



City and County of Denver

Better Denver General Obligation 2008 Plan of Finance

Department of Revenue

Financial Management Division





\$550 Million Infrastructure General Obligation Bonds

Health & Human Services \$48.6M

Libraries \$51.9M

Streets, Transportation, Public Works \$149.8M

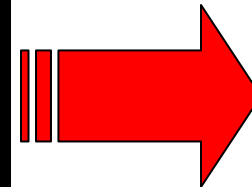
Parks and Recreation \$93.3M

Refurbish Existing Office Buildings \$10.3M

Refurbish Cultural Buildings \$60.5M

Expansion of Cultural Facilities \$70M

Public Safety \$65.2M



68 projects identified by the IPTF will be funded by bond proceeds





Projected Better Denver GO Issuance Schedule

\$195 million issued in late 2008

\$120 million issued in late 2009

\$115 million issued in late 2010

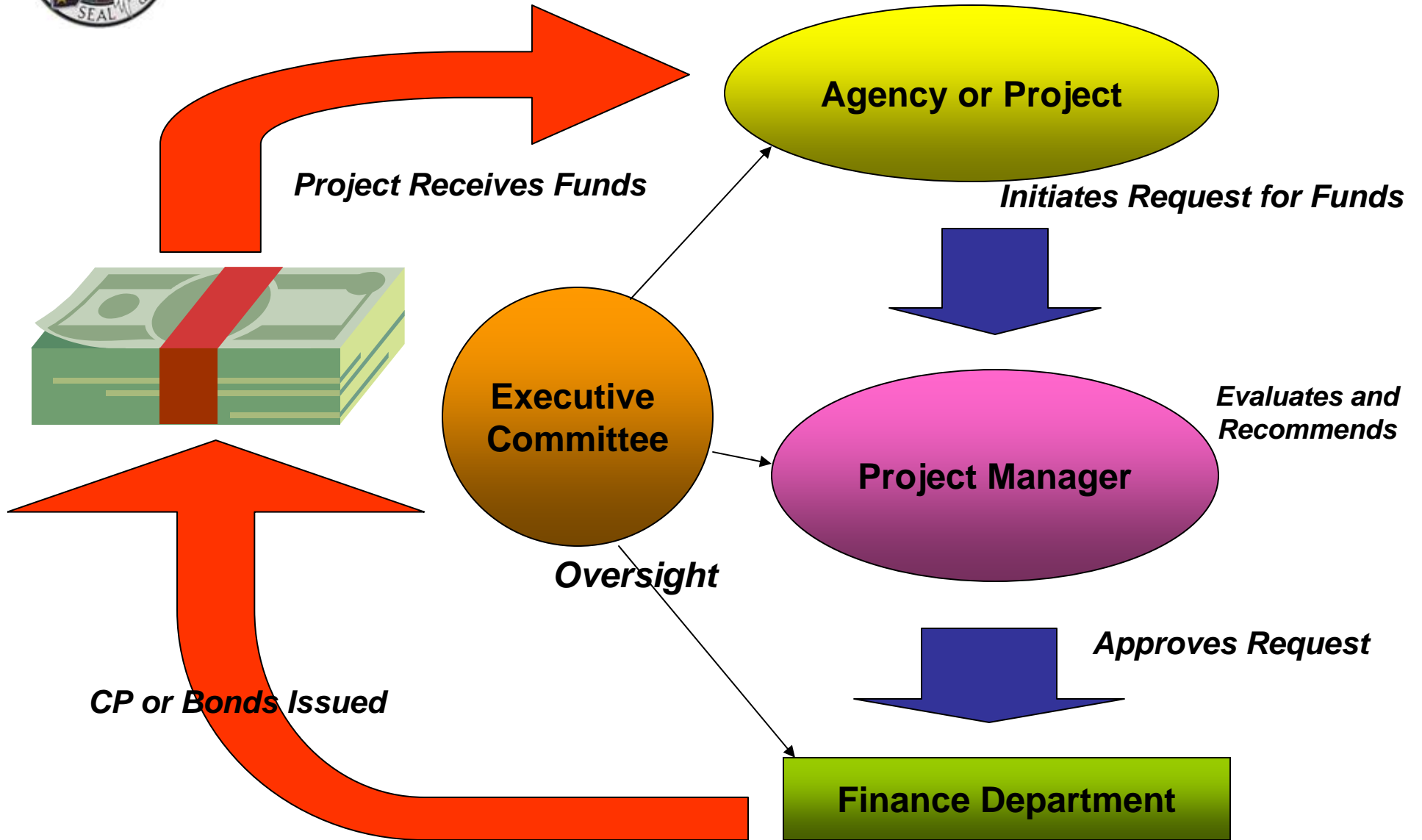
\$120 million issued in late 2011

\$550 million total authorization





Project Review Process





Total Principal and Interest Costs

PROJECTS	Principal	Maximum Principal & Interest Per Ballot	Principal & Interest if Issued Now	Difference In Interest Costs
HHS	\$48,583,000	\$104,056,320	\$87,236,221	\$16,820,099
Libraries	\$51,883,000	\$111,154,783	\$93,191,563	\$17,963,219
Streets, Transportation, Public Works	\$149,786,000	\$320,819,497	\$268,962,926	\$51,856,571
Parks & Rec	\$93,387,000	\$200,128,692	\$167,796,637	\$32,332,055
City Buildings	\$10,350,000	\$22,157,315	\$18,575,030	\$3,582,285
Culturals Refurbishment	\$60,546,000	\$129,773,788	\$108,812,282	\$20,961,506
Culturals Expansion	\$70,000,000	\$112,513,675	\$102,307,600	\$10,206,075
Public Safety	\$65,195,000	\$139,668,773	\$117,097,732	\$22,571,041

Interest Rate Risk Exposure Total \$176,292,851



Hedging future issuance will “lock in” historically low interest rates

How hedging works:

1. The City would enter into a forward starting swap agreement on some or all of the \$550 million.
