payable only from the Trust Estate. Inclusion of the City’s financial statements does not indicate that the Series 2019 Bonds are payable from any revenues shown therein, other than the Pledged Revenues.

**History of Revenues, Expenditures and Changes in Fund Balance.** The following table provides a comparative history of revenues, expenditures and changes in fund balance in the Urban Renewal Authority Fund for fiscal years 2014 through 2018. The information in this table has been derived from the audited financial information presented in the City’s Comprehensive Annual Financial Report (“CAFR”) for each of those years. See “MISCELLANEOUS–Independent Auditors.” The information should be read together with the City’s fiscal year 2012 audited basic financial statements (and accompanying notes) appearing in APPENDIX E. Preceding years’ financial statements may be obtained from the sources noted in “INTRODUCTION–Additional Information.”

**TABLE 11**

**Urban Renewal Authority Fund**

	Year Ended December 31				
	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Taxes	\$	\$	\$	\$	\$
Interest Earnings					
Total Revenues	\$	\$	\$	\$	\$
<b>EXPENDITURES</b>					
Sustainability Services	\$	\$	\$	\$	\$
Debt Service					
Principal					
Interest					
Total Expenditures	\$	\$	\$	\$	\$
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
Transfers out					
Loan Issuance					
Total Other Financing Sources (Uses)					
Fund Balances (Deficit) – January 1					
Fund Balances (Deficit) – December 31					
Net change in Fund Balances (Deficit)					

Source:

**TABOR Revenue and Spending Limitations**

**General; Authority Not a District Under TABOR.** Article X, Section 20 to the Colorado Constitution, referred to therein as the Taxpayer’s Bill of Rights (“TABOR”), applies to the State and any local governments (but excluding government-owned enterprises as defined in TABOR), and among other things contains restrictions regarding taxes, spending, revenue increases and borrowing. The applicable limitations established pursuant to TABOR may be exceeded with prior voter approval.

Pursuant to existing case law, TABOR does not apply to urban renewal authorities, including the Authority. However, TABOR does apply to the City and its application in future years may impact the City’s willingness or ability to comply with the Replenishment Resolution.

In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the City (“local governments”), but does not apply to “enterprises,” defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional

litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the City, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

***Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing.*** TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple- fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. The City has obtained voter approval to exempt from these limits all property taxes and other revenues received by the City in the year 1996 and thereafter so long as all funds in excess of the limits are used for the purpose of public health and safety (including environmental monitoring and mitigation), growth management, transportation services and maintaining and repairing City facilities. Debt service can be paid without regard to any spending limits, assuming revenues are available to do so.

***Emergency Reserve Funds.*** TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The City has set aside emergency reserves as required by TABOR.

***Other Limitations.*** TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

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## LEGAL MATTERS

### Approval of Certain Legal Proceedings

Legal matters relating to the issuance of the Series 2019 Bonds, as well as the treatment of interest on the Series 2019 Bonds for purposes of federal and State income taxation, are subject to the approving legal opinion of Greenberg Traurig, LLP, Denver, Colorado, as Bond Counsel. Such opinion, the form of which is attached hereto as APPENDIX H will be dated as of and delivered at closing. Greenberg Traurig, LLP, Denver, Colorado has also acted as special counsel to the Authority in connection with this Official Statement. Certain legal matters pertaining to the organization and operation of the Authority will be passed upon by its general counsel, Brownstein Hyatt Farber Schreck, LLP, Denver, Colorado. Legal fees to Bond Counsel are contingent upon the sale and delivery of the Series 2019 Bonds, and the Authority expects to pay Bond Counsel's fees from proceeds of the Series 2019 Bonds.

The legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### No Pending and Threatened Litigation Involving the Authority

In connection with the issuance of the Series 2019 Bonds, general counsel to the Authority is expected to render an opinion stating that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Authority or, to the knowledge of the Authority's general counsel, threatened, which in any way questions the powers of the Authority to issue the Series 2019 Bonds or to execute and delivery the "**Bond Documents**" to which the Authority is a party (including the Indenture) or to perform its obligations thereunder, or the validity of any proceeding taken by the Authority in connection with the issuance of the Series 2019 Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Bond Documents, or which, in any way, could adversely affect the validity or enforceability of the Bond Documents.

