



2017 General Obligation (GO) Bond Program

Item #18-0436 2018 Bond Issuance

**Items #18-0437 - 0442 Partner Funding and Assignment
Agreements**

Finance and Governance Committee
May 1, 2018

FOR CITY SERVICES VISIT | CALL
DenverGov.org | **311**

- Ordinance Request Summary
- 2017 GO Bond Process and Program Recap
- GO Bond Implementation
 - o Financing, Governance and Program Initiation
 - o First Issuance Project List Evaluation and Selection
- Item # 18-0436 2018 Bond Issuance
 - o Funding for Proposed GO Bond Projects
 - o Refund Series 2008 Justice System Bonds
- Items # 18-0437-0442 Partner Funding/Assign Agreements
- Next Steps
 - o Workforce Development
 - o Timeline

Seeking approval for:

- Item#18-0436 Authorization of the issuance of City and County of Denver GO Bonds, Series 2018A-B in a principal amount not to exceed \$270 million.
 - \$193M to support implementation of 2017 GO Bond projects
 - \$77M for refunding of Series 2008 Justice System Bonds to achieve interest cost savings.
- Items #18-0437 - 0442 Approval of Funding and Assignment Agreements between the Cultural Institutions, Denver Health and Hospital Authority, and the City and County of Denver for the implementation of authorized 2017 GO Bond projects.



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Recap of 2017 GO Bond Process and Program

Project Input (2016)

- Began with Elevate 2020 as the foundational document
- Six public meetings co-hosted with City Council
- Over 3,000 comments received during public engagement

Project Selection (2017)

- External stakeholder committee evaluation & recommendations
- Mayor and City Council review & recommendations
- City Council unanimous approval of \$937M project list and referral to ballot
- November 2017 vote – all 7 ballot questions strongly approved
- An additional 1,000 comments received during this phase

Program Implementation (Starting Now)

- \$937M program will have multiple funding issuances over a 10 year period
- First issuance anticipated for June 2018
- Second issuance anticipated in 2019

Governance

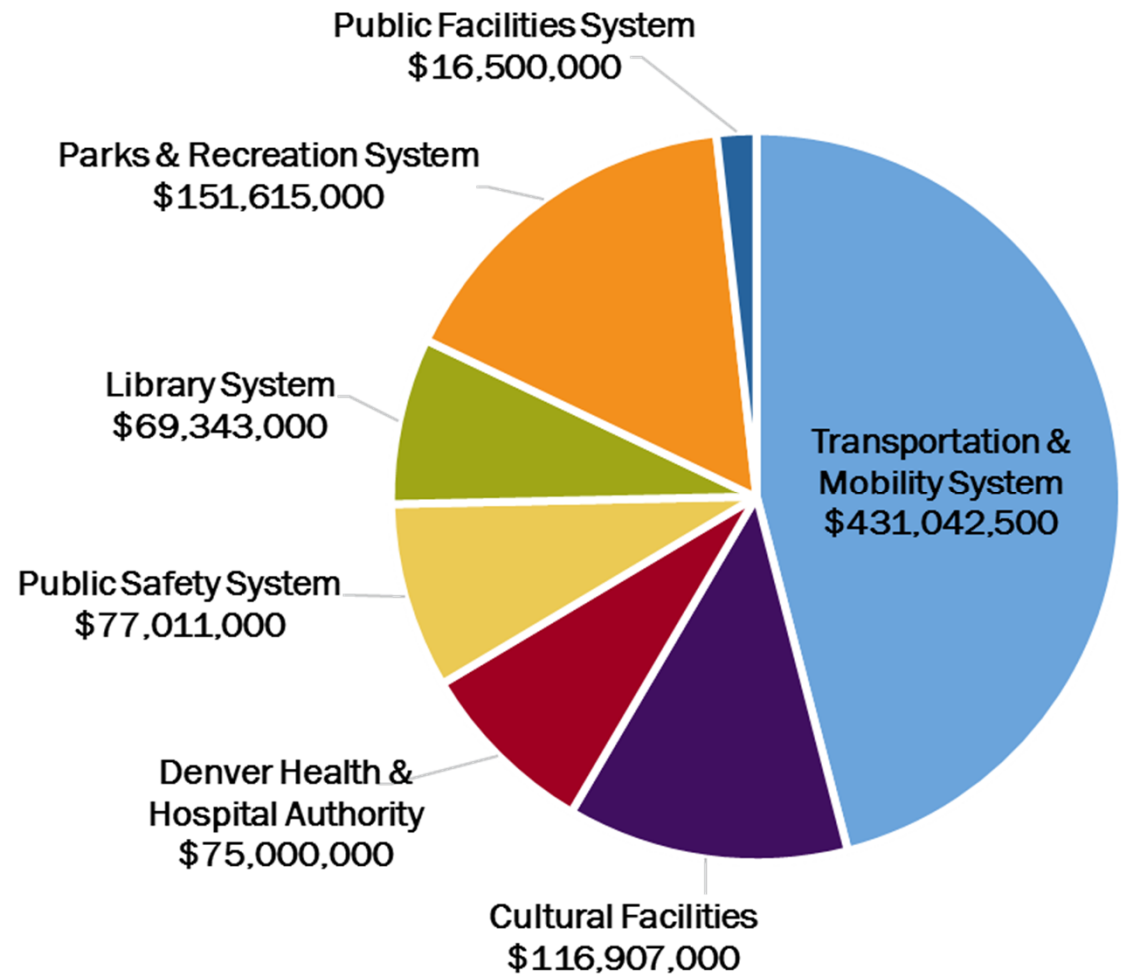
- Governance: Mayor's Office, Bond Executive Committee, multi-agency bond management teams
- Consultant Program Manager: Atkins North America

