



CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

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

BRENDAN J. HANLON
MANAGER OF FINANCE

Michael B. Hancock
Mayor

July 9, 2018

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

Dear Council President:

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 City and County of Denver Dedicated Tax Revenue Bonds, Series 2018A-B in a par amount not to exceed \$300,000,000 for the purpose of funding costs related to the development of the National Western Center and to pay costs of issuance. The Series 2018A-B Bonds will be issued as fixed rate obligations with final maturity not to exceed 30 years.

The 2018 Bonds will be special and limited obligations of the City payable solely from and secured by a pledge of portions of the City's lodger's tax, prepared food and beverage tax, and auto rental tax. The Bonds are not general obligations of the City nor are they payable in whole or in part from the proceeds of general property taxes, nor is the full faith and credit of the City pledged to pay the Bonds.

The accompanying *Attachment A* contains a more detailed description of the financing as required by Section 20-93(b) of the DRMC.

Sincerely,

A handwritten signature in black ink, appearing to read "Brendan J. Hanlon".

Brendan J. Hanlon
Manager of Finance

Attachment

C: Honorable Tim O'Brien, Auditor
Debra Johnson, Clerk and Recorder
Shelley Smith, City Council Liaison

Attachment A
**DESCRIPTION OF THE SERIES 2018A-B DEDICATED TAX REVENUE BONDS
IN AN AMOUNT NOT TO EXCEED \$300 MILLION**

I. The Proposed Financing

The Series 2018A-B Bonds will be issued in a par amount of \$300,000,000 to finance improvements and development costs related to the National Western Center and to pay costs of issuance. The 2018A-B Bonds will be structured with a tax-exempt component in the amount of \$240,000,000 and a taxable component in the amount of \$60,000,000. The tax-exempt bonds will be structured as current interest bonds which pay principal and interest each year through maturity and the taxable bonds will be structured as capital appreciation bonds which pay principal and interest upon maturity. Taxable bonds will be issued to provide flexibility for anticipated private business use on the National Western Center site to comply with Internal Revenue Service requirements and the capital appreciation bonds provide structural flexibility for future bonds issues for the project. The term of the 2018A-B bonds will not exceed 30 years.

Security for the Bonds

The 2018 Bonds will be special and limited obligations of the City payable solely from and secured by a pledge of portions of the City's lodger's tax, prepared food and beverage tax, and auto rental tax. The Bonds are not general obligations of the City nor are they payable in whole or in part from the proceeds of general property taxes, nor is the full faith and credit of the City pledged to pay the Bonds.

II. The Sale Process

The 2018 Bonds will be sold in a negotiated sale process, whereby a syndicate of underwriting firms were selected through a competitive RFP process. Citigroup will serve as Senior Manager and lead book runner, Piper Jaffray, Drexel Hamilton and Harvestons Securities will serve as Co-Managers. The City uses the financial advisory services of First Southwest for City financings.

III. The Proposed Timetable of Events

Major events are contained in the tentative transaction timetable below:

<i>Date</i>	<i>Event</i>
July 9	Reading of 20-93 Notice
July 17	Presentation to Finance and Governance Committee
July 24	Mayor Council
July 30	First Council reading of the Ordinance
August 6	Second Council reading of the Ordinance
August 21	Price Transaction
August 30	Close Transaction

IV. Counsel

Butler Snow LLP and Berg Hill Greenleaf & Ruscitti, LLP serve as co-Bond Counsel on the 2018 Bonds. Firms were selected through a competitive process conducted through the City Attorney's Office.

V. 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.