In addition, it is anticipated that, in connection with the issuance of the Series 2019 Bonds, the Authority will execute a certificate stating that there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Authority, to the knowledge of the Authority, threatened against or affecting the Authority: (a) to restrain or enjoin the Authority's participation in, or in any way contesting the existence of the Authority or the powers of the Authority with respect to, the consummation of the transactions contemplated by the Bond Documents, including but not limited to the validity of the Election or the authority of the Authority to impose and collect ad valorem property taxes, or (b) which, if successful, would materially and adversely affect the financial condition or

operations of the Authority, or the Authority's power to perform its obligations under the Bond Documents, or the Authority's power to issue and deliver the Series 2019 Bonds.

### **Sovereign Immunity**

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "**Immunity Act**"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the Authority, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle, owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$350,000 for claims accruing before January 1, 2018, or the sum of \$387,000 for claims accruing on or after January 1, 2018, and before January 1, 2022; (b) for an injury to two or more persons in any single occurrence, the sum of \$990,000 for claims accruing before January 1, 2018, except in such instance, no person may recover in excess of \$350,000; or the sum of \$1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, except in such instance, no person may recover in excess of \$387,000. These amounts are adjusted every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, with the next adjustment expected to occur on or about January 1, 2022.

The board of the Authority, by resolution, may increase any maximum amount that may be recovered from the Authority for certain types of injuries. However, the Authority may not be held liable either directly or by indemnification for punitive or exemplary damages unless the Authority voluntarily pays such damages in accordance with State law. The Authority has not acted to increase the damage limitations in the Immunity Act.

The Authority may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the Authority may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Immunity Act provides that it applies to any action brought against a public entity or a public employee in any Colorado State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

## TAX MATTERS

### General

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the Authority must continue to meet after the issuance of the Series 2019 Bonds in order that the interest on the Series 2019 Bonds be and remain excludable from gross income for federal income tax purposes. The Authority’s failure to meet these requirements may cause the interest on the Series 2019 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2019 Bonds. The Authority has covenanted in the Indentures to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2019 Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the Authority and continuous compliance by the Authority with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2019 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that, to the extent interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from taxable income for purposes of the State of Colorado income tax and State of Colorado alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2019 Bonds, or the ownership or disposition of the Series 2019 Bonds. Prospective purchasers of Series 2019 Bonds should be aware that the ownership of Series 2019 Bonds may result in other collateral federal tax consequences, including (a) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2019 Bonds, (b) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2019 Bonds, (c) the inclusion of the interest on the Series 2019 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (d) the inclusion of the interest on the Series 2019 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (e) the inclusion of interest on the Series 2019 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are

not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2019 Bonds, adversely affect the market price or marketability of the Series 2019 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

In addition, there are certain tax-related risks with respect to the Series 2019 Bonds. See "CERTAIN RISK FACTORS—Risk of Internal Revenue Service Audit."

### **Bank Qualification**

The Authority's Board has designated the Series 2019 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The Authority has certified that it reasonably anticipates that the aggregate amount of qualified tax-exempt obligations (as defined in Section 265(b)(3)(B) of the Code) which will be issued in calendar year 2019 by or on behalf of the Authority plus entities that are treated as subordinate entities, pursuant to Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000. The Authority has no subordinate entities. The Authority has no entities that issue qualified tax-exempt obligations on its behalf. See "MISCELLANEOUS—Financial Institution Interest Deduction."

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2019 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2019 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2019 Bonds, under certain circumstances "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2019 Bonds and proceeds from the sale of Series 2019 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2019 Bonds. This withholding generally applies if the owner of Series 2019 Bonds (a) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (b) furnished the payor an incorrect TIN, (c) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (d) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is



correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2019 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

**PROSPECTIVE PURCHASERS OF THE SERIES 2019 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2019 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2019 BONDS.**

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## MISCELLANEOUS

### Rating

\_\_\_\_\_ (“\_\_\_\_\_”) has assigned the Series 2019 Bonds the rating set forth on the cover page of this Official Statement. Such rating reflects only the view of \_\_\_\_\_, and there is no assurance that such rating will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely if, in the judgment of \_\_\_\_\_, circumstances so warrant.

### Financial Institution Interest Deduction

The Series 2019 Bonds have been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. Consequently, assuming the accuracy of certain certifications of the Authority, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction may be allowed for 80% of that portion of such financial institution’s interest expense allocable to the interest on the Series 2019 Bonds. Financial institutions contemplating the purchase of the Series 2019 Bonds should consult their own tax advisors concerning the specific tax consequences of their ownership and sale or other disposition of the Series 2019 Bonds.

