PRELIMINARY OFFICIAL STATEMENT DATED ________, 2017

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: Moody's: "___"
S&P: "__"
Fitch: "__"
See "RATINGS"

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein.

CITY OF COLORADO SPRINGS, COLORADO

$__________*
Utilities System Refunding Revenue Bonds, Series 2017A-1

$_________*
Utilities System Refunding Revenue Bonds, Series 2017A-2

$_________*
Utilities System Refunding Revenue Bonds, Series 2017A-3

Dated: Date of Delivery **Due: November 15, as shown on the inside cover**

The City of Colorado Springs, Colorado (the "City") is issuing its Utilities System Refunding Revenue Bonds, Series 2017A-1 (the "Series 2017A-1 Bonds"), its Utilities System Refunding Revenue Bonds, Series 2017A-2 (the "Series 2017A-2 Bonds"), and its Utilities System Refunding Revenue Bonds, Series 2017A-3 (the "Series 2017A-3 Bonds" and collectively with the Series 2017A-1 Bonds and the Series 2017A-2 Bonds, the "Bonds"). The Bonds are issued as fully registered bonds in denominations of $5,000, or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. The Bonds bear interest at the rates set forth on the inside cover page of this Official Statement, payable semiannually on May 15 and November 15 of each year, commencing May 15, 2018. Purchasers will not receive certificates from the City or the Paying Agent representing their interests in the Bonds. So long as the Bonds are held by DTC, payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC participants for remittance to the beneficial owners of the Bonds, as more fully described herein.

The maturity schedules for the Bonds appears on the inside cover page of this Official Statement.

Certain maturities for each series of the Bonds are subject to optional redemption prior to maturity and mandatory sinking fund redemption as set forth in this Official Statement.

The Bonds will not constitute an indebtedness or a debt of the City within the meaning of any constitutional, charter or statutory provision or limitation; the Bonds will not be payable from the proceeds of general property taxes; and the Bonds will not be considered or held to be general obligations of the City, but will be its special obligations, payable and collectible solely out of the net revenues derived from the operation and use of the municipal water system, electric light and power system, gas system, wastewater system, streetlight system and any other systems designated in accordance with the City Charter, collectively comprising the City's utilities system, with the possible future exclusion of any Special Facility (as defined in the Bond Ordinance). The City may not issue utilities revenue bonds which have a lien on such net revenues which is senior to the lien thereon securing the Bonds. The Bonds constitute an irrevocable lien upon the net revenues derived from the System on a parity with any future or existing parity debt.

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*Preliminary, subject to change.

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued by the City, subject to the delivery of an approving opinion by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, and other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, Denver, Colorado, has acted as disclosure counsel to the City in connection with the preparation of this Official Statement and the sale of the Bonds to the Underwriters. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Denver, Colorado. George K. Baum & Company, Denver, Colorado, has acted as Financial Advisor to the Utilities. It is expected that the Bonds will be available for delivery on or about __________, 2017 through the facilities of DTC.

[Underwriters to be inserted]

This Official Statement is dated ___________, 2017.

CITY OF COLORADO SPRINGS, COLORADO

CUSIP† Issuer Number: 196632

$__________*

Utilities System Refunding Revenue Bonds, Series 2017A-1

SERIAL MATURITIES

Maturity (November 15)	*Principal Amount**	*Interest Rate*	*Yield**	*CUSIP† Issue Number*	*Maturity (November 15)*	*Principal Amount**	*Interest Rate*	*Yield**	*CUSIP† Issue Number*

$________* ____% Term Bond Due November 15, 20__, Yield: ____%*, CUSIP† Issue Number ___

$__________*

Utilities System Refunding Revenue Bonds, Series 2017A-2

SERIAL MATURITIES

Maturity (November 15)	*Principal Amount**	*Interest Rate*	*Yield**	*CUSIP† Issue Number*	*Maturity (November 15)*	*Principal Amount**	*Interest Rate*	*Yield**	*CUSIP† Issue Number*

$________* ____% Term Bond Due November 15, 20__, Yield: ____%*, CUSIP† Issue Number ___

$__________*

Utilities System Refunding Revenue Bonds, Series 2017A-3

SERIAL MATURITIES

Maturity (November 15)	*Principal Amount**	*Interest Rate*	*Yield**	*CUSIP† Issue Number*	*Maturity (November 15)*	*Principal Amount**	*Interest Rate*	*Yield**	*CUSIP† Issue Number*

$________* ____% Term Bond Due November 15, 20__, Yield: ____%*, CUSIP† Issue Number ___

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* Preliminary, subject to change.

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CITY OF COLORADO SPRINGS, COLORADO

Mayor

John W. Suthers

City Council

Richard Skorman, *President of the City Council*
Jill Gaebler, *President Pro Tem*

Merv Bennett
Don Knight
David Geislinger
Yolanda Avila
Andy Pico
Bill Murray
Tom Strand

Wynetta Massey, *City Attorney*

COLORADO SPRINGS UTILITIES

Jerome Forte, Jr., Chief Executive Officer
Daniel J. Higgins, Chief Water Services Officer
William J. Cherrier, Chief Planning and Finance Officer
Carl Cruz, Chief Customer and Corporate Services Officer
David Padgett, Chief Environment, Health, and Safety Officer
Eric Tharp, Chief Energy Services Officer
Sherri Newell Wilkinson, Chief Strategy and External Affairs Officer

Utilities Policy Advisory Committee

Richard Kramer, Chair
Rex Adams, Vice Chair
Balu Bhayani
James Colvin
Scott Harvey
Joseph Mark
Thomas Taylor

Financial Advisor
George K. Baum & Company

Bond Counsel
Sherman & Howard L.L.C.

Disclosure Counsel
Stradling Yocca Carlson & Rauth, a Professional Corporation

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE BONDS IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS OFFICIAL STATEMENT, IN CONNECTION WITH THE OFFERING OF THE BONDS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THE CITY AND THE UTILITIES EACH MAINTAIN AN INTERNET WEBSITE, A FACEBOOK HOMEPAGE, AND/OR A TWITTER FEED; HOWEVER, THE INFORMATION PRESENTED THERE IS NOT PART OF THIS OFFICIAL STATEMENT AND SHOULD NOT BE RELIED UPON IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE BONDS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER WILL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE UTILITIES SINCE THE DATE HEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED HEREIN, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACTS. SEE "INTRODUCTION—FORWARD LOOKING STATEMENTS."

