

# Series 2014 Better Denver Mini-Bonds

Cash, Risk, & Capital Funding

May 14, 2014



### **What are Mini-Bonds**

- \$500 denomination bond
- Interest on the bond is tax-exempt and is paid to the investor upon bond maturity.
- Offers affordable, tax free savings for purchasers to finance college, retirement and much more.
- Allows Colorado residents unique opportunity to directly invest in local public improvements.
- Sold directly to investors (Colorado residents)



### **Denver Mini Bond History**

Structured as a compounding interest bond, where investors paid \$500 and Received \$1,000 at maturity. The 1990 bonds also offered the option of paying \$333 and receiving \$666.

	1990	<u>1992</u>	1999	2007
Term/years	16	12	15	15
Par:	\$5.88m	\$3.99m	\$3.13m	\$8.86m
Yield:	7.2%	6.0%	4.75%	4.75%
Project:	Various	Various	Various	Justice
# of Purchasers	1,761	646	600	770

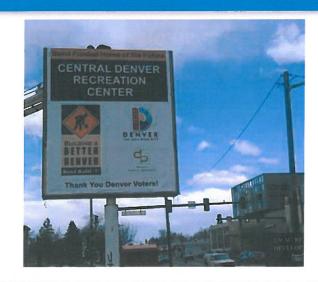
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# 2014 Mini-Bonds Purpose

Ballot Purpose	Project Details	Bond Authorization
Purpose G- Deferred Maintenance for Cultural Facilities	McNichols Deferred Maintenance	\$5.4 M
Purpose H- New Construction of Cultural Facilities	Boettcher Hall	\$3.6 M
Purpose E- Parks and Recreation	Central Denver Recreation Center	\$3.0 M

TOTAL \$12.0 million





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# 2014 Mini-Bonds Program Highlights

- Remaining \$12 million of Better Denver Bond Authorization will be structured as two bond options for investors.
- Max Bond Order: 40 bonds (\$20,000) per person
- No fees or commissions
- Must be Colorado resident with valid SS #

	Option I	Option 2
Bond Authorization	\$6 million	\$6 million
Purchaser Pay	\$500	\$500
Purchaser Receives (upon bond maturity)	\$750	\$1000
Approximate tax free rate	4.25%*	4.79%*
Mini-bond Term	9 years 2023	14 years 2028



# **Financing Details**

Financing Terms		
Issuer	City and County of Denver	
Processing Agent	Zion's Bank (Vectra)	
Amount Financed (Principal)	\$12,000,000	
Interest Rate (Combined)	4.83%*	
Total Principal & Interest	\$21,000,000*	
Financing Term	2023/2028	
*PRELIMINARY, SUBJECT TO CHANGE		



### **How to Buy**

Online: <u>www.denvergov.org</u>

In Person: Vectra Bank

1650 S. Colorado Blvd., Denver, CO 80222

Mail-In: Better Denver Mini-Bonds

1001 17<sup>th</sup> Street, suite 850, Denver, CO 80202

Brochures will be available at Denver Public Library branches and Webb Building.

Mail & In-Person order must include official bank check. No other form of Payment will be accepted.

Visiting

Government

Online Services

#### **DRAFT**

Search for services, locate city offices, more



#### **Better Denver Mini-Bond Program**

MINI-BONDS

9-year maturity

4.259%

Tax-Free Yield

OR 6.375%

Tax Equivalent Yield\*

14-year maturity

4.797%

Tax-Free Yield

**OR 7.160%** 

Tax Equivalent Yield\*

#### Order Now for a Limited Time Only

Denver Mini-Bonds are only available for a limited time from April 21 - 25, 2014!

Order online now



#### **Common Questions**

- What are municipal bonds?
- 2 How are 2014 Better Denver Mini-Bonds different from other types of bonds?
- Who can purchase Better Denver Mini-Bonds?
- How will the City of Denver use these bonds?
- ? Has the City of Denver issued these types of bonds before?
- How are Better Denver Mini-Bonds structured?
- ? Is there a fee to buy Better Denver Mini-Bonds?

#### **Interest Rate Returns**

Denver Mini-Bonds are available for \$500 each.

#### 4.259% Tax-Free Yeild\*

OR 6.375% Tax Equivalent Yied (9-year maturity)

Pay \$500 for a Denver Mini-Bond that grows to \$750 at maturity in 9 years (Jan 2023)

#### 4.797% Tax-Free Yeild\*

OR 7.160% Tax Equivalent Yied (14-year maturity)

Pay \$500 for a Denver Mini-Bond that grows to \$1,000 at maturity in 9 years (Jan 2028)

#### **About the Program**

For only the fifth time in history, the City of Denver is offering Colorado Residents the opportunity to purchase tax-free Denver Mini-Bonds. Available only to Colorado residents, these unique investment opportunities are the fulfillment of a bond issue approved by Denver voters in 2005.

<sup>\*</sup> Limit 40 bonds (\$20,000 purchase price) per registered owner.



**I** Program



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- How are 2014 Better Denver Mini-Bonds different from other types of bonds?
- Who can purchase Better Denver Mini-Bonds?
- How will the City of Denver use these bonds?
- Property Has the City of Denver issued these types of bonds before?
- ? How are Better Denver Mini-Bonds structured?
- 2 Is there a fee to buy Better Denver Mini-Bonds?
- (2) Is there a limit to the number of Better Denver Mini-Bonds I can order?
- 2 Is there a limit on the total dollar amount of Better Denver Mini-Bonds to be sold?
- A How safe are Better Denver Mini-Bonds?
- Are Better Denver Mini-Bonds an appropriate investment for me?
- When are 2014 Better Denver Mini-Bonds available?
- \*\* How do I order Better Denver Mini-Bonds?
- P How do I find out more?

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#### Dowload Official Statement

#### **Proceeds**

Proceeds from these bonds will be used to complete the final phases of Better Denver projects, particularly improvements to the city's outstanding cultural facilities.

Contact Us at (xxx) xxx-xxxx



## When Can I Buy\*

6/23	Mini-Bond Kick-off (Press Conference)
6/23	Phone line and website activated
6/23	Print advertising begins
7/14	Bond Order Period (5-days)
7/22	Confirmation letter that bond order
	processed
Sept.	City Receives Proceeds
Sept.	Bond are mailed out to investors

\*Preliminary and subject to Change