



DENVER
THE MILE HIGH CITY

Series 2019A-D Airport Refunding Bonds Presentation for:

Business, Arts, Workforce, & Aeronautical Services Committee

June 5, 2019

Presented by:

Lupe Gutierrez- Department of Finance
Adam Giombetti- Denver International Airport

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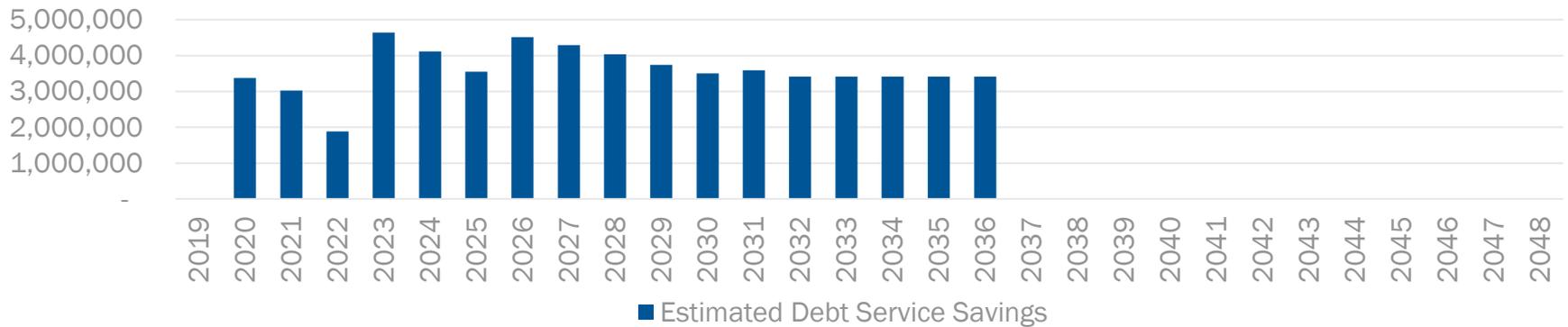
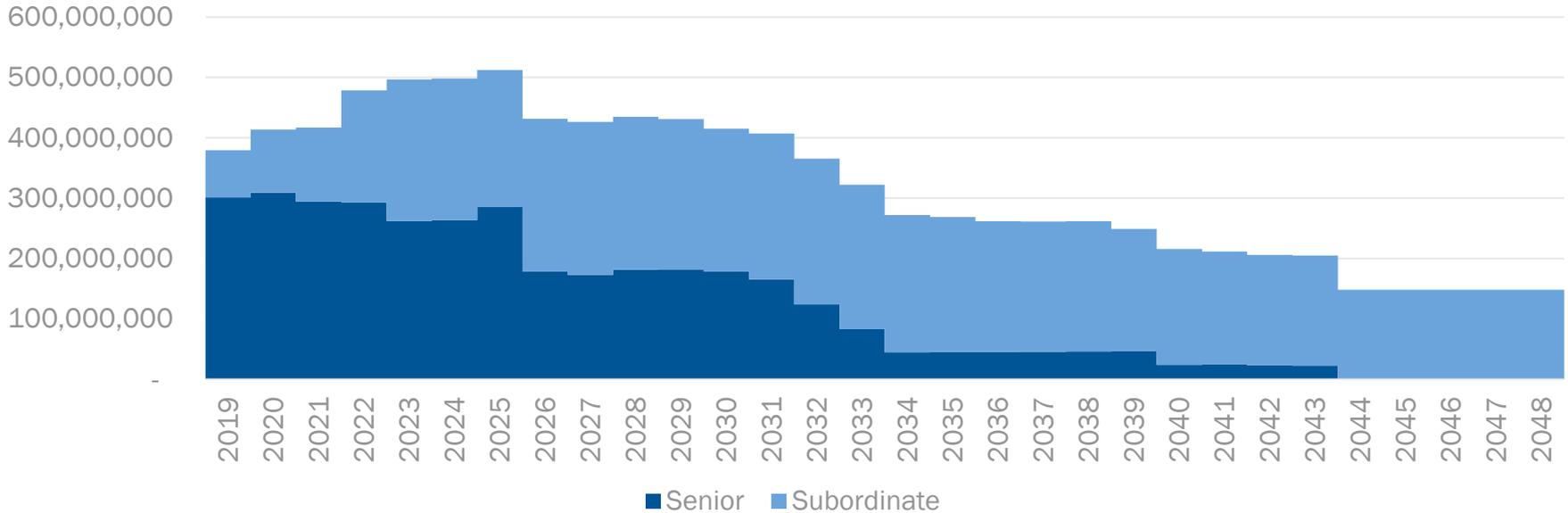
- Ordinances would authorize the Manager of Finance of behalf of the Department of Aviation to issue up to \$500 million Series 2019A-D refunding bonds at the Senior or subordinate lien.
- Two ordinances are being issued for substantially the same amounts and purposes to preserve flexibility to allocate between the senior and subordinate liens based on what is most financially advantageous as we closer approach the bond sale– one authorizing senior bonds and the other authorizing subordinate bonds, **but the aggregate amount of senior and subordinate bonds will not exceed \$500 million.**
- Refunding's are being done as part of routine debt administration activities, which require addressing mandatory tender dates on certain series of bonds, and capitalizing on an opportunity to realize interest rate savings.
- No new money is being issued as part of refunding, will not add to DEN debt portfolio.
- 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.
- By approving the refunding, Council is not approving the CIP, projects or changes to projects or future bonds.

- ✓ Refunding to:
 1. Address mandatory tenders on variable rate bonds
 2. Pay costs related to the termination of swaps associated with variable rate bonds being refunded
 3. Achieve interest cost savings for DEN, estimated NPV at over \$30 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.

	Series 2019A (AMT)	Series 2019B Taxable	Series 2019C (NON-AMT)	Series 2019D (NON-AMT)
Par Amount*	\$210 million	\$ 30 million	\$160 million	\$100 million
Refunding Savings*	N/A	N/A	\$30M	N/A
Lien	Senior/Sub	Senior/Sub	Senior/Sub	Senior/Sub
Refunded Bonds	2008C2-3	Swaps associated with 2008C2-3	2009A	2016B and associated swaps
Mandatory Tender/Call Date	8/29/2019	N/A	11/15/2019	11/15/2019
Final Bond Maturity	November 2031	November 2031	November 2036	November 2031

*The final rate and par amount will be determined on the day of pricing

Outstanding Debt and Refunding Savings



(1) Based upon market conditions on May 1, 2019 and assumptions related to short term interest rates

Series 2019A-D	
Submit Ordinance Request with Council	5/28/2019
Business, Arts, Workforce and Aeronautical Services Committee	6/5/2019
Mayor Council	6/11/2019
Filing of Bond docs with City Council**	6/19/2019
First Reading	6/24/2019
Second Reading	7/8/2019
Posting of Preliminary Official Statement	7/29/2019
Bond Sale (pricing)	8/7/2019
Closing	8/20/2019

* Tentative – Subject to Change

** Certain information to be included in the Preliminary Official Statement will not be available at the time of its filing with Council. Decisions regarding inclusion of information to be included after filing (and if upon approval of such ordinance(s) by Council), will be delegated to Ms. Kirsten Crawford, legal counsel to the City Council.