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTY THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE CUSIP NUMBERS ARE INCLUDED IN THIS OFFICIAL STATEMENT FOR THE CONVENIENCE OF THE OWNERS AND POTENTIAL OWNERS OF THE BONDS. THE CUSIP NUMBER FOR ANY MATURITY OF THE BONDS MAY BE CHANGED AFTER THE ISSUANCE OF THE BONDS AS THE RESULT OF VARIOUS SUBSEQUENT ACTIONS, INCLUDING, WITHOUT LIMITATION, A REFUNDING OF ALL OR A PORTION OF SUCH MATURITY OR THE PROCUREMENT OF SECONDARY MARKET PORTFOLIO INSURANCE OR OTHER SIMILAR ENHANCEMENT BY INVESTORS THAT IS APPLICABLE TO ALL OR A PORTION OF CERTAIN MATURITIES OF THE BONDS. NONE OF THE CITY, THE UTILITIES OR THE UNDERWRITERS UNDERTAKE ANY RESPONSIBILITY FOR ANY CHANGES TO OR ERRORS IN THE LIST OF CUSIP NUMBERS INCLUDED IN THIS OFFICIAL STATEMENT.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

CITY OF COLORADO SPRINGS, COLORADO

$__________[*]
Utilities System Refunding Revenue Bonds, Series 2017A-1

$_________*
Utilities System Refunding Revenue Bonds, Series 2017A-2

$_________*
Utilities System Refunding Revenue Bonds, Series 2017A-3

INTRODUCTION

This Introduction is only a brief description of certain matters set out in this Official Statement and is subject in all respects to more complete information contained in this Official Statement. Investors should make a full review of this Official Statement, which includes the cover page and attached Appendices, as well as of the documents summarized and described in this Official Statement, before making a decision to purchase any of the Bonds. **Capitalized terms used but not defined in this Official Statement are defined in Appendix B to this Official Statement.**

The City

The City of Colorado Springs, Colorado (the "City") is a home rule municipal corporation with a population of approximately 465,000 which is located in the south central Front Range of Colorado. The economy of the City and the surrounding area is based substantially on employment attributable to service industries, retail businesses, construction industries, military installations, the high technology industry and tourism. For a detailed summary of economic and demographic information for the Colorado Springs area see APPENDIX F—"ECONOMIC AND DEMOGRAPHIC INFORMATION" to this Official Statement.

The City owns and operates the Colorado Springs Utilities (the "Utilities"), which includes the municipal water system, the electric light and power system, the gas system, the wastewater system, the streetlight system, and any other systems designated in accordance with the home rule charter of the City (collectively, the "System"). For a further description of the Utilities, see "COLORADO SPRINGS UTILITIES" in this Official Statement.

Security for the Bonds

The Bonds (and any parity securities previously or subsequently issued) are utilities system revenue bonds of the City payable solely from the "Net Pledged Revenues" available after the costs of operating and maintaining the System are deducted from the "Gross Pledged Revenues" generated from the operation and use of the System. Upon issuance of the Bonds, $_____________[*] in aggregate principal of Parity Bonds (including the Bonds) will be outstanding which have a parity lien on the Net Pledged Revenues. [The City does not anticipate issuing any additional utilities system revenue bonds in 2017.] The City is prohibited from issuing additional bonds with a lien on the Net Pledged Revenues which is superior to the Parity Bonds (including the Bonds). See "DESCRIPTION OF THE BONDS—Security for the Bonds" in this Official Statement.

The Bonds will not constitute an indebtedness or a debt of the City within the meaning of any constitutional, charter or statutory provision or limitation, will not be payable from the proceeds of general

[*] Preliminary, subject to change.

property taxes, and will not be considered or held to be general obligations of the City, but will be its special obligations, payable as described in this Official Statement.

Debt Service Reserve Fund

Under the ordinance authorizing the issuance of the Bonds, the City is required to fund the Reserve Fund as additional security for the Bonds. The amount required to be on deposit in the Reserve Fund will be $_________ and will be funded with a portion of the proceeds of the Bonds. [To be changed if a surety is used] See APPENDIX B—"THE BOND ORDINANCE—Reserve Fund."

The Bonds

The Bonds are authorized to be issued pursuant to the City's home rule charter and an ordinance adopted by the City Council of the City on ___________, 2017. The Bonds are subject to optional and mandatory redemption as described in this Official Statement. See "DESCRIPTION OF THE BONDS."

Purpose of the Bonds

Net proceeds of the Series 2017A-1 Bonds are to be used, along with other available revenues, to: (a) refund all or a portion of the City's outstanding Utilities System Refunding Revenue Bonds, Series ______ (the "_____ Bonds")]; (b) pay certain costs of issuing the Series 2017A-1 Bonds; and (c) fund the Reserve Fund [pay the Surety Premium]. See APPENDIX G – "THE REFUNDING PLAN."

Net proceeds of the Series 2017A-2 Bonds are to be used, along with other available revenues, to: (a) [refund all of the City's Utilities System Commercial Paper Notes, Series A and B (collectively, the "Commercial Paper Notes")]; (b) pay certain costs of issuing the Series 2017A-2 Bonds; and (c) fund the Reserve Fund [pay the Surety Premium]. See APPENDIX G – "THE REFUNDING PLAN."

Net proceeds of the Series 2017A-3 Bonds are to be used, along with other available revenues, to: (a) refund the City's outstanding Variable Rate Demand Utilities System Subordinate Lien Refunding Revenue Bonds, Series 2004A (the "2004A Bonds")]; (b) pay certain costs of issuing the Series 2017A-3 Bonds; and (d) fund the Reserve Fund [pay the Surety Premium]. See APPENDIX G – "THE REFUNDING PLAN."

The specific principal amount, if any, of each maturity of the outstanding ______Bonds, 2004A Bonds, and Commercial Paper Notes (collectively, the "Refunded Obligations") that will be refunded will be determined by the City on the day of pricing of the Bonds. The issuance of the Bonds and the refunding of the Refunded Obligations are subject to market conditions, and the City will only issue the Bonds to refund any of the Refunded Obligations if such issuance and refunding result in acceptable debt service savings to the City.

Tax Status of Interest on the Bonds

In the opinion of the City's bond counsel, Sherman & Howard L.L.C., interest on the Bonds is excluded from gross income under current federal income tax laws and is excluded from federal alternative minimum taxable income. Such interest is, however, required to be included in computing the alternative minimum taxable income of corporations. Interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income. Bond Counsel's opinion regarding the Bonds specifically assumes that the City will comply with the covenants described under the heading "TAX STATUS" and the failure to comply with these covenants could result in the Internal Revenue Service declaring the interest on the Bonds taxable from the date of their issuance.

Forward Looking Statements

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements." In this respect the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward looking statements. The achievement of certain results or other expectations contained in such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

General

This Official Statement contains information current as of its date. Information contained in this Official Statement is subject to change after the date of this Official Statement. All references in this Official Statement to the Bond Ordinance and the various contracts of or relating to the City or the Utilities are qualified in their entirety by reference to such documents, and references to the Bonds are qualified in their entirety by reference to the form of the Bonds included in the Bond Ordinance. **[Contact at CSU to be discussed.]** During the period of the offering of the Bonds, copies of the forms of the Bond Ordinance will be available from the Utilities' [Chief Planning and Finance Officer], 121 South Tejon Street, Suite 500, Colorado Springs, Colorado 80903, (719) 668-8136, and the Utilities' Financial Advisor, George K. Baum & Company, 1400 Wewatta Street, Suite 800, Denver, Colorado 80202, (303) 292-1600.

Appendix A to this Official Statement contains the audited financial statements of the Utilities for the year ended December 31, 2016 (with comparative totals for the year ended December 31, 2015). Inquiries relating to financial information of the Utilities presented in this Official Statement may be directed to the Utilities' [Chief Planning and Finance Officer, 121 South Tejon Street, Suite 500, Colorado Springs, Colorado 80903, (719) 668-8136.]

SOURCES AND USES OF BOND PROCEEDS

The sources and uses of proceeds of the Series 2017A-1 Bonds are set forth in the following table.

