



CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

CARY KENNEDY
MANAGER OF FINANCE

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DEPT. 1010
DENVER, COLORADO 80202

Michael B. Hancock
Mayor

April 22, 2015

Honorable Christopher Herndon
Denver City Council President
City and County Building, Room 451
Denver, CO 80202

Dear Council President:

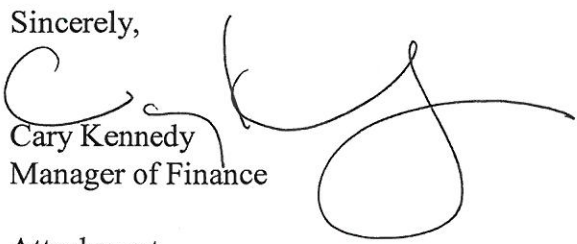
In keeping with the provisions of Section 20-93 of the Denver Revised Municipal Code (the "DRMC"), I am hereby notifying you of the Department of Finance's intent to enter into a certificates of participation lease purchase transaction in a par amount not to exceed \$24 million, the proceeds of which will be used for the acquisition, improvement and equipping of a new 911 Communications Center, the acquisition of a new Fleet Service Center, and to pay associated costs with the transaction.

Under the financing structure, The City will enter into a Lease Purchase Agreement with a Leasing Trust and lease into the Trust 4 City-owned properties which it will lease back and continue to occupy without interruption. The Trustee, on behalf of the Leasing Trust, will execute and deliver Series 2015A Certificates of Participation in a par amount not to exceed \$24 million.

The requirement that the City pay the annual rental/lease payments for the 2015A Certificates does not constitute an obligation of the City for which it must levy taxes or apply its general resources beyond the current fiscal year. The 2015A Certificates do not constitute General Obligation indebtedness of the City are not multiyear financial obligations of the City. The requirement that the City make the lease payments constitutes a currently budgeted expenditure of the City payable only if funds are appropriated by the City Council each year.

The accompanying *Attachment A* contains a more detailed description of the financing as required by Section 20-93(b) of the DRMC.

Sincerely,


Cary Kennedy
Manager of Finance

Attachment

C: Honorable Dennis J. Gallagher, Auditor
Debra Johnson, Clerk and Recorder
Shelley Smith, City Council Liaison

Attachment A
**DESCRIPTION OF THE SERIES 2015A CERTIFICATES OF PARTICIPATION
IN AN AMOUNT NOT TO EXCEED \$24 MILLION**

I. The Proposed Financing

The Department of Finance intends to enter into an annually renewable Lease Purchase Agreement with the Denver Public Facilities Leasing Trust 2015A. The Trustee, on behalf of the Leasing Trust, will execute and deliver tax-exempt Series 2015A Certificates of Participation in an amount not to exceed \$24 million for the purpose of funding the acquisition, improvement and equipping of a new 911 Communications Center, the acquisition of a new Fleet Service Center, and to pay associated costs with the transaction.

Under the financing structure, the City will lease into the Leasing Trust 4 City-owned properties which it will lease back and continue to occupy without interruption; these properties are the Blair Caldwell African American Research Library (District 8) and Fire Stations 18 (District 5), 19 (District 5) and 22 (District 4).

The 2015A COPs will bear a fixed interest rate not to exceed 5%, will have a term not to exceed 20 years, and will be callable after 10 years.

The COP payments will be subject to annual appropriation by the City Council and neither the Lease nor the Certificates of Participation constitute a multiple year fiscal obligation of the City. On an annual basis the City may elect to terminate the lease by not appropriating funds to make the lease payments. If that occurs, the Trust will take possession of the lease of the facilities for the benefit of the Certificate holders.

II. The Sale Process

The COPs will be sold in a competitive sale process. The City uses the financial advisory services of First Southwest for City financings.

III. The Proposed Timetable of Events

Major events are contained in the timetable below.

<i>Date</i>	<i>Event</i>
April 21	Approved at Finance & Services Committee
April 27	Reading of the 20-93 Notice at Council
April 28	Mayor Council
May 4	First Council reading of the Ordinance
May 11	Second Council reading of the Ordinance
May 20	Price Transaction
June 2	Close Transaction

IV. Counsel

Becker Stowe Partners LLC and Kline Alvarado Veio, P.C. serve as co-Bond Counsel on the COPs. Counsel was selected through a competitive process conducted through the City Attorney's Office.

V. 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.