City of
Rifle

CITY COUNCIL WORKSHOP AGENDA

Jay Miller, Mayor
Alan Lambert, Mayor Pro Tem
Richard Carter, Councilor
Keith Lambert, Councilor
Jonathan Rice, Councilor
Jennifer Sanborn, Councilor
Randy Winkler, Councilor

City Hall
City Council Chambers
202 Railroad Avenue
Rifle, CO

The City of Rifle will make reasonable accommodations for access to City services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 665-6405 for assistance.

SPECIAL MEETING
February 13, 2013

WORKSHOP 6:00 P.M.
COUNCIL CHAMBERS

WORKSHOP WITH
RIFLE REGIONAL ECONOMIC DEVELOPMENT CORPORATION

6:00 p.m.	1.	Welcome and Introductions (Mayor Miller)
6:03 p.m.	2.	Discuss Recreation and Fitness Center Financing Plan

SPECIAL MEETING 7:00 P.M.
COUNCIL CHAMBERS

The City Council may take action on any of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.

7:00 p.m.	1.	Regular Meeting Call to Order and Roll Call
7:03 p.m.	2.	Executive Session - Discuss personnel matter under CRS 24-6-402(2)(f) and not involving: (1) any specific employees who have requested discussion of the matter in open session; (2) any member of this body or any elected official; (3) the appointment of any person to fill an office of this body or of an elected official; or (4) personnel policies that do not require the discussion of matters personal to particular employees (Mayor Miller)

The order and times of agenda items listed above are approximate and intended as a guideline for the City Council.

*Next Regular Meeting of Council**: February 20, 2013 at 7:00 p.m.***

Rifle Regional Economic Development Corporation

Recreation and Fitness Center Financing Plan

January 23, 2013

Rifle Regional Economic Development Corporation

FirstSouthwest

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Introduction and Executive Summary

FirstSouthwest has been engaged by the Rifle Regional Economic Development Corporation to assist the Project Management Team evaluate financing structures for a proposed new Recreation and Fitness Center (“the Rec Center) in the City of Rifle, Colorado (the “City”). FirstSouthwest has conducted due diligence on the Rec Center project by reviewing the Draft Operating Assumptions Dated March 2012, speaking with City Staff, and reviewing the City’s 2013 proposed budget and 2011 financial statements.

There are a variety of factors to consider when determining to issue Sales Tax Revenue Bonds (“Bonds”) or execute a lease purchase agreement or Certificates of Participation (“COP”). These factors include available revenues, project costs, and political considerations. In general, interest costs will be lower for a Sales Tax Revenue bond when compared to a similarly rated COP because of the direct pledge of revenues for a bond issue compared to an annual appropriation pledge of the general fund for COPs.

There are two general categories of costs associated with the Rec Center which are the operating costs and financing costs. As detailed in the Operating Assumptions, it is projected that the Rec Center will operate at a net loss to the City given projected operating revenues will not fully cover direct expenses of the Rec Center. It is anticipated that the Rec Center will absorb some of current expenses of City’s Department of Parks and Recreation (the “Department”) budget but there will an annual net increase to the budget of $273,945. From discussion with City staff there may be ability for the City budget to accommodate some of this operating deficiency but no final outcome has been determined.

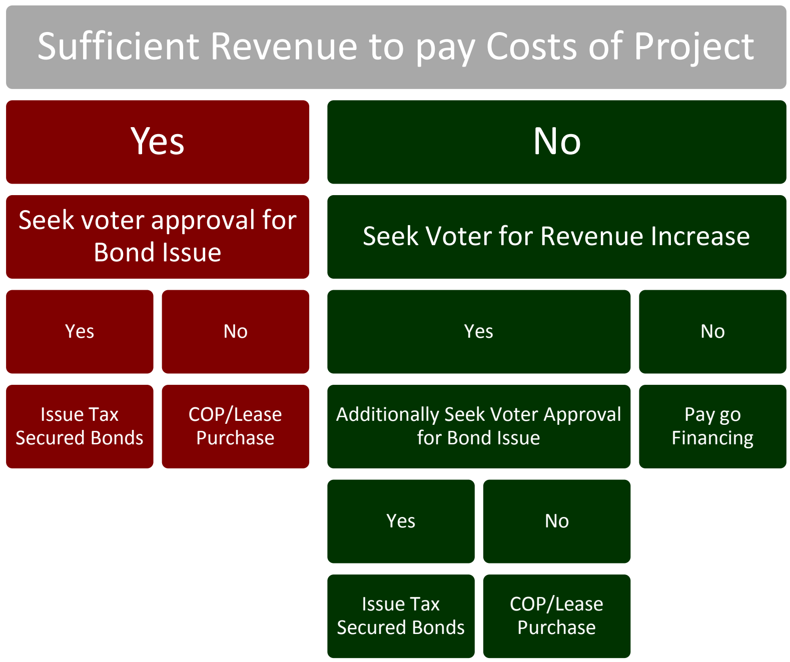
Financing costs will be driven by the project construction budget as well as interest costs and length of final maturity on a financing. Initial project cost estimates range from $22 to $25 million of which $2 million is estimated to be collected through donations resulting in net financed costs of $19 to $23 million. The annual debt service on the project will range from $1.2 to $1.7 million annually depending on final project costs and final maturity of the financing. Without significant changes to the City’s General Fund budget or the Department’s budget, it appears unlikely that the City of Rifle could absorb the cost of the annual debt service on the financing structure.

Given the need to generate new revenue to pay for construction of the facility, FirstSouthwest recommends that the City proceed with seeking voter approval to increase the annual sales tax rate and to issue Sales Tax Revenue Bonds. From discussions with a local bond counsel firm, both the sales tax increase and the debt authorization can be asked in one ballot question. To obtain the highest possible rating and therefore minimize interest costs, we would recommend a pledge of a portion of existing City sales tax revenues in addition to the new increase as security for the Bonds. This will minimize the required tax rate increase while providing the highest level of debt service coverage and result in the highest rating and lowest borrowing costs.

Currently, interest rates in the municipal market are near historical lows. It is widely anticipated that the overall level of interest rates will not increase significantly over the next few years. While there may be some fluctuation throughout the year, overall conditions should remain favorable towards the end of 2013. Upon obtaining voter approval for a sales tax increase in September, a financing transaction could be closed with funds available by December 17, 2013.

The structure of this report is to address six individual questions proposed by the Project Management Team related to a financing plan for the Rec Center. Each question is discussed below.

1. **Develop a financing plan and cost/benefit analysis comparing bonding of the project and lease/purchase of the project based on the PMT's estimates of construction costs, using $19M, $21M and $23M figures.**



For issuers looking to finance a new project, there are two main questions that need to be answered to determine whether or not to use a bond structure or a lease purchase structure. The first question is whether or not the issuer has sufficient existing revenue to pay for the costs of the project. With existing revenue, an issuer could enter into an annually appropriated lease purchase transaction without seeking voter approval. The second question is whether or not the issuer wants to seek voter approval to issue debt secured by a multiple fiscal year obligation. The ability to make a direct pledge of revenues over the life of the transaction creates a more secure financing structure and results in the lowest borrowing costs for an issuer. Lease Purchase agreements can take many forms however the most common form for this type of a project is to issue Certificates of Participation which is referenced throughout this report.

Project Costs - The proposed Rec Center has two main categories of cost associated with it. The first are the operation costs associated with the facility and the second is the financing costs associated with the construction funding. The discussion below related to the financial operations of the Rec Center is based on the Draft Operating Assumptions Dated March 2012. It is anticipated that the Rec Center will operate at an annual net deficit position ranging between $407,878 and $578,678 due to operational costs being higher than project revenues. Once operational some of the services provided by the Rec Center will replace those services offered by the Department, however, the net result is an overall cost increase to the Department of $273,945 per year based on initial assumptions.

The estimated construction costs of the project range from $21 to $25 million, of which it is expected that $2 million will be raised through donations resulting in a net project amount of $19 to $23 million to be financed. Under current market conditions annual debt service will range from $1.4 million to $1.7 million assuming a 20-year amortization for the financing. With a 30-year amortization the debt service will range from $1.2 million to $1.4 million. For tax exempt financing, the average life of the financing cannot exceed the useful life of the facility being financed. A 20-year amortization is typical for this type of a project and will be viewed favorably by the rating agencies.

The combination of the operations shortfall and the debt service costs of the Rec Center result in total Net Costs to the City of approximately $1.4 to $2.0 million per year based on initial assumptions. The City's 2013 General Fund budget and the Department's budget do not provide for funding of this project. Total General Fund Expenditures for 2013 are $8.39 million and the budget is relying on drawing down some of the unreserved fund balance to help pay for some expenditures. Net Costs of the Rec Center of $2.0 million are approximately 23% of fiscal year 2013 General Fund expenditures. The 2013 budget for the Department is $3.92 million which is an increase of $1.45 million over the 2012 projections of $2.47 million. The budgeted increase for 2013 is primarily driven by a one-time capital expenditure. The Net Costs for the Rec Center are approximately 73% of the Department's 2012 projected expenditures.

Under the current budget structure of the City, it does not appear that either the General Fund or the Department's budget could absorb much, if any, of the Net Costs of the new Rec Center. Without the availability of existing funds, a new source of revenue will be needed to fund operational and financing costs of the Rec Center.

Sales Tax Bonds vs. Lease Purchase – Municipal issuers use a variety of structures to finance capital costs ranging from obligations backed by property taxes, obligations backed by water revenues, and to obligations backed by an annual appropriation of the general fund. The use of each specific type of financing structure is based on a number of factors including the economic and demographic nature of the municipality, existing debt obligations of the municipality, the fiscal health of the municipality's general fund, and the political environment of the municipality.