Sources of Funds	Amount
Par amount of the Series 2017A-1 Bonds	$
Plus Net Original Premium [less original discount]	
Total Sources of Funds	$
Uses of Funds	
Escrow Fund Deposit[(1)]	$
Reserve Fund Deposit[(2)]	
Costs of Issuance[(3)]	
Total Uses of Funds	$

(1) See APPENDIX G – THE REFUNDING PLAN.
(2) Portion of the Reserve Fund Deposit attributable to the Series 2017A-1 Bonds.
(3) Costs of Issuance include legal fees, underwriters' discount, consultant fees, printing costs, rating agency fees and other miscellaneous fees and expenses.

The sources and uses of proceeds of the Series 2017A-2 Bonds are set forth in the following table.

Sources of Funds	Amount
Par amount of the Series 2017A-2 Bonds	$
Plus Net Original Premium [less original discount]	
Total Sources of Funds	$
Uses of Funds	
_______ Deposit[1]	$
Reserve Fund Deposit[2]	
Costs of Issuance[3]	
Total Uses of Funds	$

(1) See APPENDIX G – THE REFUNDING PLAN.
(2) Portion of the Reserve Fund Deposit attributable to the Series 2017A-2 Bonds.
(3) Costs of Issuance include legal fees, underwriters' discount, consultant fees, printing costs, rating agency fees and other miscellaneous fees and expenses.

The sources and uses of proceeds of the Series 2017A-3 Bonds are set forth in the following table.

Sources of Funds	Amount
Par amount of the Series 2017A-3 Bonds	$
Plus Net Original Premium [less original discount]	
Total Sources of Funds	$
Uses of Funds	
Escrow Fund Deposit[1]	$
Reserve Fund Deposit[2]	
Costs of Issuance[3]	
Total Uses of Funds	$

(1) See APPENDIX G – THE REFUNDING PLAN.
(2) Portion of the Reserve Fund Deposit attributable to the Series 2017A-3 Bonds.
(3) Costs of Issuance include legal fees, underwriters' discount, consultant fees, printing costs, rating agency fees and other miscellaneous fees and expenses.

INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves special risks and the Bonds may not be appropriate investments for all types of investors. Each prospective investor should read this Official Statement in its entirety and give particular attention to the factors described below, which, among others factors discussed herein, could affect the payment of the Bonds and could affect the market price of the Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Special, Limited Obligations

The Bonds are special, limited obligations of the City. The Bonds do not constitute a general obligation debt or indebtedness of the City or any other political subdivision of the State, and no owner of any Bond may look to any source of funds other than the Net Pledged Revenues for payment of debt service on the Bonds. The full faith and credit of the City is not pledged for the payment of the amounts due on the Bonds or under the Bond Ordinance. The Bonds are payable solely from the Net Pledged Revenues. Therefore, the punctual payment of the principal of and interest on the Bonds is dependent on the generation of Net Pledged Revenues in an amount sufficient to meet debt service requirements on the Bonds.

No Pledge of Property

The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except the Net Pledged Revenues for each series of Bonds, and any other moneys pledged for the payment of the Bonds. No property of the City, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Bonds.

Capital Program

As discussed in "THE ELECTRIC SYSTEM – Environmental Regulation," "THE WATER SYSTEM," and "THE WASTEWATER SYSTEM," the Utilities has capital needs which are currently budgeted to total approximately $1.0 billion from 2017 through 2021. The Utilities currently estimates that approximately 69% of this amount will be cash-funded and the remaining 31% will be funded from the proceeds of future bond issues. However, such percentages are only estimates and are subject to change at any time. For 2017, the Utilities has established a capital budget of $200.4 million. This is approximately $17.7 million less than the budgeted amount for 2016. Of this amount, electric projects account for 41.2% of the total major capital projects budget. Combined water and wastewater projects account for 43.3% of the total.

Risks Related to the Federal Subsidy Payment on Bonds Issued as Build America Bonds

The City has designated certain previously issued utilities system revenue bonds as "Build America Bonds" for purposes of the Tax Code and originally expected to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on such bonds. Such subsidy historically totaled approximately $8.6 million annually, which is approximately 5% of the Utilities' total estimated 2017 debt service. To date, the City has timely filed for and received the subsidy for all such bonds. However, recent subsidy payments have been reduced and future subsidy payments will likely be lower than originally expected as a result of the congressionally mandated sequestration process of the 2011 Budget Control Act. The Utilities presently expects an annual average reduction in subsidy payments of approximately $566,000 through 2024 based upon the current sequestration process. The Utilities' forecast of revenues has been adjusted to reflect this reduction in non-operating income.

Dependence Upon Federal Defense Spending

The military installations of Fort Carson Army Base ("Fort Carson"), Peterson Air Force Base ("Peterson") and the United States Air Force Academy (the "Academy") receive water and electric service and gas supply and transportation from the System, and Peterson also receives wastewater treatment service from the System. These installations, along with Cheyenne Mountain Air Force Station and Schriever Air Force Base, are also large employers in the City and El Paso County and make a significant contribution to the local economy.

In recent years, many federal deficit reduction plans and military base realignment and closure plans have been proposed for consideration by the U.S. Congress. It is not clear at this time what impact, if any, these proposals would have on the City and/or the Utilities, if enacted into law.

Risks Regarding Fluctuations in Water Revenues

[Currently under review] The revenues derived from the Utilities' water sales are subject to significant fluctuation primarily due to weather. For example, in 2014 and 2015 water revenues experienced significant shortfalls as a result of wetter and cooler than normal weather. In addition, customers continue to use less water each year in response to drought conditions, watering restrictions, indoor conservation/efficiency, and increased water rates. Some customer behavior may result in permanent change, such as when lawns are abandoned or replaced with xeriscaping.

The annual fluctuations in water revenues are exacerbated by the fixed nature of the Water System's costs. Unlike the Electric System, the Water System's fixed cost of providing water does not vary considerably when the amount of water delivered to customers varies. The infrastructure intensive water system is built to meet peak day to annual demands which also includes fire flows, reliability and redundancy requirement, and increasingly stringent regulatory requirements. Moreover, the rate structures used to recover the cost of service are designed to encourage water efficiency and conservation and are, therefore, variable in nature because the vast majority of revenue (nearly 80%) comes from highly variable commodity use. The inconsistency between a fixed cost structure and a variable revenue structure causes annual budgeting and financial instability and uncertainty.

It is not possible to predict what impacts, if any, weather will have on the Water System's revenues in the future.

Risks Regarding Liquidity Facilities

As of the date of this Official Statement, the City has $782,065,000 of outstanding Parity Bonds which are supported by liquidity facilities ("Support Facilities"). The City has also established a Commercial Paper Program for the Utilities in the maximum principal amount of $150,000,000 (the "Commercial Paper Notes"), of which $0 is expected to be outstanding upon issuance of the Bonds and completion of the Refunding Project. The Commercial Paper Notes are also supported by Support Facilities. The Parity Bonds and the Commercial Paper Notes (when and if drawn upon) which are supported by the Support Facilities are subject to the risk of expiration and non-renewal of the related Support Facilities and the inability of the City to find replacement Support Facilities. In addition, there can be no assurance that the providers of such Support Facilities will be financially able to meet their respective contractual obligations thereunder, whether as a result of bankruptcy, insolvency or other events adversely affecting their creditworthiness. Any non-renewal of a Support Facility, any inability of the provider of a Support Facility to meet its obligations thereunder, or any rating downgrade associated therewith could have an adverse effect on the City. If any of these were to occur, the City could pursue various options in order to remedy the situation, including replacing the Support Facility or converting or refunding the bonds or Commercial Paper Notes in question to a fixed interest rate or another interest rate mode, depending upon market conditions. See "COLORADO SPRINGS UTILITIES—Liquidity/Support Facilities."

