



DENVER
THE MILE HIGH CITY

Michael B. Hancock
Mayor

CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
MANAGER OF FINANCE

DEPARTMENT 1010
201 W. COLFAX AVE.
DENVER, COLORADO 80202

August 21, 2017

Honorable Albus Brooks
Denver City Council President
City and County Building, Room 451
Denver, CO 80202

Dear Council President Brooks:

In keeping with the provisions of Section 20-93 of the Denver Revised Municipal Code (the “DRMC”), I am hereby notifying you of the Department of Finance’s intent to issue Special Facilities (United Airlines Project) Airport Refunding Bonds, Series 2017 (the “Bonds”), for an on behalf of the Department of Aviation, in an amount not to exceed \$280 million for the of purpose of refunding Special Facilities Airport Series 2007 bonds. The 2017 Special Facilities Bonds will be issued as fixed rate obligations with a final maturity of 2032.

The City has by ordinance designated the Department of Aviation as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. Special Facilities Bonds are special obligations of the City, for and on behalf of the Department of Aviation, payable solely from a pledge on lease payments United Airlines makes on leased facilities at the Airport. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Bonds.

In keeping with the intent of 20-93(b) of the DRMC, the President of Council will be notified promptly of any material change. The accompanying *Attachment A* contains a more detailed description of the financing. I do not anticipate formally communicating technical changes in the financing.

Sincerely,

Brendan J. Hanlon
Chief Financial Officer, Manager of Finance

Attachment

Cc: Honorable Timothy Obrien, Auditor
Debra Johnson, Clerk and Recorder
Debra Bartleson, City Council Liaison
Xavier DuRan, City Attorney’s Office

**DESCRIPTION OF THE AIRPORT SYSTEM
SPECIAL FACILITIES (UNITED AIRLINES PROJECT) AIRPORT REFUNDING BONDS, SERIES 2017**

I. The Proposed Financing

The City and County of Denver, for an on behalf of its Department of Aviation, is issuing Special Facilities Airport Refunding Series 2017 Bonds (the “Bonds”) for the purpose of refunding special facilities series 2007 bonds to achieve interest cost savings for the benefit of United Airlines. The 2007 bonds refunded bonds originally issued in 1992, which funded certain aircraft maintenance, ground equipment support facility, air freight facility and flight kitchen improvements located on land leased by United Airlines (the “United Airlines Project”). The Bonds will be issued in a fixed rate mode in an amount not to exceed \$280 million, at an interest rate not to exceed 6.0%. As of August 2017, savings are estimated to be in excess of \$28 million or 10% present value savings. The final par amount and interest rate will be fixed upon pricing of the transaction. The final maturity date on the Bonds, 2032, will not exceed the original term of the 2007 bonds being refunded.

II. Security for the Bonds

The City has by ordinance designated the Department of Aviation as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. The City will be issuing the Series 2017 Bonds on behalf of its Department of Aviation as Special Facilities Bonds, which are permissible under the Airports General Bond Ordinance. The 2017 Special Facilities Airport Refunding Bonds are payable solely from and secured by the lease payments United Airlines makes on leased facilities at the Airport as part of the United Airlines Project, via an Amended and Restated Special Facilities and Ground Lease. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Bonds. No funds of the City or the Airport secure the Bonds and the Bonds are not considered debt of the City or the Airport. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Bonds.

III. The Sale Process

The Series 2017 Bonds will be sold in a negotiated process with Citigroup serving as senior underwriter and Barclays, BBVA Compass and Siebert Cisneros Shank & Co serving as co-managers on the Bonds. The Underwriting team was appointed at the sole direction of United Airlines, given the Bonds do not constitute debt of the City or the Airport. The City uses the financial advisory services of Frasca & Associates LLC for Airport financings.

IV. The Proposed Timetable of Events

Major events in the proposed timetable are noted below:

<i>Date</i>	<i>Event</i>
August 21, 2017	20-93 Notification read to Council
August 23, 2017	Business Committee-Special Facilities Series 2017 Bonds
August 29, 2017	Mayor Council
September 11, 2017	First Council reading of the Ordinance
September 18, 2017	Second Council reading of the Ordinances
September 26, 2017	Pricing of the Bonds
September 29, 2017	Closing

V. Counsel

Becker Stowe Partners LLC. serves as Bond Counsel on the Special Facilities Series 2017 Bond transaction. The firm was selected through a competitive process conducted through the City Attorney’s Office.

VI. Other Information

I know of no event that will affect the financing as described herein. In keeping with the intent of the 20-93 of the DRMC, the President of Council will be notified promptly of any material change to the financing. I do not anticipate formally communicating technical changes of an immaterial nature or minor changes in the timetable.