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Finance and Governance Committee (Item #19-0283)

- **Ordinance Request Summary**
- **Elevate Denver Bond Program**
 - Program Overview
- **Second Issuance Ordinance Request (Item #19-0283)**
 - Financing Structure
 - Ordinance Request
 - Key Financing Terms
 - Tentative Financing Timeline

- **Seeking approval for:**

- Item #19-0283 Authorization of the issuance of City and County of Denver General Obligation (GO) Bonds, Series 2019A-B in a par amount not to exceed \$139 million.
 - Approximately \$82 million of funding toward Elevate Denver Bond Program (authorized under the 2017 election)
 - Up to \$57 million for the refunding of Series 2009A Better Denver and Zoo[†] GO bonds to achieve interest cost savings

† Authorized under the 2007 (Better Denver) and 1999 (Zoo) elections



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Program Overview

Program Overview

Elevate Denver Origin

**10-YEAR,
\$937 MILLION**

ELEVATE DENVER BOND PROGRAM

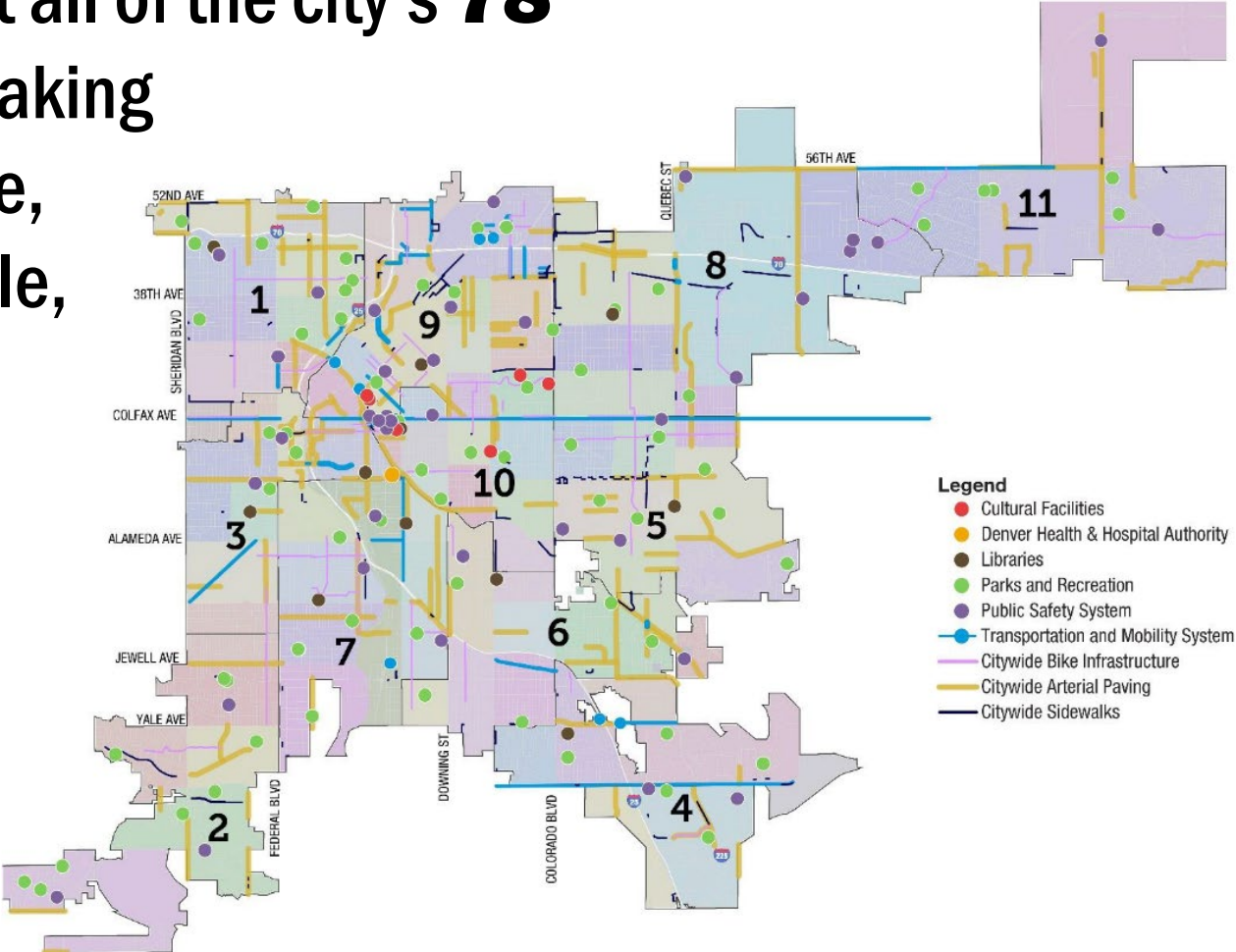
500+

PROJECTS



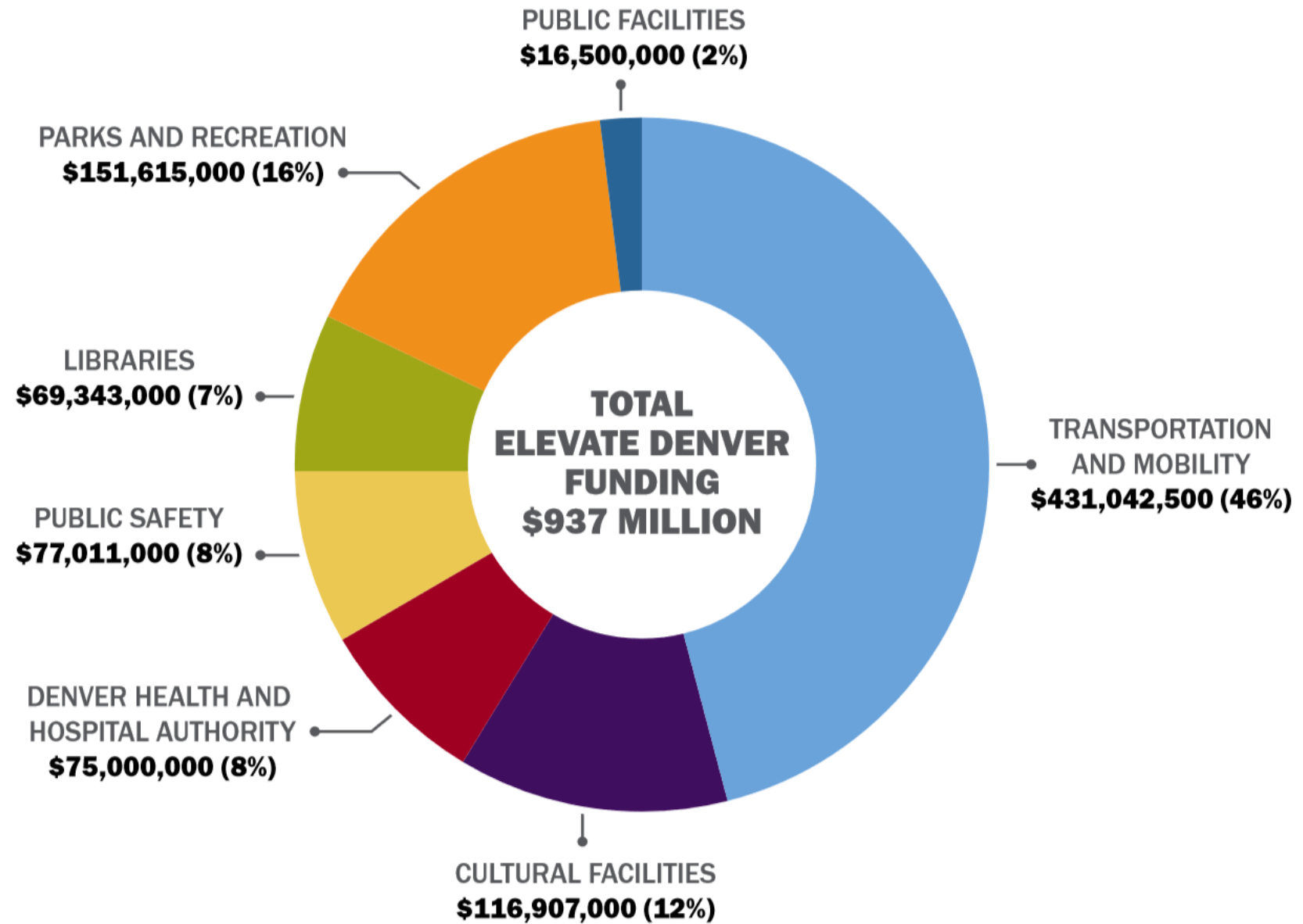
After a year of public input and **4,000+** comments from the community, voters approved Elevate Denver, ushering in the city's largest general obligation bond to date.