2017 GO Bond Program

Program Recap

Key Highlights

- Total = \$937,418,500
- More than half of all projects fix/repair existing assets
- Transportation & Mobility projects are greater than 60% (290) of all projects
- Projects leverage over \$400,000,000 in funds from other entities

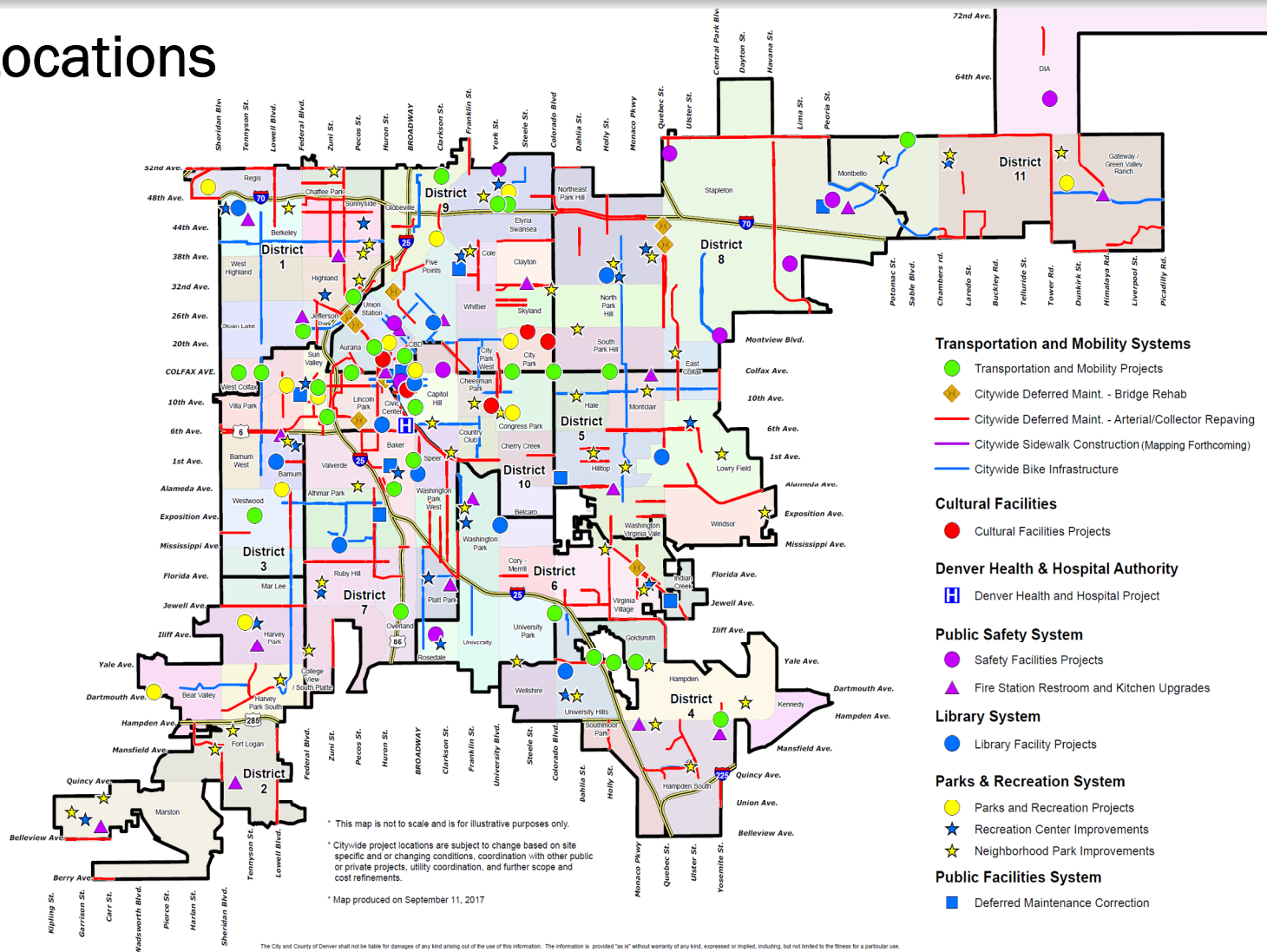




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2017 GO Bond Program Program Recap

Project Locations



GO Bond Implementation

- o Financing and Governance
- o First Issuance Project List Evaluation and Selection

GO Bond Implementation

Financing Structure

- Debt authorized under the 2017 GO Bond Program will be phased and will result in multiple GO Bonds issued over time.
 - o Timing to align with project readiness and ability to deliver
 - o Economic and market conditions will also impact timing
 - o Must consider spend down requirements for tax-exempt bonds
 - o All debt authorized by the ballot questions should be issued within a period of 10 years
- Each debt issuance must be approved by City Council
- The City's GO Bonds are currently rated "AAA" by all three major credit rating agencies.

GO Bond Implementation

Governance

- Continuation of the program governance structure and previous successes of the 2007 Better Denver Bond program.
- Bond Executive Committee
 - o Oversight of projects, including making decisions about how to spend dollars when projects are over or under budget.
 - o Generally, consisting of representatives from the Mayor's Office, Department of Finance, City Attorney's Office, Public Works, Sustainability, Parks and City Council as well as advisory representatives from North Denver Cornerstone Collaborative, Denver Public Library, Safety, and Arts and Venues.
- At minimum, annual reporting required by ordinance and the ballot questions. Fully expect to continue quarterly reporting to City Council as with Better Denver Bonds.

GO Bond Implementation

Program Initiation

- In collaboration with city staff Atkins North America commenced work in February following City Council approval.
