



**DENVER**  
THE MILE HIGH CITY

# Golf Capital Lease Overview

Cash, Risk, & Capital Funding  
Parks and Recreation (Golf  
Enterprise)

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- Overview
- Equipment Detail
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- The City's Parks and Recreation Department and Golf Enterprise is seeking to purchase new golf carts and turf equipment in the principal amount of **\$1,756,859.01**
- New carts and equipment will replace existing ones which are beyond or near the end of their useful lives.
- This is considered an essential purchase in order to maintain normal operations and revenue generation at 6 of the City's golf courses.
- Purchase will be via a 5-year capital lease purchase transaction with Banc of America Public Capital Corp



# Equipment List & Cost Detail

Golf Cart and Equipment Leases 2014					
Vendor	Product Detail	# Units	Cost	Useful Life	Recipient Golf Course(s)
C&M Golf & Grounds Equipment	Golf Carts (electric - 283 units; gas - 180 units; gas ranger - 11 units)	474	\$ 1,318,108.00	5 Years	City Park, Overland, Wellshire, Willis, Evergreen, Kennedy
C&M Golf & Grounds Equipment	Various Turf Equipment	22	\$ 350,297.97	7 Years	Evergreen
	JACOBSEN LF550 REELS, REAR ROLLER BRUSHES	1			
	R311T 11 FT ROTARY ROUGH MOWER	1			
	ECLIPSE 322 GAS HYBRID REELS & SEGMENTED ROLLERS	3			
	EXTRA 11 BLD. CUTTING UNITS W/ SEGMENTED ROLLERS	3			
	ECLIPSE 322 GAS HYBRID , 9 BLD. REELS W GR. ROLLERS	1			
	CUSHMAN TRUCKSTER GAS/ W 47" STEEL BED	1			
	TURFCO TRUCK MOUNT TOP DRESSER FOR CUSHMAN	1			
	JACOBSEN THREE DECK ROTARY TRIM MOWER	1			
	CUSHMAN HAULER 1200X UTILITY VEHICLE W/ CANOPY	3			
	SMITHCO SUPERSTAR W/ REAR RAKE/FLEX BRUSH & RBS SPIKER	1			
	SMITHCO ULTRA ROLLER	2			
	SMITHCO 200G. SPRAYER, TANK RINSING DEVICE	1			
	CANOPY FOR FAIRWAY MOWER & ROUGH MOWER	2			
	SPRAYTEK DS300 ,DIESEL 4SPEED MANUAL TRANSMISSION	1			
L.L. Johnson Distributing Company	Toro Greens Aerator	1	\$ 27,251.00	10 Years	City Park
Bobcat of the Rockies, LLC	A770 Bobcat All-Wheel Steer Loader	1	\$ 61,202.04	15 Years	Evergreen
<b>Total</b>			<b>\$ 1,756,859.01</b>		

<sup>(1)</sup> Presented as an average unit price as there are slight variances depending on type and color of golf cart.

Financing Terms	
<b>Lessee</b>	City and County of Denver
<b>Lessor</b>	Banc of America Public Capital Corp
<b>Amount Financed (Principal)</b>	\$1,756,859.01
<b>Interest Rate</b>	1.38% per annum
<b>Total Principal &amp; Interest</b>	\$1,807,489.10
<b>Annual Payments (P&amp;I)</b>	\$361,500 (Golf Enterprise Fund) Subject to annual appropriation by Council (2014 payment already appropriated)
<b>Financing Term</b>	5 Years (can prepay after 2 years)



# Golf Enterprise Fund Information

Golf Enterprise Fund	
Budget Year 2014	
Operating Revenue	\$10,500,427
Operating Expenses	\$8,332,490
<b>Net Revenue</b>	<b>\$2,167,937</b>
Existing Capital Equipment lease	\$271,650
New Golf cart lease	\$361,498
<b>Total lease payment</b>	<b>\$633,148</b>
<b>Lease Payments as a Percentage of Operating Expenses</b>	<b>8%</b>

- The Golf Enterprise does not expect to finance any major capital expenditures in the next 5 years
- The Golf Enterprise Fund balance is currently \$2,956,282 (\$2,646,425 projected at 12/31/14).



# Tentative Financing Timetable

April 30	Finance Committee
May 6	Mayor Council
May 7	Filing of Documents
May 12	1 <sup>st</sup> Reading
May 19	2 <sup>nd</sup> Reading
May 22	Publication
Week of May 26	Closing/funding
Week of June 2	Delivery of Carts & Equipment