In general, direct pledges of a stable and secure revenue stream are favored by rating agencies and investors and result in higher ratings and therefore lower interest costs. Property tax backed General Obligation ("GO") bonds tend to be the highest rated obligations of an issuer. Essential purpose revenue bonds, such as water and sewer bonds, are generally highly rated as well however the financial operations of the utility can significantly impact ratings. Sales tax bonds and lease purchase obligations are generally "notched" off of an issuers GO rating. For sales tax bonds, stable and growing tax collections from diversified tax base and debt service coverage of a minimum of 1.50x are important rating factors. For COP's the size of the issuers aggregate property tax base, the fiscal health of the issuer's general fund including the general fund balance, and essentiality of the facility being financed are rating factors.

Sales tax revenue bonds can be as highly rated as the issuer's GO rating or can be significantly lower depending on the nature of the sales tax collections and the debt service coverage of those taxes. In general, higher coverage from a large and stable economic area will lead to higher ratings. COP ratings will typically be one notch off of an issuers GO rating, but can be two notches for less essential facilities reflecting a heightened risk of non-appropriation.

Municipality	Rating	Credit	Agency
Woodland Park	A+	General Oblig	S&P
	A	Sales Tax	S&P
	A	COP	S&P
Delta	A3	Sales Tax	Moodys

Ratings are based on a comparison to similarly sized peer issuers. The table to the right identifies two similarly sized Colorado cities that are a good comparison. The City of Woodland Park has a similar population and property tax base as the City of Rifle. Woodland Park also illustrates the "notching" of ratings for sales tax bonds and COP's off of the GO rating. For Rifle, the rating process would begin by establishing an issuer or GO rating regardless of whether of not Bonds or COP's are used to finance the Rec Center.

Lease Purchase Consideration - In Colorado, all lease purchase obligations need to follow specific legal structures and must be subject to annual appropriation so it is not counted as debt of the municipality. Certain investors do not want to take appropriation risk, or if they do, they will require higher interest rates to compensate for it. While issuers have the legal right to not appropriate and walk away from the transaction, if they do it is likely the market will penalize that issuer with lower ratings and higher interest rates. A recent example is the City of Vadnais Heights in Minnesota that recently terminated a lease and financial support to a sports complex. Upon exercising its legal right, S&P lowered the city's rating to B from AA and Moody's downgraded their rating to Ba1 from Aa2. Two articles discussing the City of Vadnais Heights are included in Appendix A.

2. Advise the PMT on the percentage of sales tax increase needed to finance the project.

As detailed previously, the annual Net Costs of the Rec Center are approximately $1.4 to $2.0 million per year based on initial assumptions. While the City of Rifle may be able to contribute a portion of these costs, the ability and amount have not been determined. Given this we will assume no contribution from the City is the following analysis. Additionally, this analysis focuses on sales tax revenue only given use tax is a more volatile revenue stream and such a small percentage of aggregate revenues.

The City of Rifle's existing sales tax rate is 4.25% after the City was successful in obtaining voter approval in November of 2012 for a 0.75% increase to fund a new Water Treatment Plant. The following table details the City's Sales tax allocation. As detailed in the table, the City collects a 1.0% sales tax to help fund the Department. This increase was passed in 2005 to fund a broad range of capital projects and ongoing operations of the Department.

Budget Category	Tax Rate	2013 Budgeted Revenue
Street	0.500%	$966,087
Parks	1.000%	$1,932,173
General	1.917%	$3,704,749
Information Center	0.083%	$159,598
Water Treatment	0.750%	$1,439,356
TOTAL	4.250%	$8,201,963

Source: City of Rifle Finance Department

A significant factor in obtaining a rating on a sales tax revenue bond is the coverage level provided by the sales tax collections over and above the debt service. To obtain a rating in the A category, minimum coverage levels should be 1.50x annual debt service. Higher coverage levels will generally lead to higher overall ratings and translate into lower borrowing costs. The pledged sales tax revenues can be narrow and related to a specific tax increase which tends to lead to lower coverage levels. Alternatively the bonds can be secured by a broad pledge of all available sales tax revenues which will generate significantly higher coverage. The City of Rifle issued sales tax revenue bonds in 2003 for the purpose of constructing improvements to highway's, streets, and roads. The sales tax pledge for the 2003 bonds is one-half of the 2.5% sales tax rate which was the total rate at the time of issuance in 2003. This pledge of sales tax generated approximately 3.0x coverage of the maximum annual and average annual debt service of the 2003 bonds.

Ratings on COP's are driven by the fiscal health of the City's General Fund and consider general fund balance and conservative financial management. Generally, COP's do not have a specific coverage requirement as rating agencies and investors are looking to all available resources of the City's General Fund to support the transaction. While specific coverage requirements are not included in the legal structure of a COP, having an identified source of new or existing revenue to pay debt service would help protect the City's General Fund and benefit the rating. Some municipalities make having an identified revenue stream a requirement to the issuance of COP's.

The table to the right details different levels of projected sales tax increases for different levels of debt service. This analysis focuses only on debt service related to the financing and not to any of the increased operational costs of the Rec Center. A full understanding of those costs would factor into the final determination of tax rate increase. This analysis is based on the assumption used in the City's 2013 budget of approximately $193.2 million in total taxable sales for 2013. As illustrated in the table, if debt service costs are $1.8 million per year, the sales tax increase required to cover debt service would be 0.93%. However, as discussed, for sales tax revenue bonds, debt service coverage should be a minimum of 1.50x which would require $2.7 million of sales tax collections annually and an increase of 1.40%. For COP's, the sales tax increase should be sized to provide some cushion for future declines in revenue to help protect the General Fund.

Required Sales Tax Increase to meet Debt Service and Coverage Requirement

Debt Service	Required Sales Tax Increase to Provide 1.0x Coverage	Sales Tax Collections Required to provide 1.50x Coverage	Required Sales Tax Increase to Provide 1.5x Coverage
1,200,000	0.62%	1,800,000	0.93%
1,300,000	0.67%	1,950,000	1.01%
1,400,000	0.72%	2,100,000	1.09%
1,500,000	0.78%	2,250,000	1.16%
1,600,000	0.83%	2,400,000	1.24%
1,700,000	0.88%	2,550,000	1.32%
1,800,000	0.93%	2,700,000	1.40%

As mentioned above, as an alternative to increasing the tax rate to generate the required coverage level, the City could pledge other existing and legally available sales tax revenues to the bonds even if it is not the intention of the City to actually use those revenues to pay debt service. If the City of Rifle were able to pledge the Department's existing 1.0% sales tax collections to the bonds, the sales tax increase would not need to be as high. The coverage requirement would come from the existing 1.0% sales tax. The table to the right illustrates this structure. If debt service costs are $1.8 million, the increase of 0.93% would generate a 1.0x coverage level. By pledging the Department's existing 1.0% in the 2013 budgeted amount of $1.932 million, the aggregate sales tax pledge would be $3.732 million. This generates coverage of 2.07x on debt service of $1.8 million. The result of utilizing existing sales tax revenues is the sales tax increase can be lower by the 0.47% needed to generate coverage. It is acknowledged that the ability to pledge any existing sales tax revenues, including the Department's 1.0% needs to be fully explored and discussed with the City Manager, City Attorney, and City Council.

Debt Service Coverage with Pledge of Department's Existing 1.0% Sales Tax

Sales Tax Generated by New Increase	Sales Tax Generated by Existing 1.0%	TOTAL Parks & Rec Sales Tax Collections	Coverage
1,200,000	1,932,173	3,132,173	2.61x
1,300,000	1,932,173	3,232,174	2.49x
1,400,000	1,932,173	3,332,173	2.38x
1,500,000	1,932,173	3,432,174	2.29x
1,600,000	1,932,173	3,532,175	2.21x
1,700,000	1,932,173	3,632,176	2.14x
1,800,000	1,932,173	3,732,177	2.07x

A pledge of existing sales tax revenues is a first lien on those collections. If sales tax revenues fall, existing operations of the Department could be put at risk in favor of payments to bond holders. Therefore it is fiscally prudent that any increase build in a cushion in to accommodate a future drop in collections regardless of whether or not the City issues sales tax revenue bonds or COP's.

With the 0.75% increase effective in 2013, the Sales and Use Tax rate for Rifle is already high for the region compared to other municipalities along the I-70 corridor between Grand Junction and Glenwood Springs, as illustrated in the table to the right.

Sales and Use Tax Comparison

Municipality	Rate	County	County Rate	Total Rate
Glenwood Springs	3.7%	Garfield	1.0%	4.7%
New Castle	3.5%	Garfield	1.0%	4.5%
Silt	3.0%	Garfield	1.0%	4.0%
Rifle	**4.25%**	**Garfield**	**1.0%**	**5.25%**
Parachute	3.75%	Garfield	1.0%	4.75%
De Beque	2.0%	Mesa	2.0%	4.0%
Palasade	2.0%	Mesa	2.0%	4.0%
Grand Junction	2.75%	Mesa	2.0%	4.75%

Source: Colorado Department of Revenue

Given the discussion above, it is in the best interest of the City to fully explore the ability and willingness to pledge existing sales tax revenues to provide coverage for the financing for the Rec Center. If it is determined there is willingness and ability to use existing revenues, the voted increase should cover debt service and the net increase in operational costs. If it is determined there is not ability or willingness to use existing revenues, the political will of the City will factor into the size the tax increase. An increase that provides 1.50x debt service coverage can be used to sell Bonds and provide ample cushion against future reductions in sales tax collections. An increase of less than that would lead to selling COP's and put some risk on the General Fund.

3. Develop a structure including sizing and repayment schedules for all three figures and both funding methods.

In general, for similarly rated transactions, COP's will have higher interest rates than a sales tax revenue bond. This is driven by annual appropriation risk of a COP structure. Additionally, for transactions such as a recreation center that are not considered "essential purpose" to the City's operations, some investors will also require higher interest rates. The table below illustrates the difference in interest rates for a similarly rated sales tax revenue bond and a COP.