 - Met with city departments, cultural partners and Denver Health to understand project scopes, schedules and budgets.
 - Identified project activities that could be completed in three years
 - Established governance structure (Bond Executive Committee)
 - Initiated Communications Plan
 - Conducted several project workshops and assessments
 - Commenced program governance documents

GO Bond Implementation

Project Evaluation

- Program team evaluated projects to better define potential project schedules and inform plan for first bond issuance.
- Evaluation factors:
 - Review of 2016-2017 input (public, elected officials, etc.)
 - Neighborhood cumulative impact
 - Technical review of project activities completed to date
 - Implementation feasibility including potential procurement methods and delivery options
 - Coordination with other on-going / planned projects
 - Resource requirements
 - Windows of opportunity

GO Bond Implementation

Project Selection

- Evaluation of projects helped inform project activities to be included in first issuance (e.g., design, construction, right-of-way).
- Based on evaluation of projects, will have a 2018 issuance and an anticipated 2019 issuance based on project needs and schedule.
 - Coordination between 2017 GO bond program, annual capital improvement program and partner funding.
- Project plan was reviewed and endorsed by Mayor and Bond Executive Committee.

GO Bond Implementation

First Issuance Summary

Ballot Purpose	Voter Authorization*	Proposed First Issuance**
2A - Transportation System	\$ 431,042,500	\$ 41,181,000
2B - Cultural Facilities	\$ 116,907,000	\$ 65,000,000
2C - Denver Health & Hospital Authority	\$ 75,000,000	\$ 45,000,000
2D - Safety Facilities	\$ 77,011,000	\$ 5,438,000
2E - Library System	\$ 69,343,000	\$ 5,312,000
2F - Parks System	\$ 151,615,000	\$ 30,525,000
2G- Public Facilities	\$ 16,500,000	\$ 627,000
	\$ 937,418,500	\$ 193,083,000

*Voter authorized amounts include \$50M in program contingency divided among all purposes except Cultural Facilities and Denver Health.

