



DENVER
THE MILE HIGH CITY

UNION STATION

REFINANCE OF PROJECT LOANS

DECEMBER 2016

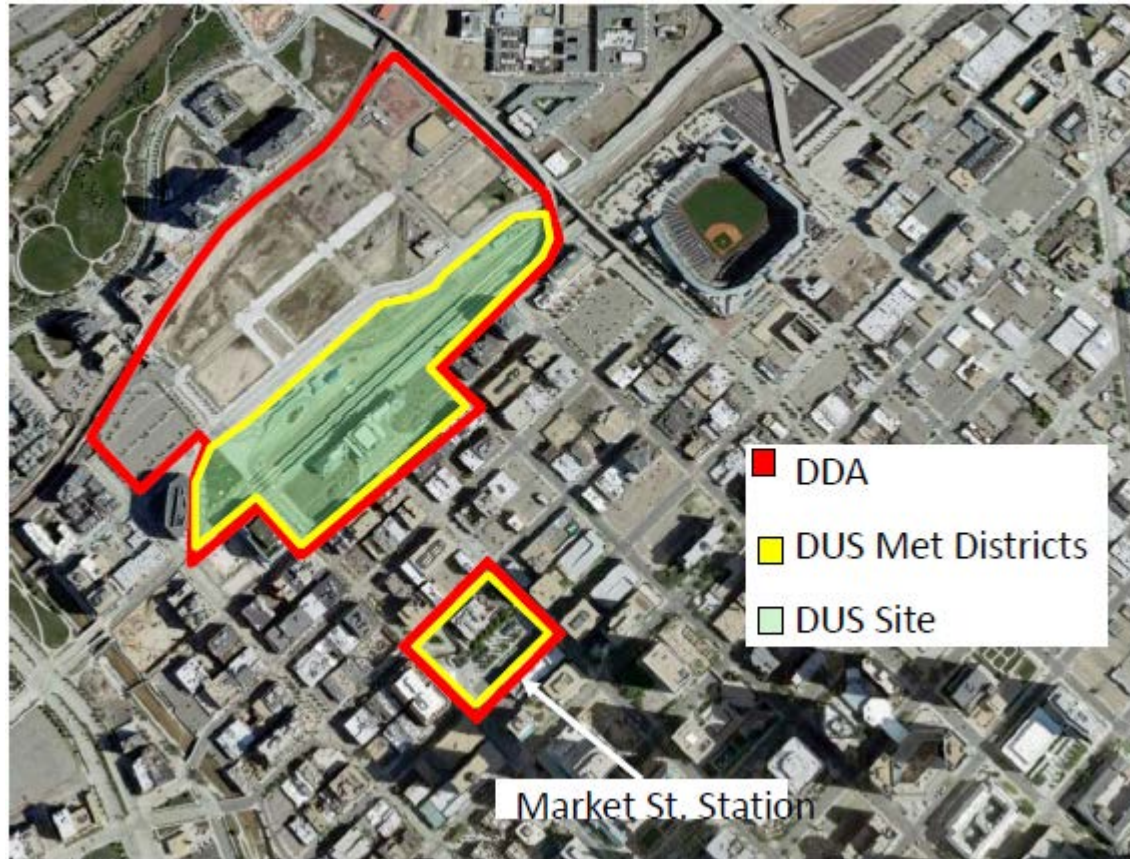
FINANCE COMMITTEE- JANUARY 3, 2017

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

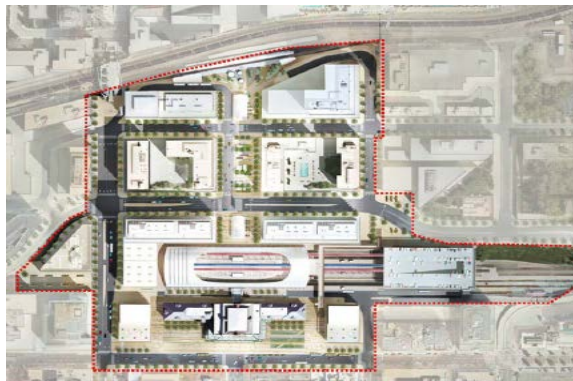
Importance of Union Station

- Denver Union Station is the multimodal transit center that serves as the hub for the Denver metropolitan area transit system.
 - Linking bicycle, pedestrian, bus, and rail networks.
 - Union Station serves as a destination for visitors, commuters, and consumers.
 - The facility provides a central location for retail, restaurants, and hotel commerce in the historical structure.