Elevate Denver will benefit all of the city's **78** unique neighborhoods, making amenities more accessible, infrastructure more durable, and communities more robust.



Program Overview

Funding by Purpose



Program Overview

Financial Progress Through 2018

PURPOSE	TOTAL ELEVATE DENVER FUNDING	FIRST ISSUANCE FUNDING	PIPELINE (BASELINED BUDGET)	COMMITTED
Transportation and Mobility	\$431,042,500	\$41,181,000	\$8,305,197	\$1,209,350
Cultural Facilities	\$116,907,000	\$65,000,000	\$65,000,000	\$64,000,000
Denver Health	\$75,000,000	\$45,000,000	\$45,000,000	\$45,000,000
Public Safety	\$77,011,000	\$5,438,000	\$3,613,000	\$1,610,124
Libraries	\$69,343,000	\$5,312,000	\$5,312,000	\$28,306
Parks and Recreation	\$151,615,000	\$30,525,000	\$27,070,000	\$ 686,307
Public Facilities	\$16,500,000	\$627,000	\$377,000	\$0
Total	\$937,418,500	\$193,083,000	\$154,677,197	\$112,534,087

Pipeline: Amount of projects scoped, scheduled, and programmed in CIS

Committed: Identifies funding allocated to a specific project underway

Source: Workday and CIS financials 12/31/18



Program Overview

2018 Accomplishments

Denver Fire Station 17 - Renovation Design Begins



W Dartmouth Ave. - First Sidewalk Paving



Paco Sanchez Park - Phase II Groundbreaking

In 2018, Elevate Denver built the foundation for the decade-long program, setting projects up for success.

Program Overview

2018 Accomplishments



Denver Health - Poured foundation for the new OMC



Denver Art Museum - Topped off Welcome Center



Denver Zoo - Broke Ground on Animal Hospital

Many Elevate Denver projects saw early success, including Denver Health and the cultural facilities, which progressed rapidly through development and design and into construction.

Program Overview

Project Life Cycle

DEVELOPMENT

DESIGN

CONSTRUCTION



This phase includes the establishment of fundamental design criteria and decision-making processes, which form the essential design choices made to meet the project goals.

This phase includes development of the means, techniques, and criteria to meet the requirement of the project goals and design intent.

In this phase, construction activities are initiated and completed as per the project's design requirements.

Program Overview

2019 Look Ahead

In 2019, more projects will transition into early stages of construction. Spring and fall debt issuances are anticipated to accommodate project readiness.



47th and York Bike Pedestrian Bridge - Youth Design Models during Build-A-Bridge Workshop



Citywide Bikelanes - Rendering of Bike Lane Buffer



Denver Botanic Gardens - Rendering of Center for Science



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Second Debt Issuance

- **Debt authorized under the Elevate Denver Bond Program will be phased and will result in multiple bond issuances over time.**
 - Timing to align with project readiness and ability to deliver
 - Requirements to spend down proceeds for tax-exempt bonds
 - Economic and market conditions could impact timing
 - All debt authorized by the ballot questions should be issued within a period of 10 years
- **Each issuance must be approved by City Council.**

