

CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
MANAGER OF FINANCE

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

Michael B. Hancock
Mayor

November 22, 2021

Honorable Stacie Gilmore
Denver City Council President
City and County Building, Room 451
Denver, CO 80202

Dear Council President Gilmore:

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 Airport System Subordinate Revenue Bonds, Series 2021C and Interim Note Subordinate Obligations (the "Interim Notes") for an on behalf of the Department of Aviation, in the following not to exceed amounts: \$35 million and \$700 million, respectively. The series 2021C bonds are being issued for the purposes of refunding series 2011A bonds in order to realize interest cost savings. The Interim Notes are being issued to provide funding for projects within the Airports 2018-2022 capital improvement plan.

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 Series 2021C bonds and Interim Notes are special obligations of the City, for and on behalf of the Department of Aviation, payable solely from and secured by a subordinate pledge of the Net Revenues of the Airport System. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Series 2021C bonds or the Interim Notes.

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 O'Brien, Auditor
Honorable Paul D. Lopez, Clerk and Recorder
Everett Martinez, City Attorney's Office (DEN)

Attachment A:

DESCRIPTION OF THE AIRPORT SYSTEM REVENUE BONDS, SERIES 2021C AND INTERIM NOTE SUBORDIATE OBLIGATIONS (THE “INTERIM NOTES”)

I. The Proposed Financing

The Series 2021C bonds are being issued in a not to exceed amount of \$35million for the purpose of refunding outstanding Series 2011A bonds in order to achieve interest cost saving. The interest rate on the Series 2021C Bonds is expected to be .40% however the rate will not be set until council approves the transaction. The final maturity on the bonds will not extended and will mature in November 2022.

The Interim Notes are being issued in an amount not to exceed \$700 million in order to provide funding for DEN’s 2018-2022 capital improvement plan. The rate on the Interim notes will be in variable rate mode and will be set at the SIFMA index plus an applicable spread (11 basis points). The final maturity of the facility will not extend beyond 2022.

II. Security for the 2021C Bonds and Interim Notes

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 Series 2021C Bonds and Interim Notes are special obligations of the City, issued for and on behalf of the Department of Aviation. The bonds are payable solely from and secured by a subordinate pledge of the Net Revenues of the Airport System. 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. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Bonds and Interim Notes.

III. The Sale Process

The 2021C Bonds and Interim Notes will be sold via a private placement with Bank of America, who was selected via a competitive process. 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>
November 17, 2021	Business Committee
November 22, 2021	20-93 Notification read to Council
November 29, 2021	First Council reading of the Ordinances
December 6, 2021	Second Council reading of the Ordinances
December 7, 2021	Rate lock
Week of December 13	Closing

V. Counsel

Hogan & Lovells serves as Bond Counsel on the Series 2021A-B 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.