Environmental Regulation

The Utilities' Electric System operations are subject to various local, state and federal environmental laws and regulations. Compliance with such laws and regulations will likely require significant capital outlays. In its long range forecasts, the Utilities has included expenses for such capital outlays of which it is aware, or which it reasonably anticipates incurring. These expenses are discussed below in the section entitled "THE ELECTRIC SYSTEM." However, there are a number of federal and state legislative and regulatory efforts underway which seek to limit and/or control emissions of greenhouse gases and other pollutants. The impact and cost of such proposed legislative and regulatory initiatives on the Utilities are under evaluation, but the costs of compliance with such proposed legislation and initiatives are not yet known and therefore cannot be quantified at this time. See "THE ELECTRIC SYSTEM—Environmental Regulation."

Federal and state legislation and regulations also impact the operation of the Utilities' Water System through the regulation of land use, appropriation of water, and water quality. The constraints imposed by environmental laws and regulations can potentially limit the current yield or further expansion of existing water projects (particularly transmountain projects) as well as prohibit new project development. The financial impact of these constraints on the Utilities is not yet known and therefore cannot be quantified at this time. See "THE WATER SYSTEM—Environmental Requirements Affecting Water Treatment" and "THE WATER SYSTEM—Environmental Requirements Affecting Water Supply."

Federal and state legislation and regulations also impact various aspects of the operation of the Utilities' Wastewater System, including wastewater treatment and effluent discharge. The Utilities has formulated a Wastewater Integrated Master Plan which addresses the impacts of new regulations and plans for capital improvements necessary to keep the facilities in compliance with new regulations. However, new regulations and legislation beyond current Utilities estimates could add significant costs to the operation of the Wastewater System. The full extent of such costs is not yet known and therefore cannot be quantified at this time. See "THE WASTEWATER SYSTEM—Environmental Regulation" and "THE WASTEWATER SYSTEM—Capital Improvements to the Wastewater System."

DESCRIPTION OF THE BONDS

Security for the Bonds

The City's Utilities System Refunding Revenue Bonds, Series 2017A-1 (the "Series 2017A-1 Bonds"), Utilities System Refunding Revenue Bonds, Series 2017A-2 (the "Series 2017A-2 Bonds"), and Utilities System Refunding Revenue Bonds, Series 2017A-3 (the "Series 2017A-3 Bonds" and collectively with the Series 2017A-1 Bonds and the Series 2017A-2 Bonds, the "Bonds") are not general obligations of the City and are not repayable from tax revenues of the City. Payment of the Bond Requirements (which are defined in the Bond Ordinance to include principal and interest) of the Parity Bonds is secured by a lien on the Net Pledged Revenues. The City is prohibited from issuing utilities system revenue bonds or other obligations which have a lien on the Net Pledged Revenues which is senior to the lien thereon securing the Bonds. The owner of any Bond may not look to any general or other fund of the City for the payment of the Bond Requirements except the special funds pledged for that purpose under the Bond Ordinance. The City in its discretion may exclude from the System any interest in any Special Facility subsequently acquired or constructed by or on behalf of the City and financed in whole or in part by Special Facility Obligations. See APPENDIX B—"THE BOND ORDINANCE—Definitions" and "—Equality of Lien."

As additional security for the owners of the Bonds, the City has established a reserve fund (the "Reserve Fund"). See APPENDIX B—"THE BOND ORDINANCE—Reserve Fund." The City plans to fund the Reserve Fund with a portion of the proceeds of the Bonds.

Upon issuance of the Bonds, $_____________* in aggregate principal of Parity Bonds (including the Bonds and excluding the Refunded Obligations) will be outstanding which have a parity lien on the Net Pledged Revenues. The City is prohibited from issuing additional bonds with a lien on the Net Pledged Revenues which is superior to the Parity Bonds (including the Bonds). See "COLORADO SPRINGS UTILITIES—Outstanding Utilities Revenue Bonds and Other Obligations." The City has issued the Commercial Paper Notes, which are secured by a lien on the Net Pledged Revenues which is junior and subordinate to the lien thereon securing the Parity Bonds. For a description of the requirements for issuance of additional Parity Bonds, see APPENDIX B—"THE BOND ORDINANCE—Additional Securities Prior to the Effective Date" and "—Additional Securities On and After the Effective Date."

Springing Modifications to the Bond Ordinance

The City intends to modify certain of its covenants contained in the ordinances authorizing the issuance of all of its outstanding Parity Bonds. These modifications will also be reflected in the Bond Ordinance and will not be effective until the Effective Date, which is defined as the earlier of the date on which (a) none of the Parity Bonds issued prior to 2003 are outstanding or (b) the date on which the City receives the consent of the holders of 66% of the aggregate principal amount of each series of the Parity Bonds issued prior to 2003, as well as any other entities whose consent is required. The purchasers of the Bonds will be deemed to have irrevocably consented to these modifications by purchasing the Bonds. Since 2003, the

* *Preliminary; subject to change*

purchasers of each series of the Parity Bonds, including the purchasers of the Bonds, have been deemed to have consented to these modifications.

On and after the Effective Date, these modifications will provide that the consent of the owners of a majority in principal amount of all outstanding Parity Bonds is required for certain amendments to the Bond Ordinance, as opposed to the current requirement of the consent of the holders of 66% of the principal amount of each series of the Parity Bonds. These modifications will also change the City's ability to dispose of certain assets of the System. These modifications are more particularly described in APPENDIX B—"THE BOND ORDINANCE." The City is not seeking the consent of the holders of the Parity Bonds issued prior to 2003. Accordingly, the City does not currently expect these modifications to become effective in the foreseeable future.

Bond Details

The Bonds will be issued pursuant to the Bond Ordinance, will be dated as of their date of delivery, and will mature on the dates and in the principal amounts and bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be calculated based on a 360-day year, consisting of twelve 30-day months. The Bonds will be issued as fully registered bonds without coupons and will initially be registered in the name of "Cede & Co.," as nominee for The Depository Trust Company, New York, New York ("DTC") as securities depository for the Bonds. Purchases by beneficial owners of the Bonds ("Beneficial Owners") will be made in book-entry only form in the denominations of $5,000 and integral multiples of $5,000. See APPENDIX E – "DTC BOOK-ENTRY ONLY SYSTEM" to this Official Statement. Interest on the Bonds will be payable semiannually on May 15 and November 15 of each year, commencing on May 15, 2018.

Principal will be payable to the registered Owner of each Bond, as shown on the registration records kept by the Paying Agent, upon maturity or prior redemption and upon presentation of the Bond at the principal office of the Paying Agent, or at such other office as the Paying Agent directs in writing to Owners of the Bonds. Payment of interest will be made by the Paying Agent by check mailed on each interest payment date to the registered Owner (initially Cede & Co.) of each Bond as of the May 1 or November 1 next preceding each interest payment date (or by other payment means as mutually agreed). If interest is not so paid, it will instead be payable to the person who is the registered Owner as of a "Special Record Date" for the payment of defaulted interest. The Paying Agent will fix the Special Record Date whenever funds become available for payment of the defaulted interest, with notice of the Special Record Date to be mailed to each registered Owner of Bonds at least ten days prior to the Special Record Date. Payments to Beneficial Owners are to be made as described in Appendix E to this Official Statement.

