

June 12, 2019

Sale Day Report for

Aerotropolis Regional Transportation Authority CO \$19,290,000 Limited Tax and Special Revenue Bonds, Series 2019

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Sale Day Report – June 12, 2019

Aerotropolis Regional Transportation Authority Colorado \$19,290,000 Limited Tax and Special Revenue Bonds, Series 2019

Purpose: Finance projects of the RTA and refinance advances taken from the Aerotropolis Area Consolidated Metropolitan District.

Summary of Sale Results:	
Principal Amount*:	\$19,290,000
Underwriter's Discount:	\$289,350
Reoffering Premium:	\$298,223.40
True Interest Cost:	4.99%
Capitalized Interest:	\$2,344,270
Costs of Issuance:	\$348,760

Notes: Following the successful negotiation of the transaction with Citi Group, the results above netted the ability to reduce the bond size down to \$19,290,000, while still providing for a \$15,309,383 Project Fund. This was due to a) the lower interest rate, which b) reduced the amount of necessary deposit to the Capitalized Interest Fund and c) reduced the size of the required deposit to the Debt Service Reserve Fund.

The above results reduced the overall principal and interest costs that ARTA would have been responsible for under the unsolicited financing proposal. The gross future value savings to that proposal (taking into consideration no underwriters discount and reduced issuance costs) results in an approximate \$28.4 M reduction in future tax requirements. The net present value of the future value savings is approximately \$8.1 M.

Attached you will find the 2019 transactional based cash flow of the Authority based on this sale, and the potential of up to \$15 M of additional borrowing if ARTA chooses to accelerate one or more projects. As you will note, the lowest coverage is 1.85x, with the average being 3.50x, both improvements from our planning runs. The analysis assumes that the second tranche of debt would carry and effective interest rate of 5.75%, which is greater than today's sale results.

Colorado State Bank & Trust, Denver, Colorado will serve as Paying Agent on the Bonds and will facilitate the investment of the proceeds on a draw basis to be provided at closing.



The Bonds maturing December 1, 2025 and thereafter are callable December 1, 2024 or any date thereafter at 102%, the Bonds maturing December 1, 2026 and thereafter are callable December 1, 2025 at 101% and Bonds maturing December 1, 2027 and thereafter are callable December 1, 2026 at par.

Closing Date: June 26, 2019

Designated Official Action: Award the sale of \$19,290,000 Limited Tax and Special Revenue Bonds, Series 2019.

Attachments:

- Sources and Uses of Funds
- Updated Debt Service Schedules
- Updated Cash Flow



Aerotropolis Regional Transportation Authority

\$19,290,000 Revenue Bonds, Series 2019

Sources & Uses

Dated 06/26/2019 | Delivered 06/26/2019

Sources Of Funds

Par Amount of Bonds	\$19,290,000.00
Reoffering Premium	298,223.40
Total Sources	\$19,588,223.40

Uses Of Funds

Total Underwriter's Discount (1.500%)	289,350.00
Costs of Issuance	348,760.32
Deposit to Debt Service Reserve Fund (DSRF)	1,257,000.00
Deposit to Capitalized Interest (CIF) Fund	2,344,270.83
Primary Purpose Fund	15,309,383.00
IGA interest Cost	38,720.30
Rounding Amount	738.95
Total Uses	\$19,588,223.40