2. The City will “swap” payments with a counterparty based on the level of market interest rates at certain points in time.
 - Example- the City would receive payments from the counterparty if interest rates increase, or the City would remit payments if interest rates decline. The City would recoup payment outlays made when issuing the bonds at lower interest rates and conversely, the City would offset higher interest costs on the bonds by payments received from the swap if interest rates are higher.
3. The hedge would be structured to expire or “unwind” when the bonds are issued.





Bond Issuance Details

- Bond issue proceeds must be spent within 3 years of issuance per IRS regulations.
- Investment earnings on bond proceeds cannot exceed interest rate paid on issue or arbitrage rebate payments become necessary (IRS regulation).
- Project spending will be closely monitored to stay within 3 year spending rules.





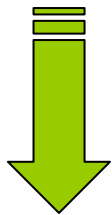
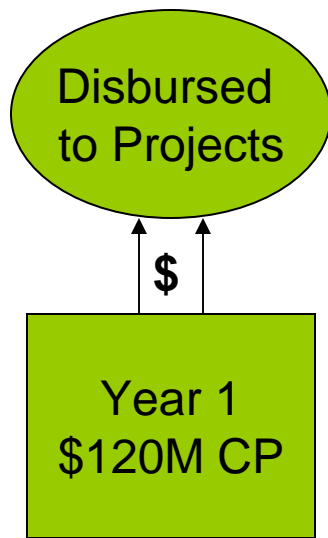
Commercial Paper Program

- Commercial Paper (CP) program will be instituted to provide short-term financing for those projects far enough along in their planning to receive funding.
 - Gives projects additional time on “spending clock”
 - Lower borrowing rates in the short-term
- The outstanding CP will be paid off with GO proceeds upon issuance at the end of year.

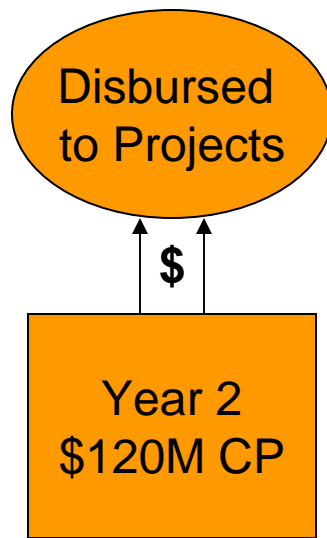




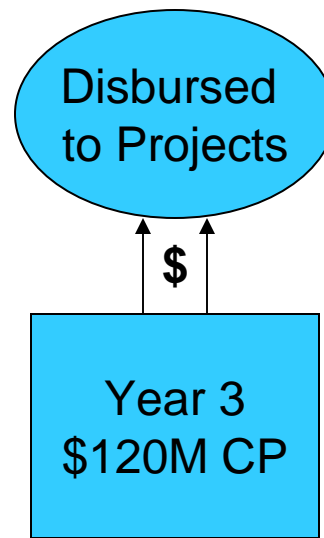
CP and Bond Issuance Plans



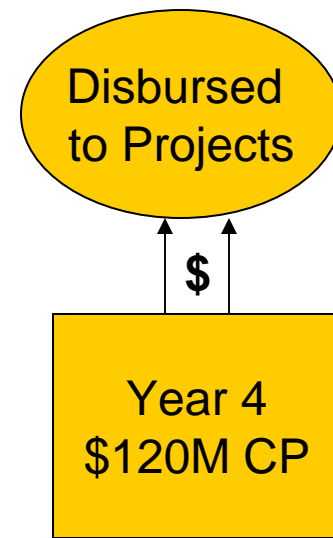
2008 \$195M GO bond issue repays CP and provides more funding



2009 \$120M GO bond issue repays CP and provides more funding



2010 \$115M GO bond issue repays CP and provides more funding



2011 \$120M GO bond issue repays CP and provides more funding