

Executive Summary – Series 2024A Certificates of Participation and Lease Purchase Transaction

In January 2024, Denver City Council approved the Purchase and Sale Agreement that authorized the acquisition of the Denver Post Building, located at 101 W. Colfax Avenue. The proposed ordinance seeks to secure the proceeds to fund such purchase via a financing using Certificates of Participation (COPs). The ordinance would authorize the manager of finance on behalf of the city to establish the 2024A Public Facilities Leasing Trust and to enter into a proposed Lease Purchase Agreement for the property and facilities at 101 W. Colfax Avenue for the City's occupancy of the site and facilities. The proposed ordinance then allows the Trustee on behalf of the Trust to issue not more than \$90,000,000 of Certificates of Participation (101 W. Colfax Facilities Project), Series 2024A. The proceeds will be used to pay for the property and associated cost of issuance expenses.

The principal amount of the transaction will not exceed \$90 million. It is expected that the City, by owning instead of leasing this property would receive approximately \$47 million in revenue collections through 2029 to offset the cost of acquiring this property. 2024 estimated General Fund savings are approximately \$1 million. The Series 2024A COPs will be issued as taxable and will bear a fixed interest rate not to exceed 7% with the final rate to be set upon City Council approval. The Series 2024A taxable COPs will be sold via a private placement to JP Morgan Chase, who was selected via a competitive process. The COPs are being structured to allow for refunding flexibility in 2029 and 2033. If approved by city council, the transaction is expected to close no later than April 30th, 2024.

The Series 2024A COP payments are subject to annual appropriation by Denver City Council and neither the lease nor the COPs constitute a multiple year fiscal obligation of the city. The sources of funds for the annual lease payment will consist of the revenue generated through the Master Lease in place through 2029, and the General Fund.

The 101 W Colfax Ave. property will be pledged as part of the 2024A COP transaction and will serve as leased property under the 2024A COPs.