City of Rifle, Colorado

A3 Uninsured Rates as of January 15, 2013

Sales Tax Revenue				Certificates of Participation			
Year	Coupon	Yield	Spread to MMD	Year	Coupon	Yield	Spread to MMD
2014	2.000%	0.880%	60 bps	2014	2.000%	1.180%	90 bps
2015	3.000%	1.100%	70 bps	2015	3.000%	1.400%	100 bps
2016	4.000%	1.340%	80 bps	2016	4.000%	1.640%	110 bps
2017	2.000%	1.530%	85 bps	2017	2.000%	1.830%	115 bps
2018	3.000%	1.680%	85 bps	2018	3.000%	1.980%	115 bps
2019	4.000%	1.840%	85 bps	2019	4.000%	2.140%	115 bps
2020	3.000%	2.050%	85 bps	2020	3.000%	2.350%	115 bps
2021	4.000%	2.300%	90 bps	2021	4.000%	2.600%	120 bps
2022	5.000%	2.500%	90 bps	2022	5.000%	2.800%	120 bps
2023	5.000%	2.640%	90 bps	2023	5.000%	2.940%	120 bps
2024	4.000%	2.910%	100 bps	2024	4.000%	3.210%	130 bps
2025	4.000%	2.890%	100 bps	2025	4.000%	3.190%	130 bps
2026	4.000%	2.950%	100 bps	2026	4.000%	3.250%	130 bps
2027	4.000%	3.010%	100 bps	2027	4.000%	3.310%	130 bps
2028	4.000%	3.080%	100 bps	2028	4.000%	3.380%	130 bps
2029	4.000%	3.140%	100 bps	2029	4.000%	3.440%	130 bps
2030	4.000%	3.200%	100 bps	2030	4.000%	3.500%	130 bps
2031	4.000%	3.260%	100 bps	2031	4.000%	3.560%	130 bps
2032	3.250%	3.420%	110 bps	2032	4.000%	3.620%	130 bps
2033	3.250%	3.480%	110 bps	2033	3.625%	3.780%	140 bps
2034				2034			
2035				2035			
2036				2036			
2037				2037			
2038	5.000%	3.510%	85 bps	2038	5.000%	3.810%	115 bps
2039				2039			
2040				2040			
2041				2041			
2042				2042			
2043	5.000%	3.550%	83 bps	2043	5.000%	3.850%	113 bps

The table below details the annual debt service for sales tax revenue bonds and COP's (Lease Purchase) for the three different funding levels using the scales above and a 20-year final maturity. The following page details the same information for a 30-year final maturity. More complete information is in ***Appendix B.***

City of Rifle, Colorado
A3 Uninsured Rates as of January 15, 2015

	Sales Tax	COP	Sales Tax	COP	Sales Tax	COP
	$19m New Money	$19m New Money	$21m New Money	$21m New Money	$23m New Money	$23m New Money
Bonding Sources Summary						
Par Amount	$ 19,305,000	$ 19,600,000	$ 21,320,000	$ 21,650,000	$ 23,335,000	$ 23,695,000
Bond Premium	1,386,417	1,127,351	1,531,031	1,244,109	1,675,913	1,362,066
Total Bond Proceeds	$ 20,691,417	$ 20,727,351	$ 22,851,031	$ 22,894,109	$ 25,010,913	$ 25,057,066
Uses of Funds Summary						
Project Fund	$ 19,000,000	$ 19,000,000	$ 21,000,000	$ 21,000,000	$ 23,000,000	$ 23,000,000
DSRF	1,403,075	1,439,306	1,550,075	1,590,644	1,696,175	1,740,019
Cost of Issuance	150,000	150,000	150,000	150,000	150,000	150,000
Underwriter Discount	135,135	137,200	149,240	151,550	163,345	165,865
Additional Proceeds	3,207	844	1,716	1,915	1,393	1,182
Total Use of Funds	$ 20,691,417	$ 20,727,351	$ 22,851,031	$ 22,894,109	$ 25,010,913	$ 25,057,066
Dated Date	12/17/2013	12/17/2013	12/17/2013	12/17/2013	12/17/2013	12/17/2013
All-In TIC	3.2188%	3.4807%	3.2109%	3.4732%	3.2048%	3.4667%
TIC	3.1392%	3.4004%	3.1389%	3.4006%	3.1391%	3.4003%

	Sales Tax	COP	Sales Tax	COP	Sales Tax	COP
Fiscal Year	**Debt Service**	**Debt Service**	**Debt Service**	**Debt Service**	**Debt Service**	**Debt Service**
2014	$ 1,337,450.56	$ 1,372,515.98	$ 1,479,165.00	$ 1,516,941.81	$ 1,615,975.00	$ 1,661,260.14
2015	1,401,425.00	1,437,456.26	1,550,075.00	1,588,943.76	1,693,925.00	1,735,318.76
2016	1,400,575.00	1,436,306.26	1,546,975.00	1,590,543.76	1,693,725.00	1,739,818.76
2017	1,401,975.00	1,437,306.26	1,545,375.00	1,588,343.76	1,694,125.00	1,739,618.76
2018	1,402,075.00	1,437,206.26	1,548,975.00	1,586,643.76	1,696,125.00	1,736,318.76
2019	1,399,275.00	1,439,106.26	1,548,775.00	1,586,143.76	1,693,525.00	1,738,418.76
2020	1,403,075.00	1,437,306.26	1,549,175.00	1,586,143.76	1,695,725.00	1,740,018.76
2021	1,398,625.00	1,437,556.26	1,547,175.00	1,588,843.76	1,691,175.00	1,735,018.76
2022	1,400,225.00	1,438,556.26	1,545,175.00	1,586,243.76	1,695,775.00	1,739,018.76
2023	1,401,725.00	1,439,306.26	1,547,175.00	1,587,493.76	1,693,025.00	1,735,518.76
2024	1,400,975.00	1,437,806.26	1,546,675.00	1,586,243.76	1,692,775.00	1,739,518.76
2025	1,402,575.00	1,438,806.26	1,549,275.00	1,588,243.76	1,691,375.00	1,737,318.76
2026	1,402,575.00	1,438,206.26	1,545,075.00	1,588,443.76	1,693,175.00	1,738,318.76
2027	1,400,975.00	1,436,006.26	1,549,275.00	1,586,843.76	1,692,975.00	1,737,318.76
2028	1,402,775.00	1,437,206.26	1,546,475.00	1,588,443.76	1,695,775.00	1,739,318.76
2029	1,402,775.00	1,436,606.26	1,546,875.00	1,588,043.76	1,691,375.00	1,739,118.76
2030	1,400,975.00	1,439,206.26	1,545,275.00	1,585,643.76	1,694,975.00	1,736,718.76
2031	1,402,375.00	1,434,806.26	1,546,675.00	1,586,243.76	1,696,175.00	1,737,118.76
2032	1,401,775.00	1,438,606.26	1,545,875.00	1,589,643.76	1,694,975.00	1,735,118.76
2033	1,399,037.50	1,435,206.26	1,548,750.00	1,590,643.76	1,693,300.00	1,735,718.76
Total	$ 27,963,238.06	$ 28,685,084.92	$ 30,878,265.00	$ 31,684,723.25	$ 33,799,975.00	$ 34,675,916.58

City of Rifle, Colorado

A3 Uninsured Rates as of January 15, 2015

	Sales Tax $19m New Money	COP $19m New Money	Sales Tax $21m New Money	COP $21m New Money	Sales Tax $23m New Money	COP $23m New Money
Bonding Sources Summary						
Par Amount	$ 18,650,000	$ 19,025,000	$ 20,595,000	$ 21,015,000	$ 22,545,000	$ 23,000,000
Bond Premium	1,788,127	1,443,570	1,974,961	1,594,775	2,161,860	1,745,183
Total Bond Proceeds	$ 20,438,127	$ 20,468,570	$ 22,569,961	$ 22,609,775	$ 24,706,860	$ 24,745,183
Uses of Funds Summary						
Project Fund	$ 19,000,000	$ 19,000,000	$ 21,000,000	$ 21,000,000	$ 23,000,000	$ 23,000,000
DSRF	1,154,750	1,185,175	1,275,500	1,308,000	1,395,925	1,431,081
Cost of Issuance	150,000	150,000	150,000	150,000	150,000	150,000
Underwriter Discount	130,550	133,175	144,165	147,105	157,815	161,000
Additional Proceeds	2,827	220	296	4,670	3,120	3,101
Total Use of Funds	$ 20,438,127	$ 20,468,570	$ 22,569,961	$ 22,609,775	$ 24,706,860	$ 24,745,183
Dated Date	12/17/2013	12/17/2013	12/17/2013	12/17/2013	12/17/2013	12/17/2013
All-In TIC	3.9046%	4.1007%	3.8987%	4.0954%	3.8942%	4.0901%
TIC	3.8443%	4.0398%	3.8441%	4.0402%	3.8443%	4.0397%