- Denver Union Station Project Authority (DUSPA) is an Authority formed by Denver and its partners to serve as coordinator of project implementation and financing.
- The DUSPA Board is made up of the five public partner agencies that have been working since 2001 to plan and develop the multi-modal hub for the regional transit system.
 - City and County of Denver
 - Regional Transportation District
 - Colorado Department of Transportation
 - Denver Regional Council of Governments
 - Denver Union Station Metropolitan Districts



DUSPA received two Federal Government loans:

- TIFIA Loan- Transportation Infrastructure Finance & Innovation Act Loan
- RRIF Loan- Railroad Rehabilitation and Improvement Finance Program
 - Subordinate to TIFIA Loan

Revenue pledged to current loan repayment:

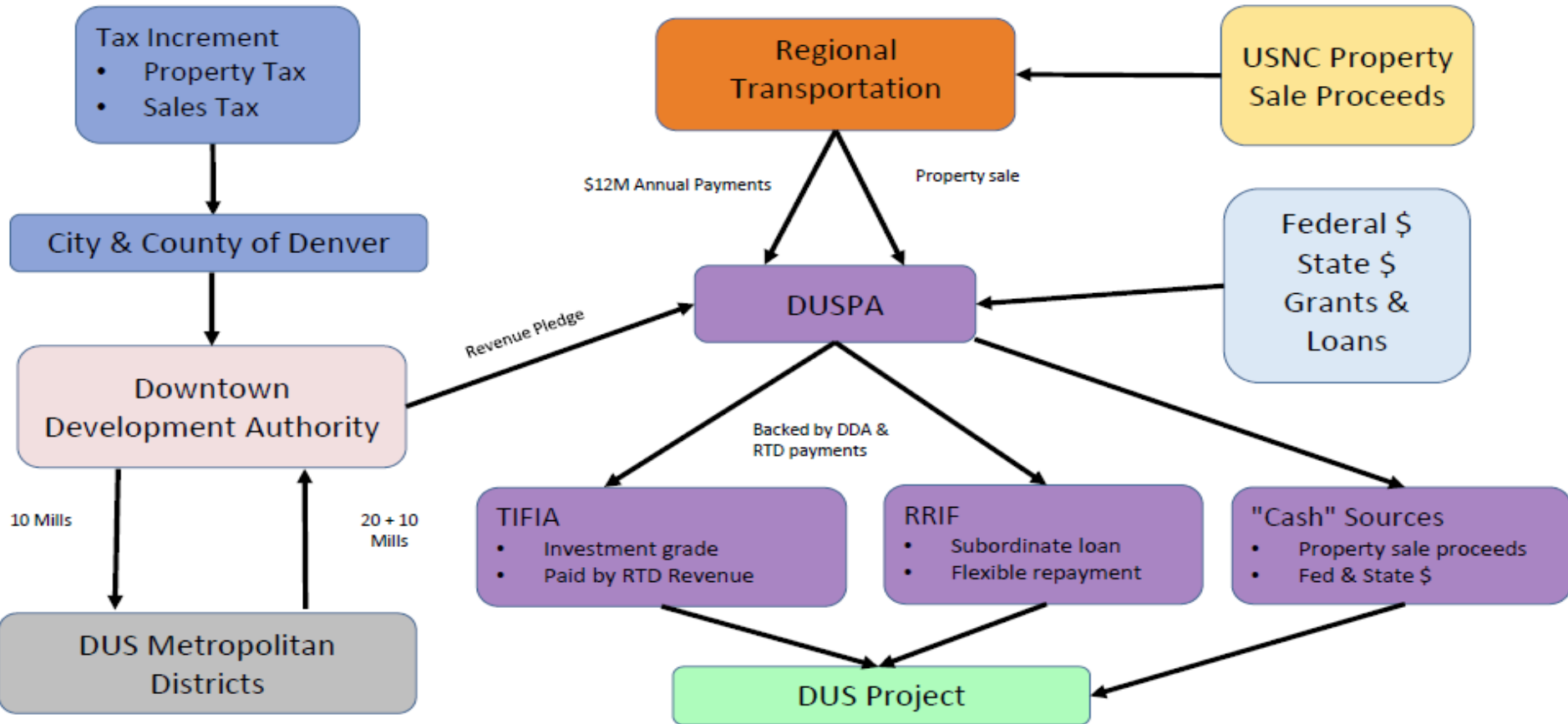
- CCD pledged to DDA and DDA pledged to DUSPA sales and property tax increment from the project site.
 - CCD created the Downtown Development Authority (DDA) in 2008.
 - Tax increment is enabled per DDA state statute
- DUS Metropolitan Districts pledged additional mills.
- RTD pledged \$12M annually towards payments.

