

Private Activity Bonds (PAB)

What are private activity bonds?

- Tax-exempt bonds issued to support projects with a **private** purpose.
- IRS allows a limited amount of tax exempt private purpose bonds to be issued, thus creating the PAB Cap.
- PAB Cap is allocated based on a state's population times the per capita rate.
- Colorado's Statewide 2010 allocation is \$452,227,320

Initial Allocations

January 15, 2010

\$90 per capita rate x state population = PAB Cap
Colorado was awarded \$452,227,320 in 2010

50% of Cap

State Authorities

- CHFA
- Colorado Agriculture Development Authority
- Colorado Health Facilities Authority
- College Invest
- Colorado Educational and Cultural Facilities

50% of Cap

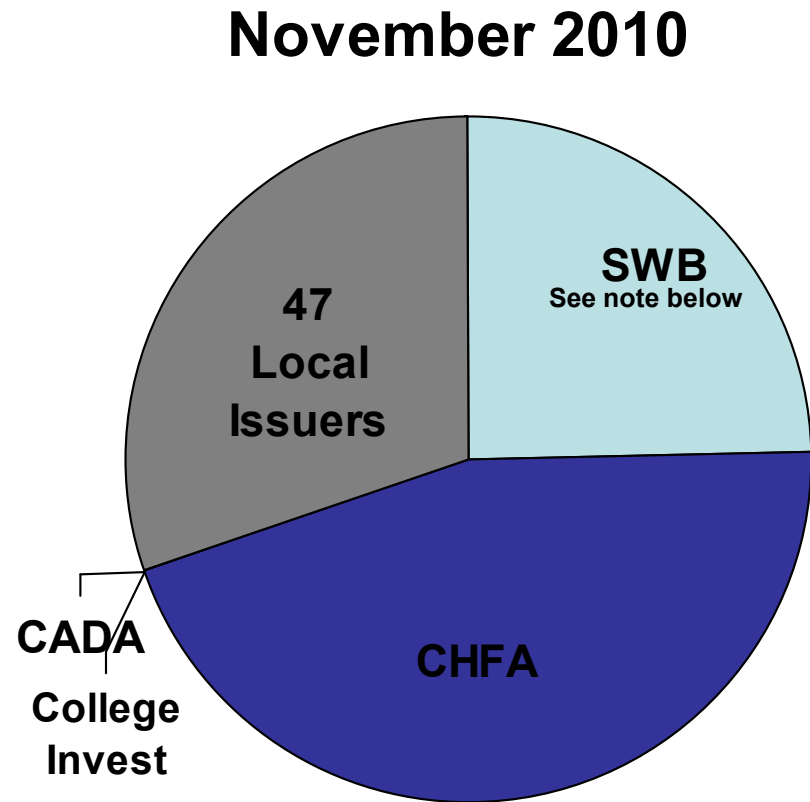
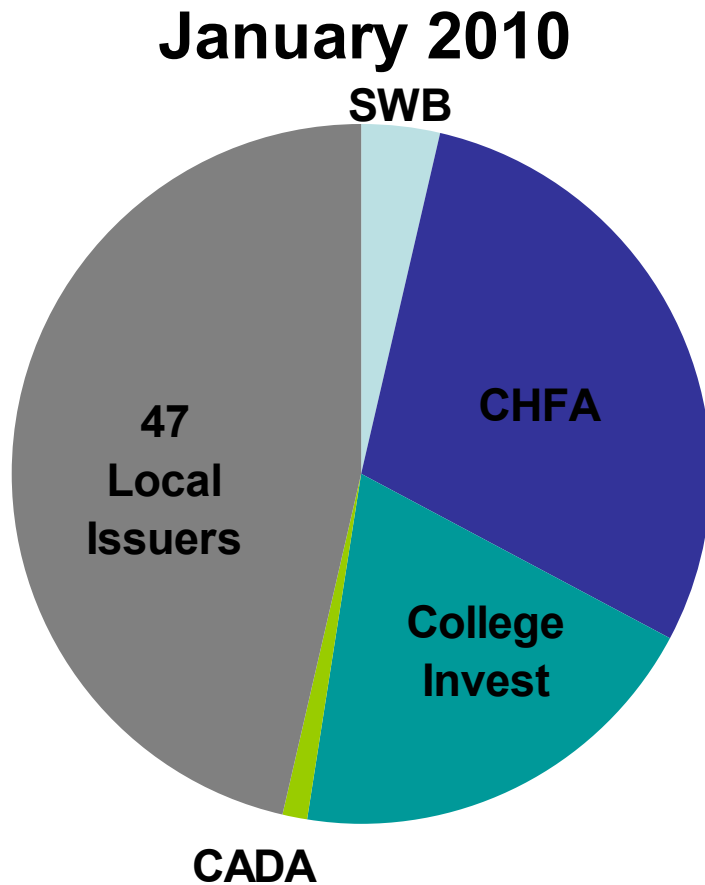
Local Governments

- 47 local governments
- populations exceeding 22,222
- 2010 Denver cap is \$27,517,905

Statewide Balance

- Remaining or relinquished PAB Cap
- Available to all upon application to DOLA
- September 15th, relinquished PAB Cap becomes part of the statewide balance
- December 31st, unallocated PAB Cap expires

Comparison of 2010 Allocation



NOTE: As of November, \$111,843,535 of PAB Cap remains unallocated in the Statewide Balance (SWB) and will expire on December 31, 2010.

Denver's Current Allocations

BENEFITS:

- Once a local government is awarded the PAB Cap, the IRS allows the PAB Cap to be carried forward up to 3 years
- There is no cost to the City to receive an award of PAB Cap.
- By seeking additional PAB Cap, Denver is assisting the State preserve a resource that would otherwise expire at the end of the year.
- Denver benefits from the additional allocation being available for future development.

<u>Year</u>	<u>PAB Award</u>	<u>Used</u>	<u>Project</u>	<u>Carry Forward</u>	<u>Expiration</u>
2008 ¹	\$53,776,628	\$25,000,000	MCC	\$28,776,628	12/31/2011
2009	\$21,346,190			\$21,346,190	12/31/2012
2010	\$27,517,905			<u>\$27,517,905</u>	12/31/2013
			November 2010	\$77,640,723	
2010	\$30,000,000			\$30,000,000	12/31/2013
2011	\$29,985,875			<u>\$29,985,875</u>	12/31/2014
			January 2011	\$137,626,598	

¹ 2008 PAB Award includes \$10,000,000 of HERA Allocation that was applied to the 2009 MCC Program.