### Registration of Bonds

Registration or qualification of the offer and sale of the Series 2019 Bonds (as distinguished from registration of the ownership of the Series 2019 Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, or the Colorado Municipal Bond Supervision Act, as amended, pursuant to exemptions from registration provided in such acts. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2019 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2019 BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED.

### Continuing Disclosure

The Authority will execute a continuing disclosure certificate at the time of the closing for the Series 2019 Bonds (the “**Disclosure Certificate**”). The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Series 2019 Bonds (the “**Beneficial Owners**”) and the Authority will covenant in the Replenishment Resolution (defined herein) to comply with its terms. The Disclosure Certificate will provide that so long as the Series 2019 Bonds remains outstanding, the Authority will annually provide certain financial information and operating data and notice of certain material events to the Municipal Securities Rulemaking Board (“**MSRB**”) through the Electronic Municipal Market Access system (“**EMMA**”), in compliance with the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX I.

The Authority has not previously entered into a continuing disclosure undertaking pursuant to Securities and Exchange Commission Rule 15c2-12 (the “**Rule**”).

## **Interest of Certain Persons Named in this Official Statement**

The fees to be paid to the Municipal Advisor and Bond Counsel are contingent upon the sale and delivery of the Series 2019 Bonds.

## **Independent Auditors**

The financial statements of the City for the year ended December 31, 2018 included herein as APPENDIX E, have been audited by BKD, LLP (“**BKD**”), independent certified public accountants, as stated in their report appearing herein. Such financial statements represent the most current audited financial information for the City. BKD has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. BKD also has not performed any procedures relating to this Official Statement.

## **Municipal Advisor**

Ehlers, Inc., Denver, Colorado (the “**Municipal Advisor**”), is employed as a municipal advisor to the Authority in connection with the issuance of the Series 2019 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

## **Additional Information**

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from the sources noted in the “INTRODUCTION” hereto.

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**Official Statement Certification**

The preparation of this Official Statement and its distribution have been authorized by the Board. This Official Statement is hereby duly approved by the Board as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the Authority and the purchasers or owners of any Bond.

FORT COLLINS URBAN RENEWAL  
AUTHORITY

By \_\_\_\_\_  
Chairperson

## APPENDIX A

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### SELECTED DEFINITIONS

“**Act**” means the Colorado Urban Renewal Law, constituting part 1 of article 25 of title 31, Colorado Revised Statutes, as from time to time amended and supplemented.

“**Additional Bonds**” means any notes, bonds, interim certificates or receipts, temporary notes, certificates of indebtedness, debentures or other obligations issued by the Authority pursuant to the Indenture subsequent to the date of this Indenture and having a claim upon all or a portion of the Trust Estate on a parity with the Series 2019 Bonds.

“**Authority**” means the Fort Collins Urban Renewal Authority, an urban renewal authority duly organized and existing under the Act, and its successors and assigns.

“**Authority Representative**” means the Chairperson, the Executive Director and any Person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signature of such Person and signed on behalf of the Authority by the Chairperson or Executive Director. Such certificate may designate an alternate or alternates.

“**Authorized Denomination**” means \$5,000 and integral multiples thereof.

“**Average Annual Debt Service Requirements**” means the total Debt Service Requirements of the Outstanding Series 2019 Bonds, and other obligations for which the computation is being made, divided by the number of years to maturity.

“**Beneficial Owners**” means the owners of Bonds whose ownership is recorded under the book-entry-only system maintained by DTC.

“**Board**” means the Board of Commissioners of the Authority.

“**Bond Counsel**” means an attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds.

“**Bond Fund**” means the Trust Fund by that name established pursuant to the Indenture.

“**Bond Register**” means the registration records of the Authority kept by the Trustee to evidence the registration and transfer of Bonds.

“**Bond Resolution**” means the resolution adopted by the Board on \_\_\_\_\_ \_\_, 2019 authorizing the execution of this Indenture, the issuance, sale and delivery of the Series 2019 Bonds, the financing of the Refunding Project, and certain other matters, as from time to time amended in accordance herewith.

“**Bondholder**” or “**Owner**” means the person or persons in whose name or names a Bond shall be registered on the Bond Register in accordance with the terms of this Indenture.

“**Bonds**” means, collectively, the Series 2019 Bonds and any Additional Bonds.