The Bonds will bear interest from the most recent date to which interest has been paid, or if no interest has been paid, from the date of the Bonds. If any Bond is not paid in accordance with the Bond Ordinance, it will continue to accrue interest at the applicable rate until paid in full.

Optional Redemption

The Series 2017A-1 Bonds maturing on or after November 15, 20__ are redeemable at the option of the City on or after November 15, 20__, in whole or in part, on any day, from any Maturity-Rate selected by the City and by lot within a Maturity-Rate, at a redemption price equal to 100% of the principal amount of such Series 2017A-1 Bonds redeemed, plus accrued interest to the redemption date.

The Series 2017A-2 Bonds maturing on or after November 15, 20__ are redeemable at the option of the City on or after November 15, 20__, in whole or in part, on any day, from any Maturity-Rate selected by the City and by lot within a Maturity-Rate, at a redemption price equal to 100% of the principal amount of such Series 2017A-2 Bonds redeemed, plus accrued interest to the redemption date.

The Series 2017A-3 Bonds maturing on or after November 15, 20__ are redeemable at the option of the City on or after November 15, 20__, in whole or in part, on any day, from any Maturity-Rate selected by the City and by lot within a Maturity-Rate, at a redemption price equal to 100% of the principal amount of such Series 2017A-3 Bonds redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2017A-1 Bonds maturing November 15, 20__ and 20__ will be subject to mandatory sinking fund redemption at a redemption price equal to the principal amount of such Series 2017A-1 Bonds redeemed, plus accrued interest to the redemption date on the schedule set forth below:

Series 2017A-1 Bonds maturing November 15, 20__:

Redemption Date	***Principal Amount***
	$
*	

* Final maturity

Series 2017A-1 Bonds maturing November 15, 20__:

Redemption Date	***Principal Amount***
	$
*	

* Final maturity

The Series 2017A-2 Bonds maturing November 15, 20__ and 20__ will be subject to mandatory sinking fund redemption at a redemption price equal to the principal amount of such Series 2017A-2 Bonds redeemed, plus accrued interest to the redemption date on the schedule set forth below:

Series 2017A-2 Bonds maturing November 15, 20__:

Redemption Date	***Principal Amount***
	$
*	

* Final maturity

Series 2017A-2 Bonds maturing November 15, 20__:

Redemption Date	***Principal Amount***
	$
*	

* Final maturity

The Series 2017A-3 Bonds maturing November 15, 20__ and 20__ will be subject to mandatory sinking fund redemption at a redemption price equal to the principal amount of such Series 2017A-3 Bonds redeemed, plus accrued interest to the redemption date on the schedule set forth below:

Series 2017A-3 Bonds maturing November 15, 20__:

Redemption Date	***Principal Amount***
	$
*	

* Final maturity

Series 2017A-3 Bonds maturing November 15, 20__:

Redemption Date	***Principal Amount***
	$
*	

* Final maturity

At least 40 days prior to a redemption date, the Paying Agent is to select by lot for redemption, from the Bonds of the appropriate series and Maturity-Rate, $5,000 units of those Bonds equal to the total principal amount of Bonds of the appropriate series and Maturity-Rate redeemable on the redemption date, and the Paying Agent is to call those Bonds (or portions of those Bonds) for redemption on the next November 15th.

At the option of the City to be exercised by delivery of a written certificate to the Paying Agent at least 45 days before any mandatory redemption date, the City may (i) deliver to the Paying Agent for cancellation Bonds of the appropriate series and Maturity-Rate (or $5,000 portions of those Bonds) in an aggregate principal amount desired by the City or (ii) specify a principal amount of Bonds of the appropriate series and Maturity-Rate (or $5,000 portions) which previously have been redeemed (otherwise than pursuant to the operation of the respective sinking fund) and cancelled by the Paying Agent and not previously applied as a credit against any mandatory redemption obligation. Any Bond of the appropriate series and Maturity-Rate (or portion) so delivered or previously redeemed is to be credited by the Paying Agent at 100% of its principal amount against the amount of Bonds of the appropriate series and Maturity-Rate the City is to redeem on the next succeeding mandatory redemption date and any excess over such amount will be credited against future sinking fund obligations for Bonds of the appropriate series and Maturity-Rate in chronological order, or any other order specified by the City.

Notice of Prior Redemption

Notice of any optional or mandatory redemption is to be given by the Paying Agent on behalf of the City. The Paying Agent is to give notice of the call and identify the Bonds to be redeemed by first-class postage prepaid mail not less than 30 nor more than 45 days prior to the redemption date, to the registered address of the registered owner of each Bond to be redeemed.

Such notice will specify the Bonds to be so redeemed (if less than all of the Bonds of a series are to be redeemed), the redemption price to be paid and the date fixed for redemption; and such notice will further state that, upon satisfaction of any condition to such redemption, on the redemption date there will become and will be due and payable upon each Bond or portion thereof ($5,000 or any integral multiple thereof) so to be redeemed at the Paying Agent (designated by name) the redemption price, and that from and after such date interest on the Bonds (or portions thereof) called for redemption will cease to accrue. If a notice of redemption will be unconditional, or if the conditions of a conditional notice of redemption will have been satisfied, then, upon notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption will become due and payable on the redemption date so designated and upon presentation thereof at the Paying Agent, the City will pay the Bond or Bonds so called for redemption. No further interest will accrue on the principal of any such Bond (or portion thereof) called for redemption from and after the redemption date, provided sufficient funds are on deposit with the Paying Agent on the redemption date.

Selection of Bonds for Redemption

In the event that less than all of the Outstanding Bonds of a series shall be optionally redeemed, the Bonds of such series shall be redeemed from any Series and Maturity-Rate specified by the City. If less than all of the Bonds of a single series and Maturity-Rate are to be redeemed, they shall be selected by lot within a such Maturity-Rate in such manner as the Paying Agent may determine.

Continuing Disclosure Undertaking

The City will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the Beneficial Owners of the Bonds. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the City will annually provide certain financial information and operating data and will provide notice of certain material events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System (the "EMMA System") or any successor method designated by the MSRB, in compliance with the Disclosure Certificate. The form of the Disclosure Certificate is attached to this Official Statement as Appendix C. With certain exceptions noted below, the City has been substantially compliant over the past five years with the terms of each undertaking previously entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 with respect to the Utilities. The Utilities believes that its current continuing disclosure compliance processes are sufficient to ensure timely compliance with its continuing disclosure obligations in the future.

The following description of instances of noncompliance by the Utilities with continuing disclosure undertakings should not be construed as an acknowledgement that any such instance was material. On November 14, 2013, Moody's upgraded its short term rating of the City's Variable Rate Demand Utilities System Subordinate Lien Refunding Revenue Bonds, Series 2004A as a result of its upgrade of the short-term rating of Citibank, N.A., the then-current liquidity provider for such bonds. A notice was not timely filed for this upgrade, though one was filed on September 4, 2015. On November 14, 2013, Moody's upgraded its short term rating of the City's Variable Rate Demand Utilities System Improvement Revenue Bonds, Series 2008A as a result of its upgrade of the short-term rating of Bank of America, N.A., the then-current liquidity provider for such bonds. A notice was not timely filed for this upgrade, though one was filed on September 4, 2015.