Fiscal Year	Sales Tax Debt Service	COP Debt Service	Sales Tax Debt Service	COP Debt Service	Sales Tax Debt Service	COP Debt Service
2014	$ 1,102,399.44	$ 1,130,810.56	$ 1,217,893.06	$ 1,249,105.14	$ 1,333,697.22	$ 1,367,035.42
2015	1,151,725.00	1,181,125.00	1,275,262.50	1,307,593.76	1,394,125.00	1,428,681.26
2016	1,151,225.00	1,180,475.00	1,273,562.50	1,305,743.76	1,391,375.00	1,430,781.26
2017	1,151,825.00	1,180,875.00	1,272,562.50	1,304,543.76	1,393,975.00	1,427,981.26
2018	1,154,325.00	1,183,275.00	1,274,262.50	1,306,143.76	1,394,875.00	1,428,781.26
2019	1,152,775.00	1,181,575.00	1,271,512.50	1,303,243.76	1,395,925.00	1,429,681.26
2020	1,151,975.00	1,180,575.00	1,274,112.50	1,305,643.76	1,391,725.00	1,430,281.26
2021	1,154,675.00	1,183,125.00	1,275,462.50	1,306,843.76	1,391,875.00	1,430,131.26
2022	1,152,675.00	1,180,925.00	1,271,662.50	1,307,843.76	1,391,475.00	1,429,331.26
2023	1,150,675.00	1,183,675.00	1,272,412.50	1,303,093.76	1,394,975.00	1,427,331.26
2024	1,152,675.00	1,185,175.00	1,271,912.50	1,307,343.76	1,391,975.00	1,429,081.26
2025	1,153,275.00	1,180,375.00	1,270,512.50	1,305,543.76	1,393,575.00	1,430,281.26
2026	1,153,075.00	1,184,975.00	1,273,312.50	1,307,943.76	1,394,175.00	1,430,481.26
2027	1,152,075.00	1,183,575.00	1,275,112.50	1,304,343.76	1,393,775.00	1,429,681.26
2028	1,150,275.00	1,181,375.00	1,270,912.50	1,304,943.76	1,392,375.00	1,427,881.26
2029	1,152,675.00	1,183,375.00	1,270,912.50	1,304,543.76	1,394,975.00	1,430,081.26
2030	1,154,075.00	1,184,375.00	1,274,912.50	1,303,143.76	1,391,375.00	1,431,081.26
2031	1,154,475.00	1,184,375.00	1,272,712.50	1,305,743.76	1,391,775.00	1,430,881.26
2032	1,153,875.00	1,183,375.00	1,274,512.50	1,307,143.76	1,390,975.00	1,429,481.26
2033	1,152,262.50	1,181,375.00	1,265,625.00	1,307,343.76	1,394,975.00	1,426,881.26
2034	1,150,000.00	1,181,000.00	1,271,250.00	1,304,250.00	1,393,000.00	1,426,250.00
2035	1,154,750.00	1,179,750.00	1,272,250.00	1,304,250.00	1,395,250.00	1,427,500.00
2036	1,152,500.00	1,181,750.00	1,271,250.00	1,307,250.00	1,395,250.00	1,426,500.00
2037	1,153,500.00	1,181,750.00	1,273,250.00	1,308,000.00	1,393,000.00	1,428,250.00
2038	1,152,500.00	1,179,750.00	1,273,000.00	1,306,500.00	1,393,500.00	1,427,500.00
2039	1,154,500.00	1,180,750.00	1,275,500.00	1,307,750.00	1,391,500.00	1,429,250.00
2040	1,154,250.00	1,184,500.00	1,270,500.00	1,306,500.00	1,392,000.00	1,428,250.00
2041	1,151,750.00	1,180,750.00	1,273,250.00	1,302,750.00	1,394,750.00	1,429,500.00
2042	1,152,000.00	1,179,750.00	1,273,250.00	1,306,500.00	1,394,500.00	1,427,750.00
2043	1,149,750.00	1,181,250.00	1,270,500.00	1,307,250.00	1,391,250.00	1,428,000.00
Total	$ 34,528,511.94	$ 35,409,785.56	$ 38,123,143.06	$ 39,118,836.58	$ 41,737,972.22	$ 42,804,579.36

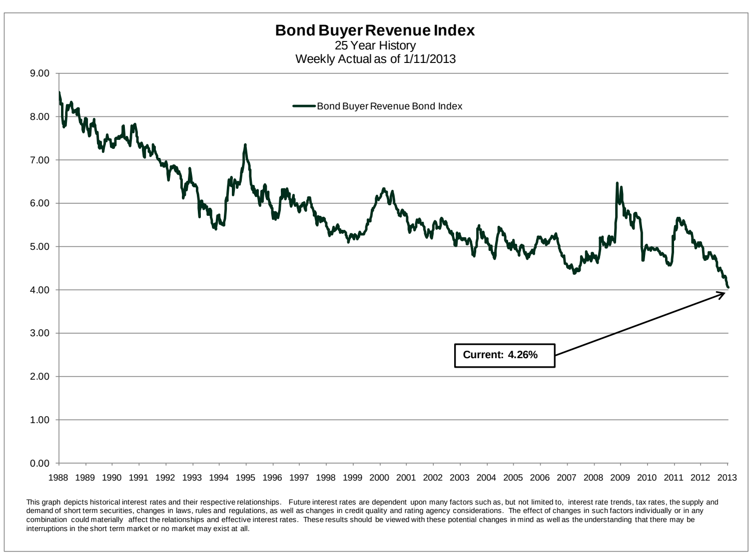
4. Provide a pro/con statement on bonding vs. lease/purchase

Pro	Con
Sales Tax Revenue Bonds	
Lower interest costs compared to similarly rated COP's	Requires voter approval to enter into multiple fiscal year obligation
Specific pledge of tax revenues can isolate any impacts on the General Fund	Requires minimum debt service coverage of 1.50x to obtain favorable rating
COP/Lease Purchase	
Does not require voter authorization	Appropriation risk leads to higher interest rates compared to similarly rated sales tax bonds
No specific coverage requirement	Is an obligation of the City's General Fund which can impact other services if revenues fall

5. Advise the PMT on market conditions which might be expected to influence interest rates and/or the ability to market the lease or bonds.

As discussed above, part of the analysis will depend upon the estimated rating level for both a sales tax revenue bond and a COP. Obtaining a minimum rating level in the A category will help provide the lowest interest costs for the City. In today's market, there is a significant interest rate differential for bonds rated below the A category.

Current conditions are very strong for municipal bonds with interest rates at 47 year lows and overall issuance levels still lower than historical levels. This has created significant demand for bonds. Driven by the views of the Federal Reserve, most market participants are not expecting any increases in interest rates until early 2015, market conditions will likely still be favorable towards the end of 2013. The graph below shows the historical rates for the BondBuyer Revenue bond Index which is a widely used measure of tax-exempt interest rates. As detailed in the chart, the current level of 4.26% is the lowest on record.



To help gauge the impacts of higher interest rates, the table below compares the debt service for a sales tax revenue bond and a COP that generates a $21 million project fund under current interest rates and interest rate levels that are 0.50% and 1.0% higher than current levels. As can be seen, a 1.0% rate level increase, while still low from historical standards adds approximately $160,000 to annual aggregate debt service.

	Sales Tax Bonds			Certificates of Participation Bonds		
	Current Rates	Current Rates + 50bps	Current Rates + 100bps	Current Rates	Current Rates + 50bps	Current Rates + 100bps
	$21m New Money			$21m New Money		
Bonding Sources Summary						
Par Amount	$ 21,320,000	$ 21,435,000	$ 21,545,000	$ 21,650,000	$ 21,755,000	$ 21,865,000
Bond Premium	1,531,031	1,498,127	1,464,975	1,244,109	1,217,076	1,190,210
Total Bond Proceeds	$ 22,851,031	$ 22,933,127	$ 23,009,975	$ 22,894,109	$ 22,972,076	$ 23,055,210
Uses of Funds Summary						
Project Fund	$ 21,000,000	$ 21,000,000	$ 21,000,000	$ 21,000,000	$ 21,000,000	$ 21,000,000
DSRF	1,550,075	1,628,738	1,708,550	1,590,644	1,669,750	1,751,238
Cost of Issuance	150,000	150,000	150,000	150,000	150,000	150,000
Underwriter Discount	149,240	150,045	150,815	151,550	152,285	153,055
Additional Proceeds	1,716	4,345	610	1,915	41	918
Total Use of Funds	$ 22,851,031	$ 22,933,127	$ 23,009,975	$ 22,894,109	$ 22,972,076	$ 23,055,210
Dated Date	12/17/2013	12/17/2013	12/17/2013	12/17/2013	12/17/2013	12/17/2013
All-In TIC	3.2109%	3.7172%	4.2233%	3.4732%	3.9800%	4.4870%
TIC	3.1389%	3.6439%	4.1487%	3.4006%	3.9060%	4.4117%

Fiscal Year	Sales Tax Debt Service	Sales Tax Debt Service	Sales Tax Debt Service	COP Debt Service	COP Debt Service	COP Debt Service
2014	$ 1,479,165.00	$ 1,551,844.17	$ 1,630,240.00	$ 1,516,941.81	$ 1,591,382.78	$ 1,672,000.28
2015	1,550,075.00	1,625,037.50	1,705,950.00	1,588,943.76	1,665,700.00	1,748,887.50
2016	1,546,975.00	1,624,312.50	1,707,750.00	1,590,543.76	1,669,625.00	1,750,287.50
2017	1,545,375.00	1,625,112.50	1,706,000.00	1,588,343.76	1,669,750.00	1,748,037.50
2018	1,548,975.00	1,625,237.50	1,707,900.00	1,586,643.76	1,669,500.00	1,749,637.50
2019	1,548,775.00	1,626,712.50	1,706,100.00	1,586,143.76	1,665,450.00	1,747,437.50
2020	1,549,175.00	1,628,687.50	1,704,850.00	1,586,143.76	1,666,975.00	1,750,687.50
2021	1,547,175.00	1,627,712.50	1,705,250.00	1,588,843.76	1,665,650.00	1,750,487.50
2022	1,545,175.00	1,626,537.50	1,705,250.00	1,586,243.76	1,669,025.00	1,749,737.50
2023	1,547,175.00	1,624,012.50	1,708,550.00	1,587,493.76	1,665,675.00	1,747,137.50
2024	1,546,675.00	1,628,737.50	1,708,250.00	1,586,243.76	1,664,575.00	1,751,237.50
2025	1,549,275.00	1,625,812.50	1,705,000.00	1,588,243.76	1,666,200.00	1,747,237.50
2026	1,545,075.00	1,625,862.50	1,704,250.00	1,588,443.76	1,665,575.00	1,750,737.50
2027	1,549,275.00	1,623,662.50	1,705,750.00	1,586,843.76	1,667,700.00	1,746,237.50
2028	1,546,475.00	1,624,212.50	1,704,250.00	1,588,443.76	1,667,350.00	1,748,987.50
2029	1,546,875.00	1,627,287.50	1,704,750.00	1,588,043.76	1,669,525.00	1,748,487.50
2030	1,545,275.00	1,627,662.50	1,707,000.00	1,585,643.76	1,669,000.00	1,749,737.50
2031	1,546,675.00	1,625,337.50	1,705,750.00	1,586,243.76	1,665,775.00	1,747,487.50
2032	1,545,875.00	1,625,312.50	1,706,000.00	1,589,643.76	1,664,850.00	1,746,737.50
2033	1,548,750.00	1,623,687.50	1,699,275.00	1,590,643.76	1,666,000.00	1,747,237.50
Total	$ 30,878,265.00	$ 32,442,781.67	$ 34,038,115.00	$ 31,684,723.25	$ 33,265,282.78	$ 34,898,462.78

For public offering of Sales Tax Revenue bonds, or Certificates of participation, there are two main methods of sale. One is a competitive sale and one is a negotiated sale. Below are a few characteristics of each method of sale.