REVENUE STREAMS

- Special Tax Districts
 - DUS Metro Districts collect 20 mill property tax on residential and commercial properties within its boundaries
- DDA
 - Incremental Property and Sales Tax
- RTD Note Repayment
 - \$12 million annually from voter approved sales tax revenues

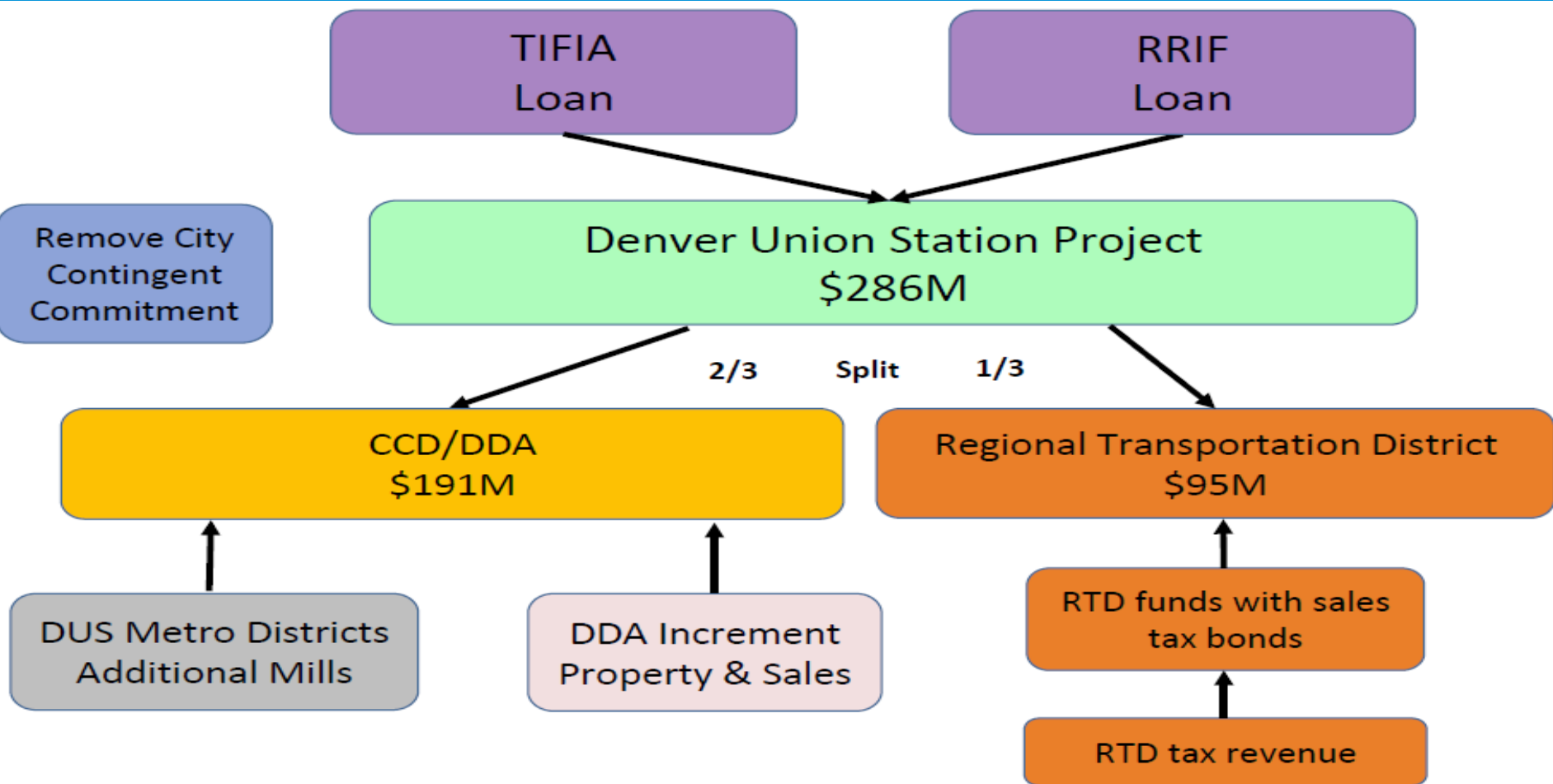
FINANCING SUMMARY

- The term for these revenues is 2009 to 2040 (2038 for tax increment)
- DUSPA paid a credit risk premium (18% or \$28 million) to Federal Railroad Administration for the RRIF loan
- 40 total acres constitutes the Denver Downtown District, including 19 acres for the development of DUS
- City and County of Denver has a Contingent Commitment (financial moral obligation) to replenish any draw on the debt service reserve up to 50% of the annual debt service amount.



- Union Station development is generating substantial revenues in excess of the project's projections.
 - 2017 projected property and sales tax increment revenues are at levels originally projected to be reached in 2022.
 - Is the result of faster than anticipated development and increasing property values.
- The TIFIA and RRIF loans do not have a prepayment penalty.
- The proposed refinancing simplifies the structure by allocating the existing loan balances between RTD and CCD acting for the DDA.
 - DDA TIF Loan- Private Placement Revenue Bank Loan
 - RTD- Bond Issuance
- Eliminates reporting requirements and program uncertainty to Federal Government
- Allows the City to dissolve DUSPA and the annual estimated budget of \$250,000.

Proposed Structure