[CURRENTLY UNDER REVIEW] In order to ensure compliance by the Utilities with its continuing disclosure undertakings in the future, the [Chief Planning and Finance Officer] approved Disclosure Procedures on June __, 2017 (the "Disclosure Procedures"). Pursuant to the Disclosure Procedures, the [Chief Planning and Finance Officer] or his or her delegate is required to take steps to ensure that continuing disclosure filings are prepared and filed in a timely manner.

COLORADO SPRINGS UTILITIES

[To be inserted in later drafts]

PENDING LEGAL PROCEEDINGS

For a discussion of litigation regarding the Utilities' Southern Delivery System, see "THE WATER SYSTEM—Capital Improvements to the Water System."

On September 17, 2012, the Sierra Club served a Notice of Intent to Sue for Clean Air Act violations at the Utilities' Drake and Nixon Power Plants (hereafter, the "Sierra Club Notice") with respect to their coal-fired boilers. The Martin Drake power plant facility fires coal as the primary fuel. The Sierra Club Notice alleges violations at three boilers (Units 5, 6, and 7), all of which are pulverized-coal, front-fired boilers. (Unit 5 is no longer in operation.) The Nixon Power Plant facility has one coal-fired boiler (Unit 1). These are the units at issue.

The Sierra Club Notice lists 37 projects at the Drake and Nixon Power Plants that allegedly violated the Clean Air Act. The Sierra Club Notice also alleges that Drake and Nixon Power Plants have violated air quality permits. This matter primarily involves the New Source Review program and a subset of that program known as Prevention of Significant Deterioration. These programs require pre-construction permitting. The Sierra Club alleges that the projects at issue meet the legal criteria for a pre-construction permit. The relief sought is not specifically alleged, although the Sierra Club Notice references injunctive relief and civil penalties.

The Sierra Club Notice is not the commencement of a legal proceeding, as there has been no court filing. The outcome of this litigation, if commenced by the Sierra Club, is unclear at this time.

On February 9, 2017, WildEarth Guardians filed a citizen's suit alleging violations of the federal Clean Air Act at the Martin Drake power plant. The suit alleges that Units 5, 6 and 7 have violated opacity monitoring requirements under EPA regulations and the Title V Operating Permit issued by the Colorado Air Pollution Control Division to the Drake Plant. WildEarth Guardians' suit requests: (a) payment of civil penalties, (b) specific injunctive relief, and (c) payment of attorney's fees. The outcome of this litigation is unclear at this time.

The Utilities Statements of Net Position as of December 31, 2016 reflected the accrual of $3,066,242 for estimated liability for injury and damage claims. The City Risk Manager estimates that the amount of liability for potential claims (taking into account such accrual, the Colorado Governmental Immunity Act and insurance coverage) against the Utilities would not materially affect the financial condition or operations of the Utilities. The Utilities has purchased insurance covering damages due to most types of major contingencies, subject to the limits in those policies and subject to the application of the Colorado Governmental Immunity Act. For a description of the Utilities' insurance coverage and the Colorado Governmental Immunity Act, see "COLORADO SPRINGS UTILITIES—Insurance."

There is no pending litigation and the Utilities is not aware of any threatened litigation relating to the issuance of the Bonds or to the Bond Ordinance.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Bonds are subject to the approving opinion of Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel. Stradling Yocca Carlson & Rauth, a Professional Corporation, Denver, Colorado, has been engaged to advise the City as disclosure counsel in connection with the preparation of this Official Statement and the sale of the Bonds to the purchasers. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Denver, Colorado.

The obligations of the City are subject to the reasonable exercise in the future by the State of Colorado and its political subdivisions of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the Federal Constitution, including without limitation exercise of such powers pursuant to the provisions of the Federal Bankruptcy Code. The opinion of Sherman & Howard L.L.C. as Bond Counsel will refer to such limitations.

TAX STATUS

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations), Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The City will covenant and represent in the Bond Ordinance that it will take all steps to comply with the requirements of the Tax Code and Colorado law (in effect on the date of delivery of the Bonds) to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under such federal income tax laws and Colorado taxable income and Colorado alternative minimum taxable income under such Colorado income tax laws. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Bonds.

With respect to Bonds that were sold in the initial offering at a discount (the "Discount Bonds"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income, alternative minimum taxable income, Colorado taxable income, or Colorado alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on May 15 and November 15 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income, alternative minimum taxable income, Colorado taxable income, and Colorado alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation (other than Colorado state income taxation) should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code.

Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the Owners thereof for federal income tax purposes. No assurance can be given as to whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS will treat the City as the taxpayer and the Owners may have no right to participate in such procedure. Neither the Underwriters nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds. The City has covenanted in the Bond Ordinance not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the Owners thereof for federal income tax purposes. None of the City, the Underwriters, or Bond Counsel is responsible to pay or reimburse the costs of any Owner with respect to any audit or litigation relating to the Bonds.

FINANCIAL ADVISOR

George K. Baum & Company, Denver, Colorado, is serving as Financial Advisor to the Utilities with respect to the Bonds, and in such capacity has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and execution and delivery of the Bonds. However, the Financial Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement, nor is the Financial Advisor permitted to underwrite the Bonds.

UNDERWRITING

The Series 2017A-1 Bonds will be purchased by the underwriters set forth on the cover of this Official Statement (the “Underwriters”) at a price of $_______ (representing the principal amount of the Series 2017A-1 Bonds of $__________, [less an original issue discount of $________________], [plus an original issue premium of $__________,] less an Underwriters’ discount of $__________.

The Series 2017A-2 Bonds will be purchased by the underwriters set forth on the cover of this Official Statement (the “Underwriters”) at a price of $_______ (representing the principal amount of the Series 2017A-2 Bonds of $__________, [less an original issue discount of $________________], [plus an original issue premium of $__________,] less an Underwriters’ discount of $__________.

The Series 2017A-3 Bonds will be purchased by the underwriters set forth on the cover of this Official Statement (the “Underwriters”) at a price of $_______ (representing the principal amount of the Series 2017A-3 Bonds of $__________, [less an original issue discount of $________________], [plus an original issue premium of $__________,] less an Underwriters’ discount of $__________.

The Underwriters have advised the City that they intend to offer the Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement. The Underwriters may allow concessions from the public offering price to certain dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and investments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Prior to the delivery of the Series 2017A-1 Bonds, Causey Demgen & Moore Inc., certified public accountants, Denver, Colorado, will deliver a report on the mathematical accuracy of certain computations contained in schedules provided to them by the Underwriters, relating to the adequacy of the maturing principal amounts of the Federal Securities to be held in the Escrow Fund, interest earnings and certain other uninvested cash to effect a defeasance of the Refunded Obligations refunded by the Series 2017A-1 Bonds.

CERTAIN RELATIONSHIPS OF PARTIES

Barclays Capital Inc., one of the Underwriters of the Bonds, currently acts as remarketing agent for certain utilities revenue bonds issued by the City and as dealer for a series of the Commercial Paper Notes. Barclays Capital Inc. is an affiliate of Barclays Bank PLC, which currently acts as a liquidity provider to certain utilities revenue bonds issued by the City as described in "COLORADO SPRINGS UTILITIES – Liquidity/Support Facilities."

