

# Lanterns Metropolitan District No. 1

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Refinancing Results  
Series 2024 Bonds

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# District Debt Overview – Prior to 2024 Refinancing

## Prior Debt

	Series 2019A	Series 2019B	Series 2019C
<b>Original Principal</b>	\$18,740,000	\$2,051,000	\$1,329,000
<b>Outstanding Principal + Accrued Interest<sup>1</sup></b>	\$18,723,687	\$3,076,006	\$2,230,501
<b>Interest Rate</b>	5.00%	7.75%	10.00%
<b>Maturity Date</b>	12/1/2049	12/15/2049	12/15/2049
<b>First Call Date</b>	9/1/2024	9/1/2024	9/1/2024
<b>Security Pledge</b>	63.6 mills, as adjusted	63.6 mills, as adjusted	63.6 mills, as adjusted

## Developer Advances

	Developer Advances
<b>Outstanding Principal + Accrued Interest<sup>2</sup></b>	\$7,056,716
<b>Interest Rate</b>	8.00%

The developer advances are owed to the developer as part of a series of reimbursement agreements between the District and the developer related to operations & maintenance and infrastructure expenditures for the benefit of the District.

<sup>1</sup>Calculated as of December 31, 2024

<sup>2</sup>Calculated as of December 31, 2023 – per the District’s 2024 Budget

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## Refinancing Results

### The transaction at a high level achieves the following:

- Refunded all outstanding debt (2019A, 2019B, and 2019C)
- Partially repaid outstanding developer advances for costs of eligible improvements (\$6,000,000)
- Lowered the cost of the District's outstanding debt
- Lowers annual debt service mill levy (starting in 2026)
- Meaningful annual savings for homeowners (starting in 2026)
- Provides additional mill levy flexibility for the District (starting in 2026)

## Refinancing Results (cont.)

	Prior Debt	Proposed Refinancing (November 2024) <sup>1</sup>	Refunding Bonds (Issued December 2024)	Reason for Adjustment
<b>Series</b>	2019A / 2019B / 2019C	Series 2024	Series 2024	--
<b>Par Amount</b>	\$22,025,000	\$28,065,000	\$29,020,000	Change from premium to discount structure to improve the marketing for shorter call protection.
<b>Interest Rate</b>	5.80% <sup>2</sup>	4.50%	4.435%	Final pricing of the bonds
<b>Maturity Date</b>	12/1/2049 & 12/15/2049	12/1/2054	12/1/2053	Shorter term requested by Assured Guaranty (insurer) as condition for approval of the transaction.
<b>Prepayment</b>	First callable on 9/1/2024	First callable on 12/1/2029	First callable on 12/1/2028	Provides earlier opportunity to refinance the Series 2024 bonds and generate more savings.
<b>Net Present Value Savings</b>	--	\$1,300,000 (6% of refunded bonds)	\$1,854,287 (8.4% of refunded bonds)	Lower interest rate
<b>Projected 2026 Debt Service Mill Levy</b>	72.6 mills	60.3 mills (16.9% decrease vs. prior debt)	59.1 mills (18.5% decrease vs. prior debt)	Lower interest rate
<b>Est. Average Homeowner Savings in 2026<sup>3</sup></b>	--	\$730	\$800	Lower interest rate

<sup>1</sup>All assumptions and outcomes estimated as of market conditions in November 2024

<sup>2</sup>Blended rate amongst the 2019A, 2019B, and 2019C Bonds

<sup>3</sup>Estimated savings for a home with a market value of \$1,000,000

# Estimated 2026 Debt Service Tax Savings

2026 Debt Service Property Tax Payments			
Sample Home Market Value	Estimated Payment without Refunding: 72.6 mills (63.6 mills, as adjusted)	Estimated Payment with Refunding: 59.1 mills	Estimated 2026 Tax Savings per Homeowner
\$700,000	\$3,020	\$2,460	\$560
\$800,000	\$3,450	\$2,810	\$640
\$900,000	\$3,880	\$3,160	\$720
\$1,000,000	\$4,310	\$3,510	\$800

# Questions?

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