- City and County of Denver on behalf of Downtown Development Authority to replace debt issued by DUSPA
 - Debt to be repaid from DDA revenues and additional district mills.
- Release of City Contingent Commitment (Moral Obligation)
- No additional debt incurred
- No new projects are added
- Refinance of existing debt to generate savings
- Bifurcation of existing principal balance
 - CCD/DDA goal is prompt repayment
 - Refinance results in flexibility for prepayment.
 - RTD goal is lower annual payment

- City created DUSPA and DDA in 2008.
 - DUSPA purpose is to implement redevelopment projects and project financing.
 - All DUSPA projects complete.
- State statute [CRS 31-25-809 and 31-25-81] requires local municipalities to approve DDA debt issuance.
- Debt will be issued by City on behalf of DDA
 - More efficient for City to issue debt on behalf of DDA.
 - Allows DUSPA to be dissolved.

Loan Document Approvals:

- CCD/DDA Loan and RTD Bond must close on the same day in order to refinance the existing RRIF and TIFIA loans.
- RTD received board approval in December 2016.
- DDA approval anticipated in early January 2017.
- City Council approval anticipated in January 2017.
- Loan closings expected in late January 2017.

City Council Schedule:

Date	Action
Monday, December 19, 2016	Ordinance Request Submission Deadline
Tuesday, January 3, 2017	Finance Committee
Thursday, January 5, 2017	Ordinance Filed
Monday, January 9, 2017	1 st Ordinance Reading
Tuesday, January 17, 2017	2 nd Ordinance Reading- Offices Closed on Monday
Friday, January 20, 2017	Ordinance Effective