Bank of America Merrill Lynch, one of the Underwriters of the Bonds, currently acts as remarketing agent for certain utilities revenue bonds issued by the City. Bank of America Merrill Lynch is an affiliate of Bank of America, N.A., which currently acts as a swap counterparty to the City under certain of the swap agreements described in "COLORADO SPRINGS UTILITIES – Interest Rate Swap Agreements" and as liquidity provider related to certain utilities revenue bonds issued by the City as described in "COLORADO SPRINGS UTILITIES – Liquidity/Support Facilities." Bank of America Merrill Lynch is an affiliate of Merrill Lynch & Co., Inc. and Merrill Lynch Commodities, Inc., which are counterparties to a prepaid gas supply agreement with the City described in "THE GAS SYSTEM – Gas Supply."

Goldman Sachs, one of the Underwriters of the Bonds, currently acts as dealer for a series of the Commercial Paper Notes.

George K. Baum & Company has acted as Financial Advisor to the Utilities and Independent Swap Advisor to the Utilities.

RATINGS

Moody's, S&P, and Fitch Ratings ("Fitch") have assigned the Bonds the ratings listed on the cover of this Official Statement. An explanation of the significance of the ratings given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007. An explanation of the significance of the ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of the ratings given by Fitch may be obtained from Fitch at 33 Whitehall Street, New York, New York 10004.

The Utilities furnished the rating agencies with information relating to the Bonds. Generally, the rating agencies base their ratings on information furnished by issuers and their own investigation and assumptions. Each of the ratings assigned the Bonds should be evaluated independently of the other ratings. None of the ratings constitutes a recommendation by the rating agency to buy, sell or hold the Bonds. Any further explanation of the significance of any rating must be obtained from the rating agency. Each rating is subject to revision or withdrawal at any time by the rating agency. Any downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS

The references in this Official Statement to the Bond Ordinance, statutes, resolutions, contracts, and other documents are brief outlines or partial excerpts of certain provisions of the documents. These outlines or excerpts do not purport to be complete, and reference is made to the documents, copies of which are available at the offices of the City, for full and complete statements of their provisions. All estimates used in this Official Statement are intended only as estimates and not as representations.

The execution and delivery of this Official Statement by the Utilities' Chief Executive Officer and the Chief Planning and Finance Officer have been duly authorized by the City Council of the City of Colorado Springs, Colorado.

COLORADO SPRINGS UTILITIES

By:____
Jerome Forte, Jr.,
Chief Executive Officer

By:____
William J. Cherrier,
Chief Planning and Finance Officer

APPENDIX A

FINANCIAL STATEMENTS

APPENDIX B

THE BOND ORDINANCE

The following summary describes certain provisions of the Bond Ordinance and is qualified in its entirety by reference to the document itself for a full statement of its provisions.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

DTC BOOK-ENTRY ONLY SYSTEM

The Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or Owners of the Bonds under the Bond Ordinance.

The information in this Appendix E concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

APPENDIX F

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the City of Colorado Springs. It is intended only to provide prospective investors with general information regarding the City's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

Population

The following table sets forth a history of the populations of the City, El Paso County and the State. Between 2000 and 2010, the City's population increased 15.64%, El Paso County increased 20.38% and the State increased 16.92%.

Population[1]

Year	City of Colorado Springs	Percent Change	El Paso County	Percent Change	Colorado	Percent Change
1970	135,517	--	235,972	--	2,209,596	--
1980	215,105	58.73%	309,424	31.13%	2,889,733	30.78%
1990	281,140	30.70	397,014	28.31	3,294,394	14.00
2000	360,890	28.37	516,929	30.20	4,301,261	30.56
2010	417,335	15.64	622,263	20.38	5,029,196	16.92
2011	428,112	2.58	638,619	2.63	5,120,686	1.82
2012	433,748	1.32	647,758	1.43	5,193,097	1.41
2013	439,340	1.29	657,413	1.49	5,272,677	1.53
2014	444,708	1.22	665,792	1.27	5,356,626	1.59
2015	451,585	1.55	677,022	1.69	5,456,584	1.87

(1) Figures for 1970 represent Historical Census Population results. Population for 1980, 1990, 2000 and 2010 are from the April 1st Decennial Census Data. All other years contain a July 1st estimate from the Colorado Department of Local Affairs, Demography Section.

Source: Colorado Department of Local Affairs

Income

The following table sets forth annual total personal income for El Paso County, the State and the nation.

Personal Income
(in thousands)

Year[1]	El Paso County[2]	Colorado	United States
2011	$25,242,286	$219,860,916	$13,233,436,000
2012	26,050,723	234,005,901	13,904,485,000
2013	26,626,735	246,648,165	14,068,960,000
2014	28,079,165	266,534,568	14,801,624,000
2015	29,262,206	277,731,754	15,463,981,000
2016	--[3]	288,432,728	16,017,781,445

(1) Figures based on Census Bureau midyear population estimates.
(2) Estimates for 2011-2015 reflect county population estimates available as of June 2017.
(3) County figures for 2016 have not been posted.
Source: United States Department of Commerce, Bureau of Economic Analysis. All figures are subject to periodic revisions.

The following table sets forth annual per capita personal income levels for El Paso County, the State and the nation. Per capita personal income levels in El Paso County have consistently been lower than personal income levels in the State and the nation during the period shown.

Per Capita Personal Income[1]

Year	El Paso County[2]	Colorado	United States
2011	$39,630	$42,955	$42,461
2012	40,346	45,089	44,282
2013	40,642	46,824	44,493
2014	42,360	49,823	46,464
2015	43,385	50,971	48,190
2016	--[3]	52,059	49,571

(1) Figures based on Census Bureau midyear population estimates.
(2) Estimates for 2011-2015 reflect county population estimates available as of June 2017.
(3) County figures for 2016 have not been posted.
Source: United States Department of Commerce, Bureau of Economic Analysis. All figures are subject to periodic revisions.

Employment

The following table presents information on employment within El Paso County, the State and the nation, for the time period indicated.

Labor Force and Percent Unemployed(1)

	El Paso County		Colorado (1)		United States
Year	**Labor Force**	**Percent Unemployed**	**Labor Force**	**Percent Unemployed**	**Percent Unemployed**
2011	307,563	9.1	2,736,079	8.4	8.9
2012	307,002	8.9	2,757,222	7.9	8.1
2013	307,665	7.9	2,775,670	6.8	7.4
2014	307,611	6.0	2,810,415	5.0	6.2
2015	308,526	4.6	2,833,509	3.9	5.3
2016	314,872	3.8	2,891,046	3.3	4.9
Month of April					
2016	313,757	4.0%	2,877,388	3.3%	4.7%
2017	320,267	2.5	2,945,275	2.3	4.1

(1) Not seasonally adjusted

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data, and U.S. Bureau of Labor, Bureau of Labor Statistics.

The following table sets forth the number of individuals employed in selected industries in El Paso County covered by unemployment insurance. The largest employment sector in El Paso County in 2016 was health care and social assistance (comprising approximately 14.9% of the county's work force), followed, in order, by retail trade; accommodation and food services, educational services, and professional and technical services. For the 12-month period ended December 31, 2016, total average employment in the County increased 3.0% as compared to the same 12-month period ending December 31, 2015, and average weekly wages increased 1.3% during the same time period.

