



## MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**

**FROM: LESLIE EDWARDS, FINANCE DIRECTOR**

**RE: RESOLUTION 23-14, A RESOLUTION APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT CONCERNING A FOR RENT WORKFORCE HOUSING PROJECT AUTHORIZED BY ORDINANCE 23-03**

**DATE: FEBRUARY 28, 2023**

**Summary and Background:** In January 2021, the Town of Frisco started development on Granite Park, a 22-unit workforce housing project being developed in collaboration with the Colorado Department of Transportation (CDOT). In May, the Town entered into a contract with Diversified Consulting Services (DCS) for Owner's Representative services to assist the Town and CDOT in management of the project. During pre-construction, the contractor, owner's rep, project architect, and Town and CDOT staff clarified project details and logistics to develop set prices for each part of the project to calculate a Guaranteed Maximum Price (GMP) for project construction. The GMP value is being used to set project financing and the cost share with CDOT. Under the agreement with CDOT, project costs are being split with the Town, with the value of the land being applied to CDOT's share of project costs.

In order for the Town of Frisco to finance the cost of the 11-units allocated to the Town, the Town Council has authorized the issuance of Certificates of Participation (COPs) for approximately \$7.2M. At the February 14, 2023 Town Council meeting, Council approved an ordinance on second reading authorizing Certificates of Participation to finance Granite Park, certain limits related to the issuance, and the general form of documents related to the issuance. The next step is for the Council to approve the general form of the Preliminary Official Statement (POS) before it is released into the market for the bond sale. As the governing body, the Council is responsible for reviewing the general form of the POS.

**Analysis:** This resolution speaks to the requirements to execute a Preliminary Official Statement to effect the issuance of the 2023 COPs for a workforce housing project known as Granite Park. The Official Statement is intended to provide potential investors with details about the Town of Frisco, in order to inform their opinion about the investment. While the version attached is in general form of the Official Statement that will be signed by the Mayor, the version presented for adoption is the Preliminary Official Statement and is subject to minor changes (including completion of information that is not yet available) prior to signing of the final

document. Additional details regarding Certificates of Participation can be found in the staff report related to Ordinance 23-03, adopted on second reading on February 14, 2023.

**Financial Impact:** Because the COPs will not be sold immediately after the ordinance is adopted, it is impossible to accurately predict at this time what the interest rate the Town will have to pay to sell the COPs. To deal with this uncertainty, the ordinance adopted on February 14, 2023 sets a top limit of 5% for the interest to be paid on the 2023 COPs. Keep in mind that the actual interest rates will be determined based upon the market at the time that the Town issues its COPs, and that the interest rates can vary from day to day. The structure of this financing and annual payment amounts are in line with the 10-year housing proforma that was presented to Town Council at the January 24, 2023 Town Council meeting,

**Alignment with Strategic Plan:** In passing this resolution, the Town of Frisco will be able to move forward with the construction of Granite Park, which supports the Strategic Plan priority of Inclusive Community. Additionally, the construction of workforce housing supports the priority of Thriving Economy in enabling workforce to live in the community.

**Staff Recommendation:** Staff recommends that Town Council approve Resolution 23-14 to allow for the Granite Park project financing to move forward.

**Reviews and Approvals:** This report has been reviewed and approved by:

Tom Fisher, Town Manager

**Attachments:**

Attachment 1 – Resolution 23-14

Attachment 2 – Preliminary Official Statement