

SOUTHSHORE METRO DISTRICT

In response to the community member feedback, the Resident Board is issuing FAQs intended to provide insight on our community's Metro District.

BOND ASSUMPTION ANALYSIS

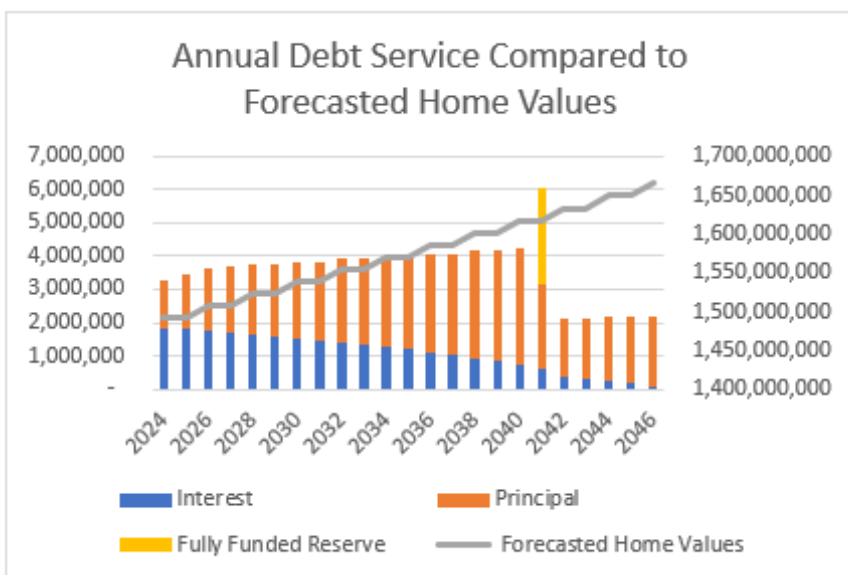
Southshore bonds were issued over three and half years ago. How do we compare to the assumptions used in early 2020?

The bonds assumed by 12/31/23 Southshore would have 1,798 homes occupied with a total valuation of approximately \$924 million. As of 11/1/23 Southshore has 1,817 occupied homes with a valuation just short of \$1.5 billion.

FORECASTED HOMES VALUES COMPARED TO ANNUAL PRINCIPAL AND INTEREST PAYMENTS

Southshore has exceeded expectation for both home deliveries and valuations. Looking forward, how is Southshore positioned?

Arapahoe County Assessor performs an appraisal every two years. These appraised values are used for property tax calculations. The bonds assumed home values would increase 2% every two years. To be more conservative, the graph below reflects a 1% increase every two years. The forecasted home values increases at a significantly higher rate than the annual debt and interest payments.



DEBT RATING

On May 9, 2023, Moody's Investors Services revised their outlook to positive from stable and affirmed the issuer rating at Baa1, as well as a senior lien limited tax rating at Baa2. This is an investment grade rating which is positive news considering Southshore has not fully been built out.

FULLY COLLECTED RESERVE

The Series 2020B bonds require a reserve total over \$2.9 million. The reserve has been fully collected and will earn interest income until used to pay off the Series 2020B bond in 2041.

Southshore Metro District

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DISTRICT WEBSITE

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