Average Number of Employees Within Selected Industries – El Paso County

Industry	**2012**	**2013**	**2014**	**2015**	**2016**
Accommodation & Food Services	25,552	26,725	27,088	28,496	29,518
Administrative & Waste Services	17,190	17,605	17,890	18,573	18,892
Agriculture, Forestry, Fishing, & Hunting	200	209	249	307	414
Arts, Entertainment & Recreation	4,599	4,754	4,857	4,995	5,152
Construction	11,415	12,211	13,419	14,263	14,850
Educational Services	25,595	26,063	26,178	26,332	26,918
Finance & Insurance	11,026	11,618	11,611	11,634	12,077
Health Care & Social Assistance	32,706	33,512	34,896	36,978	39,496
Information	7,678	7,333	7,267	7,055	6,417
Management of Companies & Enterprises	1,068	1,142	1,120	1,105	1,219
Manufacturing	12,824	11,447	11,854	11,678	11,480
Mining	183	149	96	92	65
Other Services, Ex. Public Admin	9,068	9,330	9,693	10,316	10,853
Professional & Technical Services	20,122	21,771	22,097	22,986	23,309
Public Administration	12,993	13,150	13,021	13,045	13,157
Real Estate & Rental and Leasing	3,992	4,062	4,070	4,325	4,653
Retail Trade	29,296	30,109	30,971	31,843	32,687
Transportation & Warehousing	4,814	4,677	4,827	5,041	5,234
Unclassified	24	26	32	56	39
Utilities	2,592	2,482	2,461	2,431	2,493
Wholesale Trade	4,746	4,924	5,004	5,155	5,525
Total [1]	237,682	243,299	248,701	256,705	264,447

[1] Figures may not equal totals when added due to the rounding of averages.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

Major Employers

The following table sets forth a brief description of the major employers located in the Pikes Peak Region. No independent investigation has been made regarding these major employers. Therefore, there can be no representation as to whether or not such employers will retain their status as major employers in the County.

Largest Employers in Pikes Peak Region – March 2017
1,000 or more employees

Employer	*Product or Service*
City of Colorado Springs	City government
Colorado Springs Utilities	Electric, gas, water and wastewater services
DePuy Synthes Companies of Johnson & Johnson	Manufacturer
El Paso County	County government
Fort Carson	Military installation
Lockheed Martin Corporation	Advanced technology systems integrator
Microchip Technologies, Inc.	Design and manufacturing
Penrose-St. Francis Health Services/Centura	Hospital / healthcare service provider
Peterson Air Force Base	Military installation
Pikes Peak Community College	Two-Year College
Progressive Insurance Company	Customer service / data center
School District #11 – Colorado Springs	Public education K-12
School District #2 – Harrison	Public education K-12
School District #20 – Air Academy	Public education K-12
School District #3 – Widefield	Public education K-12
School District #49 – Falcon	Public education K-12
School District #8 – Fountain/Fort Carson	Public education K-12
Schriever Air Force Base	Military installation
The Boardmoor	Hotel/resort
UCHealth Memorial Health System	Hospital/health care services
United Services Automobile Association	Customer Services
United States Air Force Academy	Military installation / higher education
University of Colorado - Colorado Springs	Higher education
Xerox	Business processing outsourcing

Source: Colorado Springs Regional Business Alliance.

Retail Sales

Annual retail sales figures for the City, El Paso County and the State are set forth below.

Retail Sales
(in thousands)

Year[1]	City of Colorado Springs	Percent Change	El Paso County	Percent Change	Colorado	Percent Change
2011	$11,931,673	--	$13,929,941	--	$154,632,762	--
2012	12,454,783	4.38%	14,502,456	4.11%	164,175,836	6.17%
2013	13,438,634	7.90	15,610,575	7.64	172,784,033	5.24
2014	14,311,405	6.49	16,684,061	6.88	182,709,978	5.74
2015	13,876,737	-3.04	16,548,061	-0.82	182,845,695	0.07

(1) Calendar year

Source: State of Colorado, Department of Revenue, State Sales Tax Collected in Colorado Counties and Selected Cities and Related Statistics (quarterly reports).

Current Construction

The following table sets forth the number of permits issued for both residential and commercial construction in the County during the time period indicated.

Building Permits Issued for New Structures in El Paso County[1]

	Single Family		Multi-Family [2]		Commercial [3]	
Year	Permits	Value	Units	Value	Permits	Value
2012[4]	2,216	$ 801,352,986	767	$ 108,456,822	213	190,335,440
2013[5]	2,688	1,079,909,778	745	104,505,202	231	371,251,694
2014[6]	2,433	1,032,039,203	1,090	153,369,996	238	132,072,961
2015[7]	2,739	1,131,190,529	846	114,315,368	302	245,974,639
2016[8]	3,237	1,360,333,105	1,717	294,641,637	371	363,575,512

(1) Pikes Peak Regional Building Department issue permits for unincorporated El Paso County and for the municipalities of Colorado Springs, Fountain, Green Mountain Falls, Manitou Springs, Monument, and Palmer Lake.
(2) Includes townhouses, duplexes, condominiums, and multi-family buildings.
(3) Includes hotels, motels, amusement/recreation, manufacturing, offices, banks and professional buildings; and stores and other retail buildings.
(4) Approximately 81 permits issued to replace residences destroyed by Waldo Canyon wildfire.
(5) Approximately 275 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.
(6) Approximately 193 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.
(7) Approximately 51 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.
(8) Approximately 36 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.

Source: Pikes Peak Regional Building Department.

Foreclosure Activity

The following table sets forth the number of foreclosures filed in El Paso County during the time period shown. Such information only represents the number of foreclosures filed and does not take into account foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosure Filings – El Paso County

Year	Number of Foreclosures Filed	Percent Change
2011	3,461	--
2012	3,364	(2.80)%
2013	1,861	(44.68)
2014	1,825	(1.93)
2015	1,470	(19.45)
2016	1,287	(12.45)
2017[1]	286	--

(1) As of March 31, 2017
Sources: El Paso County Public Trustee's Office.

APPENDIX G

THE REFUNDING PLAN

A portion of the proceeds of each subseries of the Bonds will be used to refund the Refunded Obligations. The proceeds of the [Series 2017A-1 Bonds] will be deposited into the Escrow Fund and will be used, together with other available moneys of the Utilities, to redeem the certain of the Refunded Obligations on the applicable redemption or maturity date listed below. Such amounts will be held by [Wells Fargo Bank, N.A., Minneapolis, Minnesota], as Escrow Agent, pursuant to the Escrow Agreement dated as of __________, 2017 between the City and the Escrow Agent. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." Amounts in the Escrow Fund are not pledged as security for the Bonds.

The Refunded Obligations consist of the following obligations:

Utilities System Refunding Revenue Bonds,
Series _____

Maturities to be Refunded (November 15)	***CUSIP***†	***Principal Amount to be Refunded***	***Redemption Date***	***Redemption Price (% of Par Amount)***

Utilities System Commercial Paper Notes,
Series _____

Maturities to be Refunded (________ __)	***CUSIP***†	***Principal Amount to be Refunded***	***Redemption Date***	***Redemption Price (% of Par Amount)***

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the Utilities nor the Underwriters take any responsibility for the accuracy of such numbers.