Negotiated Sale

- Pre-selected underwriter negotiates the rates and terms with the financial advisor.
- Preliminary pricing occurs 1 to 3 days prior to the sale date.
- Size and structure are finalized at pricing.
- Underwriting spreads are generally less since there is less uncertainty involved in the process.

Competitive Bid

- Bonds sold at a certain date and time.
- Once announced, the date, time, and size cannot be as easily changed.
- Underwriter's discount is imputed in the interest rate.
- Cost is likely higher during volatile markets.
- Cost is likely higher with lower rated or complex credits.

Additionally, there is also the ability to utilize a direct placement with a commercial bank for either a Sales Tax bond or a Lease Purchase. For the issuance proposed by the City of Rifle, we would likely recommend a negotiated sale or a direct purchase given the estimated rating level. Over the past few years, commercial banks have significantly increased their participation in the direct purchase market and look at all municipal credits including both sales tax obligations and lease purchase obligations. Working with a bank can have certain benefits such as lower costs of issuance and the ability to use unique structural characteristics. The main drawback of working with a commercial bank is that they will typically only offer a fixed interest rate for a period of 7 to 10 years after which the rate would be reset at market rates. Recently some banks have shown a willingness to provide a longer fixed rate, particularly for stronger rated credits. Publicly offered Bonds or COP's have a fixed rate for the full 20-30 year term of the financing.

6. Create a timeline of when funds would be available if a ballot question increasing the sales tax was passed on September 10, 2013.

In general, most municipal financings can be completed in 60 to 90 days from the onset of the transaction. Therefore given an anticipated start date of September 11, 2013, we would target a closing in early to mid December. One consideration to help expedite the issuance process would be to engage a bond counsel firm upon a final decision to move forward with a financing. Bond counsel can help draft and review the election question to ensure compliance with legal and structural issues. Another consideration would be to conduct an RFP process prior to the election for the selection of an underwriting firm for a negotiated sale or a commercial bank for a direct purchase. Therefore, upon receiving voter approval, the full financing team would be ready to move forward to meet the mid December closing.

Date	Task
9/12/13	Organizational call with all financing participants.
9/26/13	Circulate first draft of bond documents
10/2/13	Document review session
10/11/13	Circulate 2nd draft of documents
10/16/13	Document review session
10/18/13	Finalize Financial Structure
10/21/13	Send documents to rating agencies
11/6/13	City Council First Reading
11/20/13	City Council Second Reading
11/21/13	Finalize Preliminary Official Statement
11/22/13	Receive Ratings/Post Preliminary Official Statement
12/4/13	Price Bonds
12/17/13	Close Transaction

7. Conclusion

Under the current budget structure for the City there is not sufficient revenue to cover all of the projected operational and financing costs of the new Rec Center and therefore the City will need to seek voter approval for an increase in the current sales and use tax rate. Since the City needs to place a measure on the ballot for the tax increase, the City should also ask for voter approval to issue Bonds.

The amount of the sales tax increase will be driven by financial, legal, and political factors. The financial factors will be the final project costs and amortization period of the financing. The legal factors include the ability to use existing sales tax revenues as security for a sales tax revenue bond. The ability to use the 1.0% sales tax already collected for the Parks and Recreation Department will minimize the required sales tax increase and provide for the lowest borrowing costs. Political factors include what level of protection for the General Fund is desired as well as what level of increase city leadership feels will be accepted by constituents.

Rifle Regional Economic Development Corporation

Appendix A

Bond Buyer Articles on City of Vadnais Heights MN

Appendix A

FirstSouthwest

THE BOND BUYER

Tuesday, December 4, 2012 | as of 5:39 PM ET

Markets - Market News

Vadnais Heights, Minn., GOs Downgraded to Ba1 by Moody's

Thursday, September 6, 2012

Moody's Investors Service said it has downgraded to Ba1 from Aa2 the rating on the city of Vadnais Heights, Minn.'s outstanding general obligation unlimited tax debt.

Concurrently, Moody's has assigned a stable outlook.

The Ba1 rating applies to $1.8 million in outstanding Series 2004A and B bonds secured by the city's general obligation unlimited tax pledge. The city has a total of $10.6 million in general obligation debt outstanding.

The downgrade to Ba1 reflects the city's decision to terminate its lease agreement with CFP Vadnais Heights, LLC (CFP) effective December 31, 2012. By terminating the lease, the city will no longer appropriate rental payments sufficient to meet debt service obligations as stated in the master lease agreement.

The rental payments were to cover annual operations and debt service on a sports complex financed by $24.8 million of lease revenue bonds issued by the Economic Development Authority (EDA) of the City of Vadnais Heights (not Moody's rated).

On August 27, 2012, the City of Vadnais Heights stated its intent to terminate the lease agreement effective December 2012 and not to appropriate funds to make rental payment under the master lease for 2013 or any subsequent year, leading to a likely default on the city's lease revenue bonds series 2010, A, B and C.

The city's failure to appropriate represents a significant lack of willingness to pay on a lease obligation that supported debt issued in the capital markets.

The stable outlook reflects Moody's expectation that the city's healthy general fund financial operations, evidenced by consistently strong reserve levels and available alternate liquidity; and a moderately-sized tax base with above average wealth levels will not materially change over the medium term.

THE BOND BUYER
Tuesday, December 4, 2012 | as of 5:40 PM ET

Regional News
Minnesota City Cancels Sports Lease Backing $27M of Bonds
by: Yvette Shields
Tuesday, September 11, 2012

CHICAGO — A Minnesota city that voted last month to cancel its lease and financial support for a struggling sports complex paid a steep price for its action, losing its investment-grade ratings even though the city contends it was simply exercising its legal rights.

Moody's Investors Service and Standard & Poor's quickly chopped Vadnais Heights' formerly double-A bond ratings to junk after the city said it would sever its lease for the Vadnais Sports Center, which supports payments on the $27 million of lease-backed revenue bonds issued to build the complex.

The city provided $500,000 to fully cover an August debt service payment and will continue to make monthly lease payments through the end of the year. But the payments, which subsidize the complex's shortfalls, will halt ahead of a Feb. 1 debt service payment.

With the sports center generating some revenue and $1.6 million held in reserves, a payment default can be staved off for a year or two but the project's fate and the prospects for bond repayment over the long term remain clouded.

Under its master lease agreement, Vadnais Heights is able to decide annually whether to cancel the lease, but rating agencies quickly punished it for that choice. S&P late last month lowered the city's general obligation rating to B with a stable outlook from A. The downgrade followed another in July. The city previously was rated AA.

Standard & Poor's also lowered three of the four series of the lease revenue bonds for the complex to CC with a negative outlook, down from A-minus. They were once rated AA-minus.

Moody's Investors Service last week knocked its rating on $1.8 million of the city's $10.6 million of GOs down to Ba1 with a stable outlook from Aa2. The agency does not rate the lease bonds.

The city anticipated its action would take a toll on its ratings but the dive into junk-bond territory caught officials off guard based on their interpretation of the lease's language. Still, they believe it was the right step.

"We are very disappointed in the performance of the project and the issue is a city of our size cannot continue to fund shortfalls of this size," said Marc Johannsen, mayor of the suburb about seven miles north of St. Paul that is home to 12,000 residents. "We never anticipated the kind of shortfalls that have occurred. The deal that was promised to us was not delivered as promised."

The city has no borrowing plans on the horizon and should be able to manage to fund capital with funds on hand for the time being, the mayor added.

Trustee U.S. Bank NA will hold a conference call for bondholders on Sept. 27 at 1 P.M. Central Time to “discuss the events of default and the status of the project,” according to bondholder notices.

The complex transaction in April 2010 differed from most lease-backed deals in the state, according to a bond lawyer familiar with state lease financing laws. The city agreed in 2010 to a conduit-like financing in which the Vadnais Heights Economic Development Authority issued $25 million of taxable and tax-exempt bonds on behalf of a nonprofit, CFP Vadnais Heights LLC.

The proceeds were used to acquire 10 acres of land and build the Vadnais Sports Center, a 100,000-square-foot domed multi-sport facility with a two-rink ice arena. The city serves as the tenant leasing the facility for a rental payment equal to the its annual operating budget, which includes debt-service costs. The project also included three commercial lots that were eventually to be sold.

Johannsen, who served on the City Council at the time, said the company and developer crafted the deal and brought it to the city, and various analyses projected the facility would generate enough revenues to repay the bonds.