** First Issuance includes \$5.87M in program contingency divided among all purposes except Cultural Facilities and Denver Health.

2A. Transportation and Mobility Systems*

Project	Council District	Funded Phase/Activity	First Issuance Amount
Transportation System			\$ 41,181,000
47th and York - Bike Pedestrian Bridge	9	Design/Construction	\$ 2,000,000
56th Avenue (Peoria to Pena)	11	Design	\$ 600,000
Buchtel & Colorado Blvd. Intersection	4,6	Design	\$ 300,000
Citywide Bike lanes	Citywide	Design/Construction	\$ 4,000,000
Colfax Corridor Improvements (west segment only)	1,3 Various	Design	\$ 500,000
Colfax BRT	5,8,9,10	Design	\$ 1,500,000
Connecting Auraria	9	Design	\$ 700,000
Street Paving	Citywide	Construction	\$ 15,000,000
Curb and Gutter	Citywide	Construction	\$ 3,750,000
Bridge Rehabilitation (Park Ave - Bearings Only)	9, Citywide	Construction	\$ 1,700,000
GES Pedestrian Improvements	9	Design	\$ 1,500,000
Hampden Corridor Multimodal Improvements	4	Design	\$ 500,000
Jewel Evans Station Bike/Ped	7	Design	\$ 250,000
Sidewalks	Citywide	Construction	\$ 4,000,000
W. 13th Avenue Multimodal Reconstruction	3	Property Acquisition	\$ 500,000
Washington Street	9	Design	\$ 1,500,000
West Colfax Transit Enhancements	1,3	Design	\$ 200,000
Yale Station Pedestrian Safety	4	Construction	\$ 1,200,000
Purpose Contingency			\$ 1,481,000

*This list represents projects that are recommended to receive GO bond funding as part of the first issuance. Projects not receiving GO bond funding in the first issuance will continue to undergo evaluation and pre-project development activities to ready them for future issuances.



GO Bond Implementation

2B. Cultural Facilities

2C. Denver Health and Hospital Authority*

Project	Council District	Funded Phase/Activity	First Issuance Amount
Cultural Facilities			\$ 65,000,000
Denver Art Museum	10, Citywide	Construction	\$ 25,000,000
DAV Red Rocks and Buell Theatre	9, Citywide	Design	\$ 1,000,000
Denver Botanic Gardens	10, Citywide	Construction	\$ 12,000,000
DCPA Bonfils Complex Upgrades	9, Citywide	Construction	\$ 6,000,000
DMNS Deferred Maintenance	9, Citywide	Construction	\$ 11,000,000
Denver Zoo	9, Citywide	Design/Construction	\$ 10,000,000
Denver Health & Hospital Authority			\$ 45,000,000
DHHA Outpatient Facility	3	Construction	\$ 45,000,000

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GO Bond Implementation

2D. Public Safety System*

Project	Council District	Funded Phase/Activity	First Issuance Amount
Safety Facilities			\$ 5,438,000
County Jail Improvements	8	Construction	\$ 1,500,000
Fire Station Improvements (restrooms/kitchens)	1,2,5,8,9 Citywide	Design/Construction	\$ 432,000
Police Station Improvements	Citywide	Deferred Maintenance	\$ 300,000
Police District 5 Replacement	8	Design/Deferred Maintenance	\$ 2,500,000
Purpose Contingency			\$ 706,000

*This list represents projects that are recommended to receive GO bond funding as part of the first issuance. Projects not receiving GO bond funding in the first issuance will continue to undergo evaluation and pre-project development activities to ready them for future issuances.

2E. Library Systems*

Project	Council District	Funded Phase/Activity	First Issuance Amount
Library System			\$ 5,312,000
Blair Caldwell Branch Renovation	9	Design	\$ 341,000
Byers Branch Renovation	3	Design	\$ 174,000
DPL Central Branch Renovation	10	Design	\$ 4,000,000
Smiley Branch Renovation	1	Design	\$ 184,000
Purpose Contingency			\$ 613,000

*This list represents projects that are recommended to receive GO bond funding as part of the first issuance. Projects not receiving GO bond funding in the first issuance will continue to undergo evaluation and pre-project development activities to ready them for future issuances.

