CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

Margaret Danuser
MANAGER OF FINANCE

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

Michael B. Hancock
Mayor

October 24, 2022

Honorable Jamie Torres
Denver City Council President
City and County Building, Room 451
Denver, CO 80202

Dear Council President Torres:

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 Revenue Bonds, Series 2022C-F, for and on behalf of its Department of Aviation, in an amount not to exceed $2.05 billion for the purposes of, funding a portion of the Airports 2023-2027 CIP, refunding of bonds for savings (if economical), to fund a November 15, 2022, mandatory tender of outstanding bonds and termination of existing swaps (if economical). The maturity of the bonds will not exceed 2054. The 2022 Bonds may be issued as senior lien or subordinate lien obligations based on what is most economically advantageous at the time of pricing.

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 2022C-F Bonds are special obligations of the City, for and on behalf of the Department of Aviation, payable solely from and secured by a 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 2022C-F Bonds.

In keeping with the intent of Section 20-93(b) of the DRMC, the Council President 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,

Margaret Danuser

Margaret Danuser
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 2022 C-F

I. The Proposed Financing

The Series 2022C-F Bonds are being issued in an amount not to exceed $2.05 billion for the purposes of funding a portion of the Airports 2023-2027 CIP, refunding of bonds for savings (if economical), to fund a November 15, 2022, mandatory tender and termination of existing swaps (if economical). The interest rate on the Series 2022 C-F Bonds will not exceed 6.0%. The final maturity of the Series 2022 C-F Bonds will not exceed 2054. The tax status of the Series 2022 C-F Bonds may include a combination of AMT, Non-AMT and taxable bonds.

* *AMT bonds are tax-exempt obligations that are subject to taxation for certain higher income investors defined by Internal Revenue Code. Bonds that fund governmental purpose projects, such as airfield improvements are generally not subject to AMT, while bonds issued to fund private activity projects such as terminal projects are generally subject to AMT.*

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 Series 2022 C-F Bonds are special obligations of the City, issued for and on behalf of the Department of Aviation. The Series 2022 C-F Bonds are payable solely from and secured by a 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 Series 2022 C-F Bonds. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Series 2022 C-F Bonds. The Series 2022 C-F Bonds may be issued as senior lien or subordinate lien obligations, or a combination thereof.

III. The Sale Process

The Series 2022 C-F Bonds will be sold in a negotiated process with a public sale led by Barclays serving as senior manager and book runner, Citi, Morgan Stanley, RBC, Estrada, Loop and Ramirez serving as co-managers. Underwriting firms for the Series 2022 C-F Bonds were selected from the City's existing underwriter pool, which was developed via a competitive process conducted through the Department of Finance. 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:

Date		*Event*
May 18, 2022		Business Committee
June 6, 2022		First Council reading of the Ordinances
June 13, 2022		Second Council reading of the Ordinances
October 24, 2022		20-93 Notification read to Council
Week of November 1		Pricing
Week of November 15		Closing

V. Counsel

Hogan Lovells US LLP serves as Bond Counsel on the Series 2022C-F 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 Section 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.