Dougherty & Co. served as underwriter of the deal with Briggs and Morgan as bond counsel. The city is currently working with Kathy Aho of Springsted Inc. for advice on the project and Kennedy & Graven attorney Stephen Bubul is providing legal advice.

The bonds sold in four series with a final 2041 maturity. The $11.7 million of Series A recovery zone facility lease revenue bonds carried yields in the 5% range and have been trading around 15 cents on the dollar. The $11.3 million of Series B lease revenue bonds yielded in the 2.8% to 4.2% range and have traded at a range of between 37 cents and 57 cents on the dollar, depending on maturities.

The sale also included a taxable Series C for $1.8 million and an unrated $2 million Series D of taxable subordinate lease-revenue notes.

Loan payments by the company to the Economic Development Authority secure the bonds. The trustee also holds a first-mortgage lien on the project and has a claim to the three commercial lots. Annual debt service next year totals about $1.6 million.

Bondholders could eventually foreclose on the facility, try to lease it, or pursue litigation challenging the city’s decision, lawyers said.

Under the master lease agreement, the city holds the right to annually decide 120 days before the end of the year whether to appropriate funds in the next year to honor its obligations. If it opts not to, the lease is terminated at the end of the year.

The struggling facility was supposed to generate $2.4 million in its first year of operations in 2011 but it made just $300,000. With the expectation that project revenues could fall at least $1 million short of what’s needed annually over at least the next two years, the city voted to end its relationship with the facility late last month.

Vadnais Heights operates on just a $4.6 million annual budget.

Though a payment default has not occurred, events of default have been triggered by the company's past failure to directly deposit revenues in a timely fashion with the trustee and the city's failure to make some monthly payments earlier this year. The city later made up the shortfall to fully cover the August 1 debt service payment on the A, B and C series. The city's decision to halt payments next year also triggers a default event.

Though the city is now in the ranks of junk-bond issuers, its overall fiscal profile remains strong with a general fund balance equal to 64% of expenditures.

"We find that this failure to appropriate funds indicates a severe lack of willingness to pay debt service, and thus reduced overall credit quality," Standard & Poor's said. Analysts said city officials originally indicated to the agency that it would annually appropriate funds if necessary. Without improved fiscal performance, the reserves could be drained in 2014 or 2015, the agency warned.

The city defends its action as the most affordable option, saying otherwise a massive tax increase or service cuts would be needed to make up the project's shortfalls and it contends the action was legally permissible.

"The bond rating agencies shouldn't punish the city for exercising its rights," said Johannsen, who is also an attorney.

Moody's said while the city's cancellation may be permitted under the master lease, the city is failing to honor an obligation that was expected when the lease bonds were offered to investors.

"While we recognize that the city's right to terminate is clearly stated within the governing documents, the city's appropriation pledge was critical to the security of the EDA's lease revenue bonds. The termination and stated unwillingness to appropriate for the life of the bonds represents a significant lack of willingness to pay on the part of the city," analysts wrote.

Moody's suggested it could take years of honoring its other debt commitments to win an upgrade.

Under Minnesota statutes, lease debt is not considered a direct obligation of a municipality because of the language typically included that allows a government to sever the lease, according to a public finance attorney. It's a popular form of financing for local governments in Minnesota as it allows them to bypass voter approval. The attorney said the Vadnais structure was unique in its conduit-like structure with a nonprofit serving as the borrower instead of the municipality.

Several market participants said the Vadnais deal — like other struggling or failed economic development or entertainment projects supported by municipalities — underscores the importance of a credit review that looks at direct and indirect debt and assesses the ability of a government to support a project should it fail to meet expectations.

"It also brings us back to the issue of essentiality" and whether a government is likely to stand behind the project, said Richard Ciccarone, chief research officer at McDonnell Investment Management.

The City Council recently fired the complex manager, Sports Facility Development and Management Group, after an audit last year raised questions over its management. City officials are weighing approval of a more detailed forensic audit in hopes of gleaning how the center fell so far short of expectations.

Vadnais' struggles have not dampened the enthusiasm among other cities in the state with similar projects in the works, according to local press reports. West St. Paul and Savage have sports arenas opening this fall, but they believe their operating goals are more realistic to support projects that carry far lower price tags of between $4 million and $7 million.

The same management group fired by Vadnais Heights will run the new facilities.

Rifle Regional Economic Development Corporation

Appendix B

Bond Statistics

Appendix B

City of Rifle, Colorado
Sales Tax Revenue Bonds, Series 2013
Bond Statistics for $19MM Recreation Center over 20-Years
A3 Uninsured Rates as of January 15, 2015

2013 Sales Tax Revenue Bonds

	New Money
Bonding Sources Summary	
Par Amount	$ 19,305,000
Bond Premium	1,386,417
Total Bond Proceeds	$ 20,691,417
Uses of Funds Summary	
Project Fund	$ 19,000,000
DSRF	1,403,075
Cost of Issuance	150,000
Underwriter Discount	135,135
Additional Proceeds	3,207
Total Use of Funds	$ 20,691,417

Dated Date	12/17/2013
All-In TIC	3.2188%
TIC	3.1392%

2013 Sales Tax Revenue Bonds

Fiscal Year	Principal	Interest	Debt Service
2014	$ 650,000	$ 687,450.56	$ 1,337,450.56
2015	695,000	706,425.00	1,401,425.00
2016	715,000	685,575.00	1,400,575.00
2017	745,000	656,975.00	1,401,975.00
2018	760,000	642,075.00	1,402,075.00
2019	780,000	619,275.00	1,399,275.00
2020	815,000	588,075.00	1,403,075.00
2021	835,000	563,625.00	1,398,625.00
2022	870,000	530,225.00	1,400,225.00
2023	915,000	486,725.00	1,401,725.00
2024	960,000	440,975.00	1,400,975.00
2025	1,000,000	402,575.00	1,402,575.00
2026	1,040,000	362,575.00	1,402,575.00
2027	1,080,000	320,975.00	1,400,975.00
2028	1,125,000	277,775.00	1,402,775.00
2029	1,170,000	232,775.00	1,402,775.00
2030	1,215,000	185,975.00	1,400,975.00
2031	1,265,000	137,375.00	1,402,375.00
2032	1,315,000	86,775.00	1,401,775.00
2033	1,355,000	44,037.50	1,399,037.50
Total	$ 19,305,000	$ 8,658,238.06	$ 27,963,238.06

City of Rifle, Colorado
Sales Tax Revenue Bonds, Series 2013
Bond Statistics for $21MM Recreation Center over 20-Years
A3 Uninsured Rates as of January 15, 2015

2013 Sales Tax Revenue Bonds

	New Money
Bonding Sources Summary	
Par Amount	$ 21,320,000
Bond Premium	1,531,031
Total Bond Proceeds	$ 22,851,031
Uses of Funds Summary	
Project Fund	$ 21,000,000
DSRF	1,550,075
Cost of Issuance	150,000
Underwriter Discount	149,240
Additional Proceeds	1,716
Total Use of Funds	$ 22,851,031

Dated Date	12/17/2013
All-In TIC	3.2109%
TIC	3.1389%

2013 Sales Tax Revenue Bonds

Fiscal Year	Principal	Interest	Debt Service
2014	$ 720,000	$ 759,165.00	$ 1,479,165.00
2015	770,000	780,075.00	1,550,075.00
2016	790,000	756,975.00	1,546,975.00
2017	820,000	725,375.00	1,545,375.00
2018	840,000	708,975.00	1,548,975.00
2019	865,000	683,775.00	1,548,775.00
2020	900,000	649,175.00	1,549,175.00
2021	925,000	622,175.00	1,547,175.00
2022	960,000	585,175.00	1,545,175.00
2023	1,010,000	537,175.00	1,547,175.00
2024	1,060,000	486,675.00	1,546,675.00
2025	1,105,000	444,275.00	1,549,275.00
2026	1,145,000	400,075.00	1,545,075.00
2027	1,195,000	354,275.00	1,549,275.00
2028	1,240,000	306,475.00	1,546,475.00
2029	1,290,000	256,875.00	1,546,875.00
2030	1,340,000	205,275.00	1,545,275.00
2031	1,395,000	151,675.00	1,546,675.00
2032	1,450,000	95,875.00	1,545,875.00
2033	1,500,000	48,750.00	1,548,750.00
Total	$ 21,320,000	$ 9,558,265.00	$ 30,878,265.00

City of Rifle, Colorado
Sales Tax Revenue Bonds, Series 2013
Bond Statistics for $23MM Recreation Center over 20-Years
A3 Uninsured Rates as of January 15, 2015

2013 Sales Tax Revenue Bonds

	New Money
Bonding Sources Summary	
Par Amount	$ 23,335,000
Bond Premium	1,675,913
Total Bond Proceeds	$ 25,010,913
Uses of Funds Summary	
Project Fund	$ 23,000,000
DSRF	1,696,175
Cost of Issuance	150,000
Underwriter Discount	163,345
Additional Proceeds	1,393
Total Use of Funds	$ 25,010,913

Dated Date	12/17/2013
All-In TIC	3.2048%
TIC	3.1391%

2013 Sales Tax Revenue Bonds

Fiscal Year	Principal	Interest	Debt Service
2014	$ 785,000	$ 830,975.00	$ 1,615,975.00
2015	840,000	853,925.00	1,693,925.00
2016	865,000	828,725.00	1,693,725.00
2017	900,000	794,125.00	1,694,125.00
2018	920,000	776,125.00	1,696,125.00
2019	945,000	748,525.00	1,693,525.00
2020	985,000	710,725.00	1,695,725.00
2021	1,010,000	681,175.00	1,691,175.00
2022	1,055,000	640,775.00	1,695,775.00
2023	1,105,000	588,025.00	1,693,025.00
2024	1,160,000	532,775.00	1,692,775.00
2025	1,205,000	486,375.00	1,691,375.00
2026	1,255,000	438,175.00	1,693,175.00
2027	1,305,000	387,975.00	1,692,975.00
2028	1,360,000	335,775.00	1,695,775.00
2029	1,410,000	281,375.00	1,691,375.00
2030	1,470,000	224,975.00	1,694,975.00
2031	1,530,000	166,175.00	1,696,175.00
2032	1,590,000	104,975.00	1,694,975.00
2033	1,640,000	53,300.00	1,693,300.00
Total	$ 23,335,000	$ 10,464,975.00	$ 33,799,975.00