Aerotropolis Regional Transportation Authority

\$19,290,000 Revenue Bonds, Series 2019

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/26/2019	-	-	-	-	-
12/01/2019	-	-	415,270.83	415,270.83	415,270.83
06/01/2020	-	-	482,250.00	482,250.00	-
12/01/2020	-	-	482,250.00	482,250.00	964,500.00
06/01/2021	-	-	482,250.00	482,250.00	-
12/01/2021	-	-	482,250.00	482,250.00	964,500.00
06/01/2022	-	-	482,250.00	482,250.00	-
12/01/2022	290,000.00	5.000%	482,250.00	772,250.00	1,254,500.00
06/01/2023	-	-	475,000.00	475,000.00	-
12/01/2023	305,000.00	5.000%	475,000.00	780,000.00	1,255,000.00
06/01/2024	-	-	467,375.00	467,375.00	-
12/01/2024	320,000.00	5.000%	467,375.00	787,375.00	1,254,750.00
06/01/2025	-	-	459,375.00	459,375.00	-
12/01/2025	335,000.00	5.000%	459,375.00	794,375.00	1,253,750.00
06/01/2026	-	-	451,000.00	451,000.00	-
12/01/2026	355,000.00	5.000%	451,000.00	806,000.00	1,257,000.00
06/01/2027	-	-	442,125.00	442,125.00	-
12/01/2027	370,000.00	5.000%	442,125.00	812,125.00	1,254,250.00
06/01/2028	-	-	432,875.00	432,875.00	-
12/01/2028	390,000.00	5.000%	432,875.00	822,875.00	1,255,750.00
06/01/2029	-	-	423,125.00	423,125.00	-
12/01/2029	410,000.00	5.000%	423,125.00	833,125.00	1,256,250.00
06/01/2030	-	-	412,875.00	412,875.00	-
12/01/2030	430,000.00	5.000%	412,875.00	842,875.00	1,255,750.00
06/01/2031	-	-	402,125.00	402,125.00	-
12/01/2031	450,000.00	5.000%	402,125.00	852,125.00	1,254,250.00
06/01/2032	-	-	390,875.00	390,875.00	-
12/01/2032	475,000.00	5.000%	390,875.00	865,875.00	1,256,750.00
06/01/2033	-	-	379,000.00	379,000.00	-
12/01/2033	495,000.00	5.000%	379,000.00	874,000.00	1,253,000.00
06/01/2034	-	-	366,625.00	366,625.00	-
12/01/2034	520,000.00	5.000%	366,625.00	886,625.00	1,253,250.00
06/01/2035	-	-	353,625.00	353,625.00	-
12/01/2035	545,000.00	5.000%	353,625.00	898,625.00	1,252,250.00
06/01/2036	-	-	340,000.00	340,000.00	-
12/01/2036	575,000.00	5.000%	340,000.00	915,000.00	1,255,000.00
06/01/2037	-	-	325,625.00	325,625.00	-
12/01/2037	605,000.00	5.000%	325,625.00	930,625.00	1,256,250.00
06/01/2038	-	-	310,500.00	310,500.00	-
12/01/2038	635,000.00	5.000%	310,500.00	945,500.00	1,256,000.00
06/01/2039	-	-	294,625.00	294,625.00	-
12/01/2039	665,000.00	5.000%	294,625.00	959,625.00	1,254,250.00
06/01/2040	-	-	278,000.00	278,000.00	-
12/01/2040	700,000.00	5.000%	278,000.00	978,000.00	1,256,000.00
06/01/2041	-	-	260,500.00	260,500.00	-
12/01/2041	735,000.00	5.000%	260,500.00	995,500.00	1,256,000.00
06/01/2042	-	-	242,125.00	242,125.00	-
12/01/2042	770,000.00	5.000%	242,125.00	1,012,125.00	1,254,250.00

Aerotropolis Regional Transportation Authority

\$19,290,000 Revenue Bonds, Series 2019

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/01/2043	-	-	222,875.00	222,875.00	-
12/01/2043	810,000.00	5.000%	222,875.00	1,032,875.00	1,255,750.00
06/01/2044	-	-	202,625.00	202,625.00	-
12/01/2044	850,000.00	5.000%	202,625.00	1,052,625.00	1,255,250.00
06/01/2045	-	-	181,375.00	181,375.00	-
12/01/2045	890,000.00	5.000%	181,375.00	1,071,375.00	1,252,750.00
06/01/2046	-	-	159,125.00	159,125.00	-
12/01/2046	935,000.00	5.000%	159,125.00	1,094,125.00	1,253,250.00
06/01/2047	-	-	135,750.00	135,750.00	-
12/01/2047	985,000.00	5.000%	135,750.00	1,120,750.00	1,256,500.00
06/01/2048	-	-	111,125.00	111,125.00	-
12/01/2048	1,030,000.00	5.000%	111,125.00	1,141,125.00	1,252,250.00
06/01/2049	-	-	85,375.00	85,375.00	-
12/01/2049	1,085,000.00	5.000%	85,375.00	1,170,375.00	1,255,750.00
06/01/2050	-	-	58,250.00	58,250.00	-
12/01/2050	1,135,000.00	5.000%	58,250.00	1,193,250.00	1,251,500.00
06/01/2051	-	-	29,875.00	29,875.00	-
12/01/2051	1,195,000.00	5.000%	29,875.00	1,224,875.00	1,254,750.00
Total	\$19,290,000.00	-	\$20,696,270.83	\$39,986,270.83	-