GO Bond Implementation

2F. Parks and Recreation System*

Project	Council District	Funded Phase/Activity	First Issuance Amount
Parks System			\$ 30,525,000
Arkins Court RiNo Promenade	9	Construction	\$ 5,000,000
Bear Valley Tennis Courts	2	Design/Construction	\$ 1,800,000
City Park Playground	9	Design/Construction	\$ 2,000,000
Congress Park Pool	10	Design	\$ 1,500,000
Skyline Park Improvements	9	Design	\$ 300,000
Green Valley Ranch Pool	11	Design	\$ 1,500,000
Irrigation Projects (Harvey Park and Pferdesteller)	1,2 Citywide	Design/Construction	\$ 1,800,000
Neighborhood Park Improvements	1,4,5,6,7,8,11	Design/Construction	\$ 3,595,000
Paco Sanchez Re-Imagine Play	3	Construction	\$ 6,555,000
Recreation Center Improvements	1,4,5,6,7,9	Design/Construction	\$ 3,455,000
Purpose Contingency			\$ 3,020,000

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GO Bond Implementation

2G. Public Facilities System*

Project	Council District	Funded Phase/Activity	First Issuance Amount
Public Facilities			\$ 627,000
ADA Projects	Citywide	Design/Construction	\$ 250,000
Deferred Maintenance	Citywide	Design/Construction	\$ 320,000
Purpose Contingency			\$ 57,000

*This list represents projects that are recommended to receive GO bond funding as part of the first issuance. Projects not receiving GO bond funding in the first issuance will continue to undergo evaluation and pre-project development activities to ready them for future issuances.

Item #18-0436 2018 Bond Issuance

- o Funding for Proposed GO Bond Projects
- o Refund Series 2008 Justice System Bonds

2018 Bond Issuance

Ordinance Request

Authorizes the issuance of City and County of Denver General Obligation Bonds, Series 2018A-B in a principal amount not to exceed \$270 million for the purpose of funding:

1. Approximately \$193 million of funding toward GO bond projects
2. Up to \$77 million for the refunding of Series 2008 Justice System Bonds to achieve interest cost savings
3. Associated costs of issuance (attorney fees, rating agencies fees, underwriter fees, etc.)

2018 Bond Issuance

Key Financing Terms

	Series 2018A – New Money 2017 GO Bond	Series 2018B – Refunding 2008 GO Justice Bonds
Par Amount*	\$193 million	\$77 million
Purpose	Funding toward GO bond projects	Refunding of Series 2008 Justice System Bonds
Interest Rate* (Tax-Exempt)	Not to exceed 4.25% (<i>current All-In Interest Cost is approximately 3.2%*</i>)	2.5%*, producing Net Present Value savings of \$7 million* or 9.5%* of refunded bonds
Term	15 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.



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Resolution # 18-0437-0442 Partner Funding and Assignment Agreements

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Present Resolution Requests for six Funding and Assignment Agreements for new Cultural and Denver Health and Hospital Authority projects approved by voters in November 2017:

- Background - Cultural Projects
- Funding and Assignment Agreements
 - Denver Botanic Gardens (DBG)
 - Denver Art Museum (DAM)
 - Denver Center for Performing Arts (DCPA)
 - Denver Zoo (Zoo)
 - Denver Museum of Nature and Science (DMNS)
 - Denver Health and Hospital Authority (DHHA)
- Next Steps