City of Rifle, Colorado
Certificates of Participation, Series 2013
Bond Statistics for $19MM Recreation Center over 20-Years
A3 Uninsured Rates as of January 15, 2015

	2013 Certificates of Participation
	New Money
Bonding Sources Summary	
Par Amount	$ 19,600,000
Bond Premium	1,127,351
Total Bond Proceeds	$ 20,727,351
Uses of Funds Summary	
Project Fund	$ 19,000,000
DSRF	1,439,306
Cost of Issuance	150,000
Underwriter Discount	137,200
Additional Proceeds	844
Total Use of Funds	$ 20,727,351

Dated Date	12/17/2013
All-In TIC	3.4807%
TIC	3.4004%

2013 Certificates of Participation			
Fiscal Year	**Principal**	**Interest**	**Debt Service**
2014	$ 660,000	$ 712,515.98	$ 1,372,515.98
2015	705,000	732,456.26	1,437,456.26
2016	725,000	711,306.26	1,436,306.26
2017	755,000	682,306.26	1,437,306.26
2018	770,000	667,206.26	1,437,206.26
2019	795,000	644,106.26	1,439,106.26
2020	825,000	612,306.26	1,437,306.26
2021	850,000	587,556.26	1,437,556.26
2022	885,000	553,556.26	1,438,556.26
2023	930,000	509,306.26	1,439,306.26
2024	975,000	462,806.26	1,437,806.26
2025	1,015,000	423,806.26	1,438,806.26
2026	1,055,000	383,206.26	1,438,206.26
2027	1,095,000	341,006.26	1,436,006.26
2028	1,140,000	297,206.26	1,437,206.26
2029	1,185,000	251,606.26	1,436,606.26
2030	1,235,000	204,206.26	1,439,206.26
2031	1,280,000	154,806.26	1,434,806.26
2032	1,335,000	103,606.26	1,438,606.26
2033	1,385,000	50,206.26	1,435,206.26
Total	$ 19,600,000	$ 9,085,084.92	$ 28,685,084.92

City of Rifle, Colorado
Certificates of Participation, Series 2013
Bond Statistics for $21MM Recreation Center over 20-Years
A3 Uninsured Rates as of January 15, 2015

	2013 Certificates of Participation
	New Money
Bonding Sources Summary	
Par Amount	$ 21,650,000
Bond Premium	1,244,109
Total Bond Proceeds	$ 22,894,109
Uses of Funds Summary	
Project Fund	$ 21,000,000
DSRF	1,590,644
Cost of Issuance	150,000
Underwriter Discount	151,550
Additional Proceeds	1,915
Total Use of Funds	$ 22,894,109

Dated Date	12/17/2013
All-In TIC	3.4732%
TIC	3.4006%

2013 Certificates of Participation			
Fiscal Year	**Principal**	**Interest**	**Debt Service**
2014	$ 730,000	$ 786,941.81	$ 1,516,941.81
2015	780,000	808,943.76	1,588,943.76
2016	805,000	785,543.76	1,590,543.76
2017	835,000	753,343.76	1,588,343.76
2018	850,000	736,643.76	1,586,643.76
2019	875,000	711,143.76	1,586,143.76
2020	910,000	676,143.76	1,586,143.76
2021	940,000	648,843.76	1,588,843.76
2022	975,000	611,243.76	1,586,243.76
2023	1,025,000	562,493.76	1,587,493.76
2024	1,075,000	511,243.76	1,586,243.76
2025	1,120,000	468,243.76	1,588,243.76
2026	1,165,000	423,443.76	1,588,443.76
2027	1,210,000	376,843.76	1,586,843.76
2028	1,260,000	328,443.76	1,588,443.76
2029	1,310,000	278,043.76	1,588,043.76
2030	1,360,000	225,643.76	1,585,643.76
2031	1,415,000	171,243.76	1,586,243.76
2032	1,475,000	114,643.76	1,589,643.76
2033	1,535,000	55,643.76	1,590,643.76
Total	$ 21,650,000	$ 10,034,723.25	$ 31,684,723.25

City of Rifle, Colorado
Certificates of Participation, Series 2013
Bond Statistics for $23MM Recreation Center over 20-Years
A3 Uninsured Rates as of January 15, 2015

	2013 Certificates of Participation
	New Money
Bonding Sources Summary	
Par Amount	$ 23,695,000
Bond Premium	1,362,066
Total Bond Proceeds	$ 25,057,066
Uses of Funds Summary	
Project Fund	$ 23,000,000
DSRF	1,740,019
Cost of Issuance	150,000
Underwriter Discount	165,865
Additional Proceeds	1,182
Total Use of Funds	$ 25,057,066

Dated Date	12/17/2013
All-In TIC	3.4667%
TIC	3.4003%

2013 Certificates of Participation			
Fiscal Year	**Principal**	**Interest**	**Debt Service**
2014	$ 800,000	$ 861,260.14	$ 1,661,260.14
2015	850,000	885,318.76	1,735,318.76
2016	880,000	859,818.76	1,739,818.76
2017	915,000	824,618.76	1,739,618.76
2018	930,000	806,318.76	1,736,318.76
2019	960,000	778,418.76	1,738,418.76
2020	1,000,000	740,018.76	1,740,018.76
2021	1,025,000	710,018.76	1,735,018.76
2022	1,070,000	669,018.76	1,739,018.76
2023	1,120,000	615,518.76	1,735,518.76
2024	1,180,000	559,518.76	1,739,518.76
2025	1,225,000	512,318.76	1,737,318.76
2026	1,275,000	463,318.76	1,738,318.76
2027	1,325,000	412,318.76	1,737,318.76
2028	1,380,000	359,318.76	1,739,318.76
2029	1,435,000	304,118.76	1,739,118.76
2030	1,490,000	246,718.76	1,736,718.76
2031	1,550,000	187,118.76	1,737,118.76
2032	1,610,000	125,118.76	1,735,118.76
2033	1,675,000	60,718.76	1,735,718.76
Total	$ 23,695,000	$ 10,980,916.58	$ 34,675,916.58

City of Rifle, Colorado
Sales Tax Revenue Bonds, Series 2013
Bond Statistics for $19MM Recreation Center over 30-Years
A3 Uninsured Rates as of January 15, 2015

2013 Sales Tax Revenue Bonds

	New Money
Bonding Sources Summary	
Par Amount	$ 18,650,000
Bond Premium	1,788,127
Total Bond Proceeds	$ 20,438,127
Uses of Funds Summary	
Project Fund	$ 19,000,000
DSRF	1,154,750
Cost of Issuance	150,000
Underwriter Discount	130,550
Additional Proceeds	2,827
Total Use of Funds	$ 20,438,127

Dated Date	12/17/2013
All-In TIC	3.9046%
TIC	3.8443%

2013 Sales Tax Revenue Bonds

Fiscal Year	Principal	Interest	Debt Service
2014	$ 330,000	$ 772,399.44	$ 1,102,399.44
2015	350,000	801,725.00	1,151,725.00
2016	360,000	791,225.00	1,151,225.00
2017	375,000	776,825.00	1,151,825.00
2018	385,000	769,325.00	1,154,325.00
2019	395,000	757,775.00	1,152,775.00
2020	410,000	741,975.00	1,151,975.00
2021	425,000	729,675.00	1,154,675.00
2022	440,000	712,675.00	1,152,675.00
2023	460,000	690,675.00	1,150,675.00
2024	485,000	667,675.00	1,152,675.00
2025	505,000	648,275.00	1,153,275.00
2026	525,000	628,075.00	1,153,075.00
2027	545,000	607,075.00	1,152,075.00
2028	565,000	585,275.00	1,150,275.00
2029	590,000	562,675.00	1,152,675.00
2030	615,000	539,075.00	1,154,075.00
2031	640,000	514,475.00	1,154,475.00
2032	665,000	488,875.00	1,153,875.00
2033	685,000	467,262.50	1,152,262.50
2034	705,000	445,000.00	1,150,000.00
2035	745,000	409,750.00	1,154,750.00
2036	780,000	372,500.00	1,152,500.00
2037	820,000	333,500.00	1,153,500.00
2038	860,000	292,500.00	1,152,500.00
2039	905,000	249,500.00	1,154,500.00
2040	950,000	204,250.00	1,154,250.00
2041	995,000	156,750.00	1,151,750.00
2042	1,045,000	107,000.00	1,152,000.00
2043	1,095,000	54,750.00	1,149,750.00
Total	$ 18,650,000	$ 15,878,511.94	$ 34,528,511.94

City of Rifle, Colorado
Sales Tax Revenue Bonds, Series 2013
Bond Statistics for $21MM Recreation Center over 30-Years
A3 Uninsured Rates as of January 15, 2015

2013 Sales Tax Revenue Bonds

	New Money
Bonding Sources Summary	
Par Amount	$ 20,595,000
Bond Premium	1,974,961
Total Bond Proceeds	$ 22,569,961
Uses of Funds Summary	
Project Fund	$ 21,000,000
DSRF	1,275,500
Cost of Issuance	150,000
Underwriter Discount	144,165
Additional Proceeds	296
Total Use of Funds	$ 22,569,961