“**Business Day**” means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“**Chairperson**” means the Chairperson of the Board of Commissioners of the Authority, or any presiding officer or titular head of the Board, or his or her successor in functions.

“**City**” means the City of Fort Collins, Colorado, and its successors and assigns.

“**City Council**” means the City Council of the City.

“**City Manager**” means the City Manager of the City or the City Manager’s successor in functions, if any.

“**City’s Replenishment Resolution**” means the resolution adopted by the City Council expressing its present intent, in each year the Bonds are outstanding, to replenish the Reserve Fund in the event that moneys have been withdrawn from the Reserve Fund and the amount on deposit therein is not equal to the Reserve Requirement, to the extent that the deficiency is not replenished from another source, subject to appropriation by the City Council, as further provided in the Cooperation Agreement.

“**Closing Date**” means the date of execution and delivery of the Series 2019 Bonds.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

“**Cooperation Agreement**” means the Cooperation Agreement between the City and the Authority dated as of \_\_\_\_\_, 2019, as it may be amended from time to time, which was approved by the City pursuant to the City’s Replenishment Resolution.

“**Costs of Issuance**” means administrative costs of issuance of any Bonds, any fees and expenses of any underwriter or financial advisor services in connection with the issuance of any Bonds, any fees or expenses of the Trustee in connection therewith, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, bond insurance premiums, costs of immediately available funds, costs of publication, printing and engraving, accountants’ fees and recording and filing fees.

“**County**” means Larimer County, Colorado or its successors.

“**Debt Service Requirements**” means the aggregate amount of the principal of, premium, if any, and interest coming due on all Outstanding Series 2019 Bonds, or any other obligation for which the computation is being made, during any Fiscal Year, whether by maturity, mandatory sinking fund redemption, or otherwise. When computing the Debt Service Requirements for any issue of securities bearing interest at a variable, adjustable, convertible or other similar rate that is not fixed for the entire term thereof, the rate of interest on such securities shall be assumed to be a rate equal to the average per annum rate of interest on such

securities during the preceding twelve- month period, plus 100 basis points. If such securities have not been outstanding during the preceding twelve- month period, the assumed rate of interest on such securities shall be determined by reference to the preceding 12 month average of an index comparable to that utilized in connection with such securities, plus 100 basis points. It shall further be assumed that any such securities which may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated maturity dates or mandatory redemption dates and not on any tender option date. The Authority shall be permitted to treat any fixed rate payable on an interest rate exchange agreement or “swap” contract as the interest rate on any such issue of securities if the counterparty to such agreement or contract has unconditionally agreed to pay all interest due on such securities.

“**Default**” and “**Event of Default**” mean any occurrence or event specified and defined in the Indenture.

“**Depository**” means DTC or any successor securities depository appointed pursuant to the Indenture.

“**Developer**” means Prospect Station, L.L.C., a Colorado limited liability company.

“**DTC**” means The Depository Trust Company, New York, New York, and any successor corporation.

“**Executive Director**” means the Executive Director of the Authority or his or her successor in functions.

“**Federal Securities**” means bills, certificates of indebtedness, notes, bonds or other similar instruments which are direct non-callable obligations of the United States of America or which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

“**Fiscal Year**” means the fiscal year of the Authority, which currently begins on January 1 of each year and ends on December 31 of such year, or any other fiscal year of the Authority in the event the fiscal year of the Authority shall be modified.

“**Indenture**” means this Indenture of Trust and any indenture supplemental hereto or amendment hereto from time to time entered into in accordance with the provisions of the Indenture.

“**Interest Account**” means the account of the Bond Fund established with that name pursuant to the Indenture.

“**Interest Payment Date**” means each date set for the payment of interest hereunder, being each June 1 and December 1, commencing June 1, 2020.

“**Investment Instructions**” means the investment instructions delivered by the Authority to the Trustee, and such amendments or supplements thereto as shall be delivered by the Authority to the Trustee.

**“Maximum Annual Debt Service Requirements”** means the maximum amount of all Debt Service Requirements on Outstanding Series 2019 Bonds, and any other obligations for which the computation is being made, which will become due in any Fiscal Year.

**“Moody’s”** means Moody’s Investor Service and its successors and assigns.

**“Outstanding,” “Outstanding Bonds” or “Bonds Outstanding”** means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds paid or deemed to be paid in accordance with the provisions of Article VII of this Indenture; and

(c) Bonds in lieu of which others have been authenticated under the Indenture.