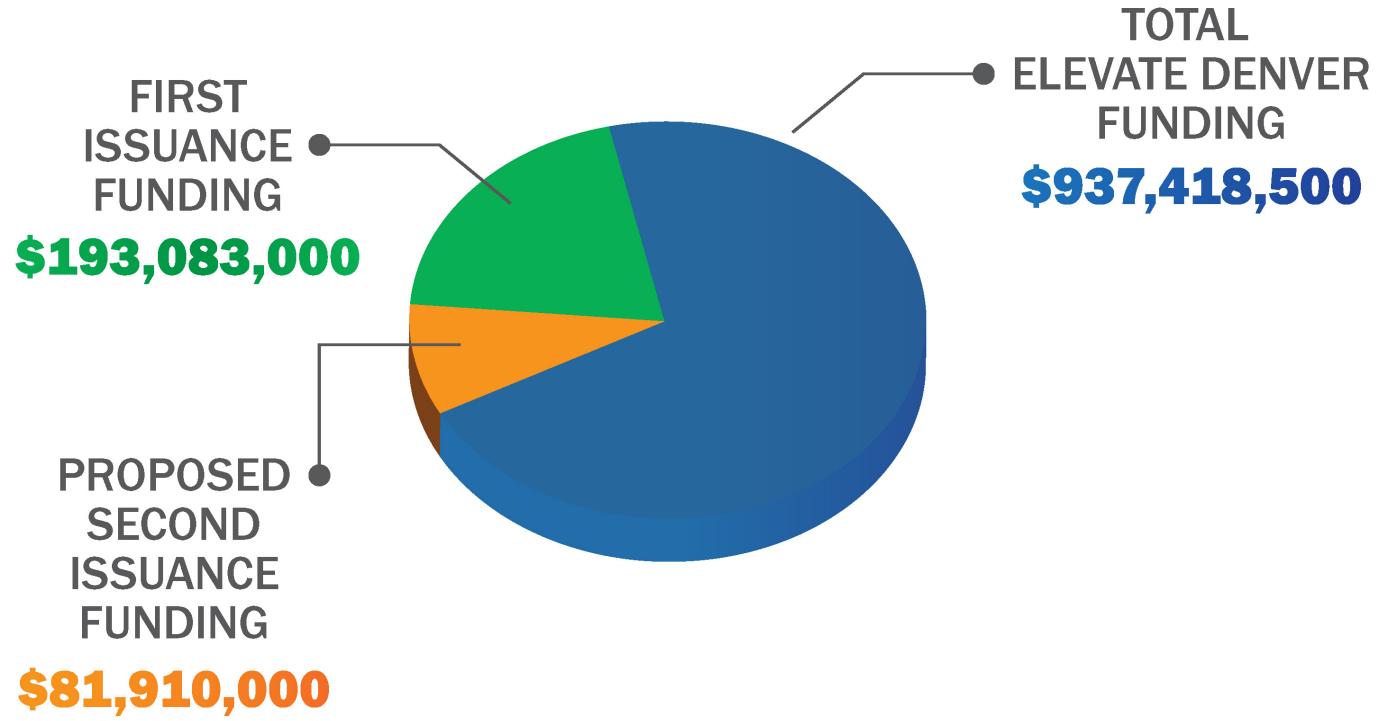
Authorizes the issuance of City and County of Denver General Obligation (GO) Bonds, Series 2019A-B in a principal amount not to exceed \$139 million for the purpose of funding:

1. Approximately \$82 million toward Elevate Denver bond projects
 - Consisting of approximately \$52 million to Cultural Facilities and \$30 million to Denver Health
2. Up to \$57 million for the refunding of Series 2009A Better Denver and Zoo GO Bonds* to achieve interest cost savings
3. Associated costs of issuance (attorney fees, rating agencies fees, underwriter fees, etc.)

*Provided funding toward Better Denver bond projects (under the 2007 election authorization) and Zoo improvements (under the 1999 election authorization)

Nearly \$82 million will go toward the Elevate Denver Bond Program.

- Approximately \$52 million will go toward Cultural Facilities
- Approximately \$30 million will go to Denver Health



Second Debt Issuance

Key Financing Terms

	<u>Series 2019A – New Money Elevate Denver Bonds</u>	<u>Series 2019B – Refunding 2009A Better Denver/Zoo Bonds</u>
Par Amount*	\$82 million	\$57 million
Purpose	Funding toward Elevate Denver bond projects	Refunding of Series 2009A Better Denver and Zoo GO Bonds
Interest Rate* (Tax-Exempt)	Not to exceed 4.5% <i>(current All-In Interest Cost is approximately 2.2%*)</i>	2.1%*, producing Net Present Value savings of \$5.3 million* or 9.7%* of refunded bonds
Term	Matures 8/1/2029 (10 years)	Matures 8/1/2025 (no extension to existing term)
Expected Ratings	Unchanged from existing AAA / Aaa / AAA	
Method of Sale	Competitive sale to achieve lowest cost of funds for the city	

*Based on current market conditions. The final par amount and interest rate will be determined on the day of pricing and is dependent on market conditions.



Second Debt Issuance

Tentative Financing Timeline

- March 18** Communication of 20-93
- March 26** Finance & Governance Committee
- April 2** Mayor Council
- April 4** Filing of documents
- April 8** First Reading
- April 15** Second Reading
- April 23*** Bond Pricing
- May 6*** Bond Closing
- Fall 2019*** Anticipated Third Issuance

** Tentative, subject to market conditions*





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Questions?