

CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

DEPARTMENT 1010
201 W. COLFAX AVE.
DENVER, COLORADO 80202

MARGARET DANUSER
MANAGER OF FINANCE

Mike Johnston
Mayor

October 16, 2023

Honorable Jaime Torres
Denver City Council President
City and County Building, Room 451
Denver, CO 80202

Dear Council President Torres:

In keeping with the provisions of Section 20-93 of the Denver Revised Municipal Code (the "DRMC"), I am hereby notifying you of the Department of Finance's intent to issue Airport System Revenue Bonds, Series 2023A-B, for and on behalf of its Department of Aviation, in an amount not to exceed \$815 million to refund and redeem the Series 2012A-B and 2013A-B Airport System Revenue Bonds. The maturity of the bonds will not exceed 2043. The 2023A-B Bonds will be issued as subordinate lien obligations.

The City has by ordinance designated the Department of Aviation as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. The Series 2023A-B Bonds are special obligations of the City, for and on behalf of the Department of Aviation, payable solely from and secured by a pledge of the Net Revenues of the Airport System. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Series 2023A-B Bonds.

In keeping with the intent of 20-93(b) of the DRMC, the President of Council will be notified promptly of any material change. The accompanying *Attachment A* contains a more detailed description of the financing. I do not anticipate formally communicating technical changes in the financing.

Sincerely,



Margaret Danuser
Chief Financial Officer, Manager of Finance

Attachment

Cc: Honorable Timothy O'Brien, Auditor
Honorable Paul D. Lopez, Clerk and Recorder
Jonathan Griffin, City Council Counsel
Everett Martinez, City Attorney's Office (DEN)

Attachment A:

DESCRIPTION OF THE AIRPORT SYSTEM REVENUE BONDS, SERIES 2023A-B

I. The Proposed Financing

The Series 2023A-B bonds are being issued in an amount not to exceed \$815 million for the purpose of refunding outstanding Series 2012A-B and 2013A-B in order to realize interest cost savings. The interest rate on the Series 2023A-B Bonds will not exceed 5.50%. The final maturity of the bonds will not exceed 2043. The tax status of the bonds will include a combination of AMT and Non-AMT bonds.

** AMT bonds are tax-exempt obligations that are subject to taxation for certain higher income investors defined by Internal Revenue Service regulations. Bonds that fund governmental purpose projects, such as airfield improvements are generally not subject to AMT, while bonds issued to fund private activity projects such as terminal projects are.*

II. Security for the Bonds

The City has by ordinance designated the Department of Aviation as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. The Series 2023A-B Bonds are special obligations of the City, issued for and on behalf of the Department of Aviation. The bonds are payable solely from and secured by a pledge of the Net Revenues of the Airport System. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Bonds. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Bonds. The Series 2023A-B bonds will be issued as subordinate lien obligations.

III. The Sale Process

The Series 2023A-B bonds will be sold in a negotiated process with a public sale led by Ramirez and Co., serving as senior manager and book runner, Loop Capital, JP Morgan and Morgan Stanley serving as co-managers. Underwriting firms for the 2023A-B bonds were selected from the City’s existing underwriter pool, which was developed via a competitive process conducted through the Department of Finance. The City uses the financial advisory services of Frasca & Associates LLC for Airport financings. Pricing delegation for this transaction is valid through December 31, 2024.

IV. The Proposed Timetable of Events

Major events in the proposed timetable are noted below:

<i>Date</i>	<i>Event</i>
October 11, 2023	Business Committee
October 16, 2023	20-93 Notification read to Council
October 23, 2023	First Council reading of the Ordinances
October 30, 2023	Second Council reading of the Ordinances
Week of November 6th	Pricing (may change based on market conditions)
Week of November 13th	Closing (may change based on market conditions)

V. Counsel

Hogan Lovells US LLP serves as Bond Counsel on the Series 2023A-B Bond transaction. The Firm was selected through a competitive process conducted through the City Attorney’s Office.

VI. Other Information

I know of no event that will affect the financing as described herein. In keeping with the intent of the 20-93 of the DRMC, the President of Council will be notified promptly of any material change to the financing. I do not anticipate formally communicating technical changes of an immaterial nature or minor changes in the timetable.