**“Participant”** means those broker-dealers, banks and other financial institutions reflected on the books of DTC.

**“Permitted Investments”** means any lawful investment permitted for the investment of funds of the Authority by the laws of the State.

**“Person”** means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

**“Plan”** means the Midtown Urban Renewal Plan approved by the City Council of the City on September 6, 2011, by Resolution 2011-081, which was amended and modified pursuant to Resolution No. 2013-043 and as it may be amended, modified or supplemented in accordance with the Act.

**“Plan Area”** means the area described as such in the Plan which has been found to be blighted and which the City has designated as appropriate for an urban renewal project.

**“Pledged Property Tax Revenues”** means, for each Fiscal Year, that portion of ad valorem property taxes produced by the levy at the rates fixed each year by and for each governing body of the various taxing jurisdictions within or overlapping the Plan Area, as such boundaries exist on the Closing Date, upon that portion of the valuation for assessment of all taxable property within the Plan Area, as such boundaries exist on the Closing Date, which is in excess of the Property Tax Base Amount; provided, however, that such Revenues shall be reduced by any lawful collection fee charged by the County; and provided further that Pledged Property Tax Revenues shall not extend to any property taxes that are placed in the Property Tax Reserve Fund for refunds of overpayments by taxpayers pursuant to Section 31-25-107(9)(b) of the Act.



**“Pledged Revenues”** means (a) the Pledged Property Tax Revenues, and (b) all income derived from the investment and reinvestment of the Funds established by the Indenture, except the Rebate Fund.

**“Prior Loan Agreements”** means, collectively:

(a) the Loan Agreement between the City of Fort Collins and the Fort Collins Urban Renewal Authority for Reimbursements for the Capstone Redevelopment Corporation Infill Development (Summit on College Project), dated November 13, 2013, for a loan in the original principal amount of \$5,000,000; and

(b) the Loan Agreement between the City of Fort Collins and the Fort Collins Urban Renewal Authority for Reimbursement for Prospect Station, L.L.C. Infill Development (Prospect Station) dated November 18, 2014, for a loan in the original principal amount of \$247,000.

**“Prior Promissory Notes”** means, collectively, the promissory notes from the Authority to the City to evidence the Authority’s respective obligations pursuant to the Prior Loan Agreements, which are collectively outstanding in the aggregate principal amount of \$\_\_\_\_\_.

**“Principal Account”** means the account of the Bond Fund established with that name pursuant to the Indenture.

**“Principal Corporate Trust Office”** means the corporate trust office of the Trustee at 950 17th St., Suite 1200, Denver, Colorado 80202, provided however, that with respect to payments on the Bonds and any exchange, transfer, or surrender of the Bonds, “Principal Corporate Trust Office” means the corporate trust office of the Trustee at 60 Livingston Avenue, St. Paul, MN 55107 or such other or additional offices as may be specified by the Trustee.

**“Property Tax Base Amount”** means the amount last certified by the County Assessor as the valuation for assessment of all taxable property within the Plan Area, as such boundaries exist on the Closing Date, prior to the effective date of the approval of the Plan; and provided, however, that in the event of a general reassessment of taxable property in the Plan Area, the valuation for assessment of taxable property within the Plan Area shall be proportionately adjusted in accordance with such general reassessment in the manner required by the Act.

**“Property Tax Reserve Fund”** means any special reserve fund created by the Authority pursuant to Section 31-25-107(9)(a)(III) of the Act to provide for the Authority’s pro rata portion of any property taxes that are refunded by the County to the taxpayer to the extent that there are not sufficient property taxes due to the Authority for the County Treasurer to offset the Authority’s pro rata portion of any such refunds against any subsequent payments due to the Authority for the urban renewal project, all as provided in such Section of the Act.

**“Rebate Fund”** means the fund by that name established pursuant to the Indenture.

**“Record Date”** means the fifteenth (15th) day of the calendar month (whether or not a Business Day) immediately preceding any Interest Payment Date.

**“Refunded Notes”** means all the outstanding Prior Promissory Notes which are to be refunded with the net proceeds of the Series 2019 Bonds.

**“Refunding Project”** means the payment of the principal of, and all interest due and owing on the Refunded Notes on the prepayment dates thereof, together with the payment of the costs of issuance of the Series 2019 Bonds.

