
DPD Air One Replacement Purchase Overview

Denver Police Department
Cash, Risk, and Capital Funding

August 7, 2018

Overview

The Denver Police Department is in the process of purchasing a new Bell 407GXP helicopter to replace the current helicopter.

DPD's current Air One Helicopter is 20 years old. The recommended operational lifespan is 15 years. Due to its age, Air One frequently requires unplanned maintenance.

The total cost of the aircraft and law enforcement customizations is \$5,108,537.

The total amount to be financed is \$4,108,537 after contribution of 2018 appropriated funding (\$500,000) and trade-in of the current asset, estimated at \$500,000 with final value TBD.

Equipment Detail

This purchase will provide DPD with a modern aircraft that will be safer, and more reliable. Below is a highlighted list of improvements the new aircraft will provide:

- Improved cockpit safety items
- Decreased maintenance expenses
- Night vision to increase operational capability
- Infrared will decrease the amount of time to apprehend a suspect

Financing

Financing Terms	
Lessee	City and County of Denver
Lessor	Banc of America Public Capital Corp
Amount Financed (Principal)	\$4,108,537
Interest Rate	3.20% per annum <ul style="list-style-type: none">Total Interest Cost of \$772,783
Total Principal & Interest	\$4,881,320
Annual Payments (P&I)	<ul style="list-style-type: none">Repaid from Police Operating General Fund BudgetFirst lease payment in 2019<ul style="list-style-type: none">\$500,000 appropriated in 2018 Budget\$500,000 to be appropriated in 2019 BudgetSubject to annual appropriation by City Council
Financing Term	10 Years <ul style="list-style-type: none">Can prepay without penalty after 7 years
Collateral	Replacement Bell 407GXP helicopter

