



**DENVER**  
THE MILE HIGH CITY

# **Series 2017A-B Airport Refunding Bonds and Interim Financing Facilities Presentation for:**

Business, Arts, Workforce, & Aeronautical Services Committee

November 1, 2017

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

Guadalupe Gutierrez-Vasquez,  
Department of Finance

- Ordinances by the Manager of Finance of behalf of the Department of Aviation:
  1. Issue up to \$355 million Series 2017A-B Refunding Bonds
  2. Secure up to \$450 million interim financing facilities
- None of the proposed transactions are considered debt or obligations of the City. The obligations are solely payable from airport revenues.
- Transactions are structured within the guidelines outlined in the City's debt policy.
- Ratings are not required for the interim financing facilities but will be necessary for bond refunding.
- Finance and DEN team will continue to manage future long-term financings based on impacts to key metrics and will disclose as part of future new money financing requests to Council.

## Key Factors:

- ✓ Refunding to achieve interest cost savings for DEN, estimated at over \$45 million.
- ✓ Costs associated with the transaction will be paid from the proceeds of the refunding.
- ✓ Modest improvement to debt service coverage, one of three key financial credit metrics of DEN.
- ✓ Bond Official Statement introduces DEN 2018-2022 CIP to the market.

	Series 2017A (AMT)	Series 2017B (NON-AMT)
Par Amount*	\$325 million	\$30 million
Refunding Savings*	\$42 million	\$4 million
Structure	Senior lien fixed rate bonds	Senior lien fixed rate bonds
Refunded Bonds	2007A and 2007D	2007C
Final Bond Maturity (will not extend maturity dates of refunded bonds)	November 2030	November 2033

## Key Factors:

- ✓ Provides efficient and cost effective short-term funding of immediate capital projects needs identified in DEN’s 2018-2022 Capital Improvement Plan.
- ✓ DEN credit ratings metrics may be impacted as DEN begins to finance CIP.
- ✓ Will refinance any draws under the facilities with long-term fixed rate bonds within the next three years.
- ✓ Banks selected via a competitive RFP process.

	U.S Bank	Bank of America
Amount of Facility	\$150 Million	\$300 million
Structure	Subordinate Revolving Credit Agreement	Subordinate Non-Revolving Credit Agreement
Interest Rate	Variable- LIBOR	Variable-LIBOR or Fixed
Draw Fees	Tax-exempt- 48 basis point Taxable- 68 basis points	Tax-exempt- 38 basis points Taxable- 69 basis points
Undrawn Fees	25 basis points	Up to 25 basis points

# Transaction Schedules\*

	Series 2017A-B	Interim Financing Facilities
Submit Ordinance Request with Council	10/23/2017	
Business, Arts, Workforce and Aeronautical Services Committee	11/01/2017	
Mayor Council	11/07/2017	
Filing of Bond docs with City Council	11/08/2017	
First Reading	11/13/2017	
Second Reading	11/20/2017	
Bond Sale (pricing)	11/29/2017	First Draw- Q1 2018
Closing	12/7/2017	

*\*Tentative, subject to change*