**“Reimbursement Agreement”** means the Redevelopment Agreement dated as of October 10, 2013 by and between the Authority and the Developer.

**“Representation Letter”** means the Blanket Letter of Representations dated \_\_\_\_\_, 20\_\_ from the Authority to DTC.

**“Reserve Fund”** means the fund by that name established pursuant to the Indenture. The Reserve Fund shall secure only the payment of the Debt Service Requirements on the Series 2019 Bonds, unless otherwise provided in the resolution or indenture authorizing the issuance of Additional Bonds.

**“Reserve Fund Requirement”** means the least of (a) 10% of the stated principal amount of the Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund, (b) the Maximum Annual Debt Service Requirements on the Outstanding Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund, or (c) 125% of the Average Annual Debt Service Requirements on the Outstanding Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund.

**“Revenue Fund”** means the fund by that name established pursuant to the Indenture.

**“S&P”** means Standard & Poor’s Ratings Services, a division of the McGraw Hill Companies, Inc., and its successors and assigns.

**“Sale Documents”** means the Notice of Public Sale [and Sale Certificate] pursuant to which the Series 2019 Bonds were competitively priced and sold by the Authority.

**“Series 2019 Bonds”** means the “Fort Collins Urban Renewal Authority Tax Increment Revenue Refunding Bonds (Prospect South), Series 2019” issued pursuant to the provisions of this Indenture.

**“Special Record Date”** means a special date fixed to determine the names and addresses of Owners for purposes of paying defaulted interest on a special interest payment date, all as further provided in the Indenture.

**“State”** means the State of Colorado.

**“Subordinate Debt”** means any obligation issued or incurred by the Authority and payable from the Trust Estate on a basis (a) which is subordinate to the claim thereon which secures the Bonds and (b) for which no payment of principal or interest may be paid in any Fiscal Year before all deposits required by the Indenture for such Fiscal Year have been made or

provided for. Amounts payable to the Developer pursuant to the Reimbursement Agreement shall constitute Subordinate Debt hereunder.

**“Supplemental Act”** means the Supplemental Public Securities Act, constituting of article 57 of title 11, Colorado Revised Statutes, as from time to time amended and supplemented.

**“Tax Compliance Certificate”** means the Tax Compliance Certificate delivered by the Authority in connection with the initial issuance and delivery of the Series 2019 Bonds, as modified from time to time pursuant to its terms.

**“Trust Estate”** means and shall consist of the Pledged Revenues and the rights, property and interests pledged and assigned by the Authority under this Indenture to the Trustee pursuant to the Granting Clauses of this Indenture.

**“Trust Funds”** means all funds and accounts established under the Indenture, except the Rebate Fund. Notwithstanding the foregoing, or any other provisions of the Indenture, the Reserve Fund created under this Indenture shall only secure the payment of the Series 2019 Bonds, and not any Additional Bonds hereafter issued, unless the resolution or indenture authorizing the issuance of Additional Bonds provides that such Additional Bonds shall be secured by the Reserve Fund.

**“Trustee”** means U.S. Bank National Association, duly organized and existing under and by virtue of the laws of the United States of America, having its Principal Corporate Trust Office in Denver, Colorado, and its successors, and any successor Trustee at the time serving as successor trustee hereunder.

**“2019 Costs of Issuance Fund”** means the Costs of Issuance Fund established pursuant to the Indenture.

**“Underwriter”** means [collectively,] the underwriter[s] and purchaser[s] of the Series 2019 Bonds pursuant to the Sale Documents.

**APPENDIX B**  
-  
**FORM OF REPLENISHMENT RESOLUTION**

[Attached]

**APPENDIX C**  
-  
**THE CITY OF FORT COLLINS**

[Attached]

**APPENDIX D**  
-  
**CITY FINANCIAL INFORMATION AND DEBT STRUCTURE**

[Attached]

**APPENDIX E**

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**BASIC FINANCIAL INFORMATION OF THE CITY  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**APPENDIX F**  
-  
**ECONOMIC AND DEMOGRAPHIC INFORMATION**



## APPENDIX G

### BOOK-ENTRY-ONLY SYSTEM

*As used in this appendix, “Bonds” refers to the Series 2019 Bonds.*

*The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the Issuer and the Underwriter take no responsibility for the accuracy thereof.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries

made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such

other name as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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**APPENDIX H**  
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**FORM OF BOND COUNSEL OPINION**

[Attached]

**APPENDIX I**

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**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

[Attached]