

USAFA Visitor's Center BID Debt Authorization Increase and Extension of Time to Issue

City Council Work Session
January 25, 2021

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BID representatives

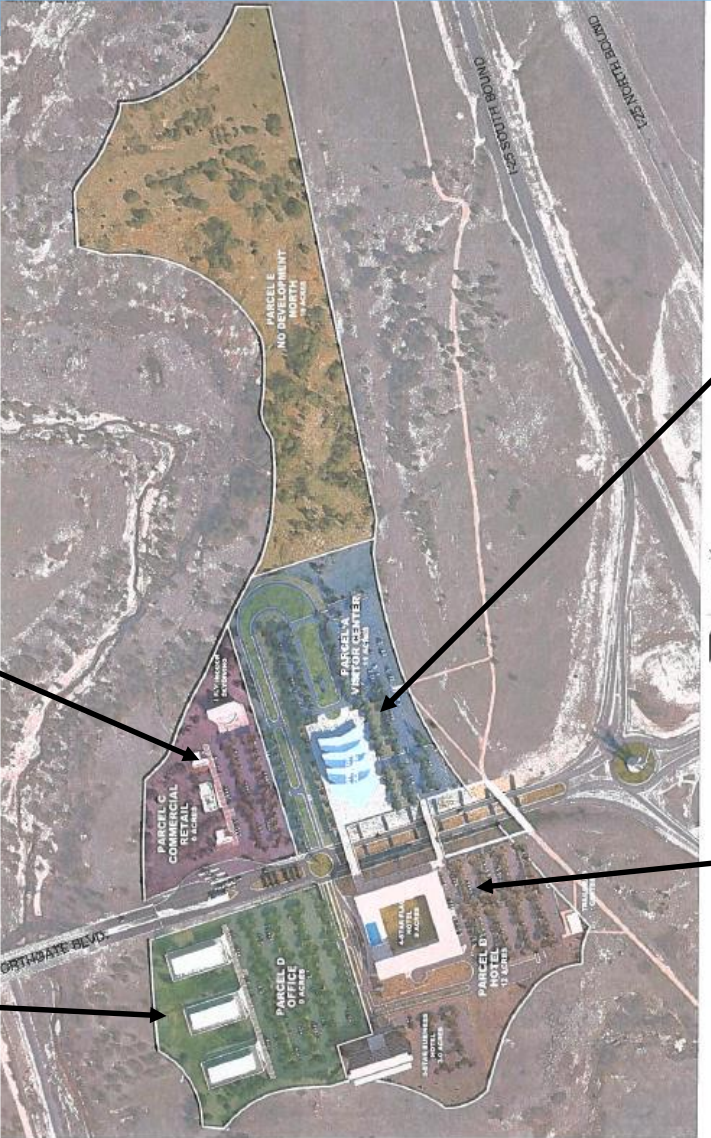


Summary



- On October 22, City Council authorized this BID to issue debt in the form of Series A, B and C bonds in a combined aggregate amount not to exceed \$80,000,000 (Resolution No. 103-19)
- District requests an increase in this limit to \$90,000,000
- Bond structuring; additional costs and construction cost inflation
- Further extension of time to issue requested
 - To December 31, 2021
 - Synchronized with State and Air Force extensions

Project Site and Proposal



Commercial - Retail

Office

Visitor Center

Hotel

2019 Proposed Bonds (2021 Updated)



- Up to \$20,000,000 (~~\$30,000,000~~) in Series 2019A (~~2021A~~) tax-exempt bonds- for public improvements
- Up to \$52,000,000 (~~\$60,000,000~~) in Series 2019B (~~2021B~~) taxable bonds- for Visitors Center
- Up to \$15,000,000 in (~~\$30,000,000~~) Subordinate Series 2019C (~~2021C~~) tax-exempt bonds- for public improvements
- Higher individual totals allow for flexibility to greatly reduce or even eliminate either the Series A or C bonds

Cost Escalation 2019-2021



- Construction Costs
- Issuance and Reserve Costs

Refer to District documentation and presentations

Interest Rates



- Series A, not to exceed 7.0%
 - Currently projected— 5.25%
- Series B, not to exceed 8.5%
 - Currently projected-- 6.75%
- Series C, not to exceed 10.0%
 - Currently projected-- 7.75%

Note: Final rates dependent on structure and market at time of closing

Further Extension of Deadline to Issue



- Extension from 10/22/21 to 12/31/21
- Synchronizes with recent Air Force and State Office of Economic Development extensions
- Remains consistent with customary one year period

Budget Committee



- January 12, 2021
 - Additional cost and bond structure information requested to support increase in authorized amount
 - Follow-up meeting set
- January 18, 2021 special meeting
 - Information provided
 - Outcome to be summarized at Work Session

Supporting Materials



- ✓ Applicant Budget Committee Presentations
- ✓ Draft Council Resolution
- ✓ Original Resolution Nos. 103-19, and 94-20
- ✓ Updated Cost Summary
- ✓ Updated Financial Plan (Bond Run)

Note: originally reviewed “Bond Documents”

Available with the October 22, 2019 City Council agenda (link provided)

Next Steps



- February 9, 2021 Council Hearing
- Amended Operating Plan and Budget to follow on a later agenda
- Bonding now anticipated in first or second quarter 2021