Funding and Assignment Agreements

Measures 2B and 2C

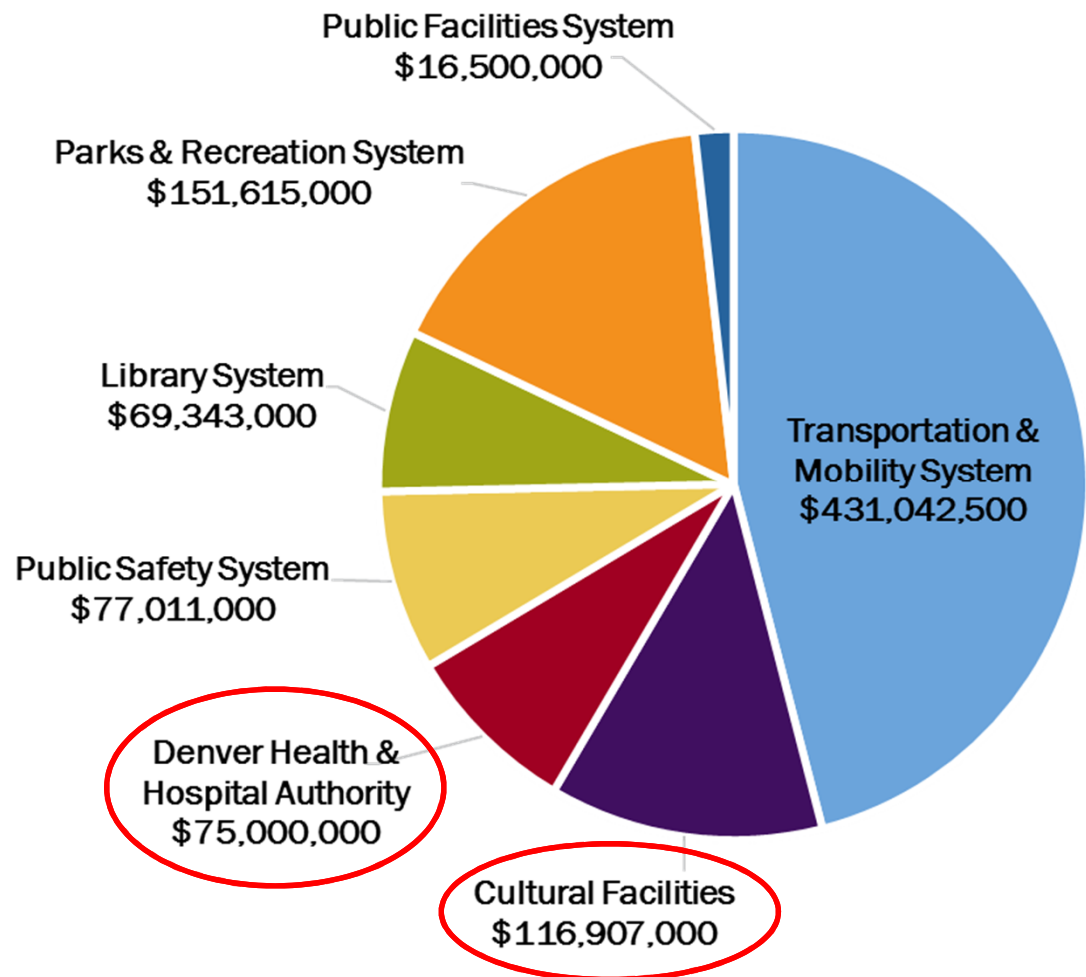
Cultural facilities improvements and Denver Health and Hospital Authority Outpatient Medical Facility were approved by voters in two ballot measures in 2017:

Measure 2B:

- Cultural Facilities Improvements Included funding for projects at DBG, DAM, DCPA, Zoo, DMNS and Arts & Venues.

Measure 2C:

- DHHA Outpatient Medical Facility Included funding for construction of a new outpatient medical center for DHHA.





Funding and Assignment Agreements

Key Agreement Terms

- Provides for Bond Proceeds (to the extent issued) to be transferred from the City to the cultural facility
- Requirements for funding:
 - Submission of design plans to City
 - Quarterly draw requests with cash flows, budget, statement of values information
 - Inclusion of City procurement, prevailing wage, art, and SBE, MBE/WBE in cultural facility contracts for Project
 - Participation in workforce outreach, recruitment activities
 - Final accounting for expenditures on project
- Records retention and audit provisions

Funding Support

- Provide funding for WORKNOW/CORE partners & OED Workforce Services to continue to support job seekers

Data System

- Evaluate/develop data system to support city's data collection and reporting needs

Projects

- Include workforce development elements in project procurements*

*Approach will build upon NWC HIC Pilot. Further discussion is needed to determine the appropriateness of including workforce development on each project considering the wide variety of project types, sizes, location, contract status, procurement method, including some that are procured and delivered by external partners (e.g., DHHA, DCPA, DBG, DZ, DAM, and DMNS), etc.

April 30	Reading of 20-93
May 1	Finance & Governance Committee
May 8	Mayor Council
May 9	Filing of documents
May 14	First Reading
May 21	Second Reading for Bond Issuance
June 6	Bond Pricing*
June 14	Bond Closing*
Summer 2018	Funds Available for First Issuance Activities
Fall 2018	Begin Reporting on First Issuance Progress

** Subject to change depending on market factors*



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Thank you