Yield Statistics

Bond Year Dollars	\$413,925.42
Average Life	21.458 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	4.9978563%
True Interest Cost (TIC)	4.9965947%
Bond Yield for Arbitrage Purposes	4.7463805%
All Inclusive Cost (AIC)	5.1438533%

IRS Form 8038

Net Interest Cost	4.8529261%
Weighted Average Maturity	21.458 Years

Aerotropolis Regional Transportation Authority Final Sale Results

FYE	County/City/RTA		Total Revenues		RTA Operations		Net Revenues Available for DS & Projects		Total Principal		Total Interest		Capitalized Interest		Interest Expense		Total DS Aggregate		Funds Available After DS		Surplus Funds Deposits		DSCR Min		
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June 12, 2019

For Immediate Release

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Chair, ARTA

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303.339.0042

ARTA completes \$19.3 million sale of Special Revenue Bonds to kick off Aerotropolis transportation improvement project.

The Aerotropolis Regional Transportation Authority (ARTA) announced the sale of approximately \$19.3 million in Special Revenue Bonds today. The proceeds will fund the planning, engineering and initial construction costs of a \$200 million transportation improvement initiative to create regional connectivity and stimulate economic development for nearly 21,000 vacant acres south of Denver International Airport.

The completion of this first of a planned six tranches of debt over the next 12 years reflects months of planning and negotiation to secure the most favorable terms for taxpayers. Early in the planning phase for the projects, ARTA did receive a proposal from an interested investor, however the Board chose to undergo a thorough procurement process. "Our advisors told us that there was a market for our bonds that should be explored, today's results proved that to be excellent advice," stated ARTA Chair Matt Hopper.

ARTA engaged independent municipal advisor Ehlers to explore broader financing options and structure a plan that would provide maximum benefit to the communities at the lowest possible cost. Ehlers worked with ARTA, Citi, Sherman & Howard and Greenberg Traurig to negotiate the Special Revenue Bond transaction which resulted in a true interest cost of 4.99%. "By partnering with an independent municipal advisor, ARTA was able to consider a wider range of potential financing solutions," said James Mann, Senior Municipal Advisor and Principal with Ehlers. "Working as a team, we were able to structure and issue this first tranche of debt at a cost that produces future value savings of \$28.4 million for taxpayers compared to the initial proposal. Those results help position ARTA for a successful long-term project."

ARTA agrees. "Following months of assembling the right financing team, we are pleased with the results of the inaugural tranche of ARTA bonds," said Hopper. "Our financing team worked diligently to achieve the best results that they could, given our unique circumstances, and we are ecstatic with the

outcome. This is a key first step to achieving the goal of establishing the Aerotropolis Area as an economic engine for the region.”

ARTA may issue up to \$15 million in additional bonds later this year. Additional bonding to reach the \$200 million project funding needs is slated to take place in 2021, 2023, 2025, 2028 and 2032. Work on the first phase of the transportation improvement plan is already in motion.

About ARTA

The Aerotropolis Regional Transportation Authority (ARTA) encompasses roughly 3,000 acres south of Denver International Airport (DEN). The Board of Directors consists of three voting member jurisdictions: Adams County, The City of Aurora, and the Aerotropolis Area Coordinating Metropolitan District (AACMD). The Aurora City Council, The Board of County Commissioners of Adams County and the AACMD executed an intergovernmental agreement establishing ARTA. The Authority will oversee the budget and phasing plans for critical regional transportation infrastructure and finance regional transportation improvements needed to improve access across Aurora and Adams County including additional connections from Interstate 70 to DEN, new interchanges on E-470, as well as extensions of several critical arteries throughout the district.