Dated Date	12/17/2013
All-In TIC	3.8987%
TIC	3.8441%

2013 Sales Tax Revenue Bonds

Fiscal Year	Principal	Interest	Debt Service
2014	$ 365,000	$ 852,893.06	$ 1,217,893.06
2015	390,000	885,262.50	1,275,262.50
2016	400,000	873,562.50	1,273,562.50
2017	415,000	857,562.50	1,272,562.50
2018	425,000	849,262.50	1,274,262.50
2019	435,000	836,512.50	1,271,512.50
2020	455,000	819,112.50	1,274,112.50
2021	470,000	805,462.50	1,275,462.50
2022	485,000	786,662.50	1,271,662.50
2023	510,000	762,412.50	1,272,412.50
2024	535,000	736,912.50	1,271,912.50
2025	555,000	715,512.50	1,270,512.50
2026	580,000	693,312.50	1,273,312.50
2027	605,000	670,112.50	1,275,112.50
2028	625,000	645,912.50	1,270,912.50
2029	650,000	620,912.50	1,270,912.50
2030	680,000	594,912.50	1,274,912.50
2031	705,000	567,712.50	1,272,712.50
2032	735,000	539,512.50	1,274,512.50
2033	750,000	515,625.00	1,265,625.00
2034	780,000	491,250.00	1,271,250.00
2035	820,000	452,250.00	1,272,250.00
2036	860,000	411,250.00	1,271,250.00
2037	905,000	368,250.00	1,273,250.00
2038	950,000	323,000.00	1,273,000.00
2039	1,000,000	275,500.00	1,275,500.00
2040	1,045,000	225,500.00	1,270,500.00
2041	1,100,000	173,250.00	1,273,250.00
2042	1,155,000	118,250.00	1,273,250.00
2043	1,210,000	60,500.00	1,270,500.00
Total	$ 20,595,000	$ 17,528,143.06	$ 38,123,143.06

City of Rifle, Colorado
Sales Tax Revenue Bonds, Series 2013
Bond Statistics for $23MM Recreation Center over 30-Years
A3 Uninsured Rates as of January 15, 2015

2013 Sales Tax Revenue Bonds

	New Money
Bonding Sources Summary	
Par Amount	$ 22,545,000
Bond Premium	2,161,860
Total Bond Proceeds	$ 24,706,860
Uses of Funds Summary	
Project Fund	$ 23,000,000
DSRF	1,395,925
Cost of Issuance	150,000
Underwriter Discount	157,815
Additional Proceeds	3,120
Total Use of Funds	$ 24,706,860

Dated Date	12/17/2013
All-In TIC	3.8942%
TIC	3.8443%

2013 Sales Tax Revenue Bonds

Fiscal Year	Principal	Interest	Debt Service
2014	$ 400,000	$ 933,697.22	$ 1,333,697.22
2015	425,000	969,125.00	1,394,125.00
2016	435,000	956,375.00	1,391,375.00
2017	455,000	938,975.00	1,393,975.00
2018	465,000	929,875.00	1,394,875.00
2019	480,000	915,925.00	1,395,925.00
2020	495,000	896,725.00	1,391,725.00
2021	510,000	881,875.00	1,391,875.00
2022	530,000	861,475.00	1,391,475.00
2023	560,000	834,975.00	1,394,975.00
2024	585,000	806,975.00	1,391,975.00
2025	610,000	783,575.00	1,393,575.00
2026	635,000	759,175.00	1,394,175.00
2027	660,000	733,775.00	1,393,775.00
2028	685,000	707,375.00	1,392,375.00
2029	715,000	679,975.00	1,394,975.00
2030	740,000	651,375.00	1,391,375.00
2031	770,000	621,775.00	1,391,775.00
2032	800,000	590,975.00	1,390,975.00
2033	830,000	564,975.00	1,394,975.00
2034	855,000	538,000.00	1,393,000.00
2035	900,000	495,250.00	1,395,250.00
2036	945,000	450,250.00	1,395,250.00
2037	990,000	403,000.00	1,393,000.00
2038	1,040,000	353,500.00	1,393,500.00
2039	1,090,000	301,500.00	1,391,500.00
2040	1,145,000	247,000.00	1,392,000.00
2041	1,205,000	189,750.00	1,394,750.00
2042	1,265,000	129,500.00	1,394,500.00
2043	1,325,000	66,250.00	1,391,250.00
Total	$ 22,545,000	$ 19,192,972.22	$ 41,737,972.22

City of Rifle, Colorado

Certificates of Participation, Series 2013

Bond Statistics for $19MM Recreation Center over 30-Years

A3 Uninsured Rates as of January 15, 2015

2013 Certificates of Participation

	New Money
Bonding Sources Summary	
Par Amount	$ 19,025,000
Bond Premium	1,443,570
Total Bond Proceeds	$ 20,468,570
Uses of Funds Summary	
Project Fund	$ 19,000,000
DSRF	1,185,175
Cost of Issuance	150,000
Underwriter Discount	133,175
Additional Proceeds	220
Total Use of Funds	$ 20,468,570

Dated Date	12/17/2013
All-In TIC	4.1007%
TIC	4.0398%

2013 Certificates of Participation

Fiscal Year	Principal	Interest	Debt Service
2014	$ 335,000	$ 795,810.56	$ 1,130,810.56
2015	355,000	826,125.00	1,181,125.00
2016	365,000	815,475.00	1,180,475.00
2017	380,000	800,875.00	1,180,875.00
2018	390,000	793,275.00	1,183,275.00
2019	400,000	781,575.00	1,181,575.00
2020	415,000	765,575.00	1,180,575.00
2021	430,000	753,125.00	1,183,125.00
2022	445,000	735,925.00	1,180,925.00
2023	470,000	713,675.00	1,183,675.00
2024	495,000	690,175.00	1,185,175.00
2025	510,000	670,375.00	1,180,375.00
2026	535,000	649,975.00	1,184,975.00
2027	555,000	628,575.00	1,183,575.00
2028	575,000	606,375.00	1,181,375.00
2029	600,000	583,375.00	1,183,375.00
2030	625,000	559,375.00	1,184,375.00
2031	650,000	534,375.00	1,184,375.00
2032	675,000	508,375.00	1,183,375.00
2033	700,000	481,375.00	1,181,375.00
2034	725,000	456,000.00	1,181,000.00
2035	760,000	419,750.00	1,179,750.00
2036	800,000	381,750.00	1,181,750.00
2037	840,000	341,750.00	1,181,750.00
2038	880,000	299,750.00	1,179,750.00
2039	925,000	255,750.00	1,180,750.00
2040	975,000	209,500.00	1,184,500.00
2041	1,020,000	160,750.00	1,180,750.00
2042	1,070,000	109,750.00	1,179,750.00
2043	1,125,000	56,250.00	1,181,250.00
Total	$ 19,025,000	$ 16,384,785.56	$ 35,409,785.56

City of Rifle, Colorado

Certificates of Participation, Series 2013

Bond Statistics for $21MM Recreation Center over 30-Years

A3 Uninsured Rates as of January 15, 2015

2013 Certificates of Participation

	New Money
Bonding Sources Summary	
Par Amount	$ 21,015,000
Bond Premium	1,594,775
Total Bond Proceeds	$ 22,609,775
Uses of Funds Summary	
Project Fund	$ 21,000,000
DSRF	1,308,000
Cost of Issuance	150,000
Underwriter Discount	147,105
Additional Proceeds	4,670
Total Use of Funds	$ 22,609,775

Dated Date	12/17/2013
All-In TIC	4.0954%
TIC	4.0402%

2013 Certificates of Participation

Fiscal Year	Principal	Interest	Debt Service
2014	$ 370,000	$ 879,105.14	$ 1,249,105.14
2015	395,000	912,593.76	1,307,593.76
2016	405,000	900,743.76	1,305,743.76
2017	420,000	884,543.76	1,304,543.76
2018	430,000	876,143.76	1,306,143.76
2019	440,000	863,243.76	1,303,243.76
2020	460,000	845,643.76	1,305,643.76
2021	475,000	831,843.76	1,306,843.76
2022	495,000	812,843.76	1,307,843.76
2023	515,000	788,093.76	1,303,093.76
2024	545,000	762,343.76	1,307,343.76
2025	565,000	740,543.76	1,305,543.76
2026	590,000	717,943.76	1,307,943.76
2027	610,000	694,343.76	1,304,343.76
2028	635,000	669,943.76	1,304,943.76
2029	660,000	644,543.76	1,304,543.76
2030	685,000	618,143.76	1,303,143.76
2031	715,000	590,743.76	1,305,743.76
2032	745,000	562,143.76	1,307,143.76
2033	775,000	532,343.76	1,307,343.76
2034	800,000	504,250.00	1,304,250.00
2035	840,000	464,250.00	1,304,250.00
2036	885,000	422,250.00	1,307,250.00
2037	930,000	378,000.00	1,308,000.00
2038	975,000	331,500.00	1,306,500.00
2039	1,025,000	282,750.00	1,307,750.00
2040	1,075,000	231,500.00	1,306,500.00
2041	1,125,000	177,750.00	1,302,750.00
2042	1,185,000	121,500.00	1,306,500.00
2043	1,245,000	62,250.00	1,307,250.00
Total	$ 21,015,000	$ 18,103,836.58	$ 39,118,836.58

City of Rifle, Colorado

Certificates of Participation, Series 2013

Bond Statistics for $23MM Recreation Center over 30-Years

A3 Uninsured Rates as of January 15, 2015

2013 Certificates of Participation

	New Money
Bonding Sources Summary	
Par Amount	$ 23,000,000
Bond Premium	1,745,183
Total Bond Proceeds	$ 24,745,183
Uses of Funds Summary	
Project Fund	$ 23,000,000
DSRF	1,431,081
Cost of Issuance	150,000
Underwriter Discount	161,000
Additional Proceeds	3,101
Total Use of Funds	$ 24,745,183

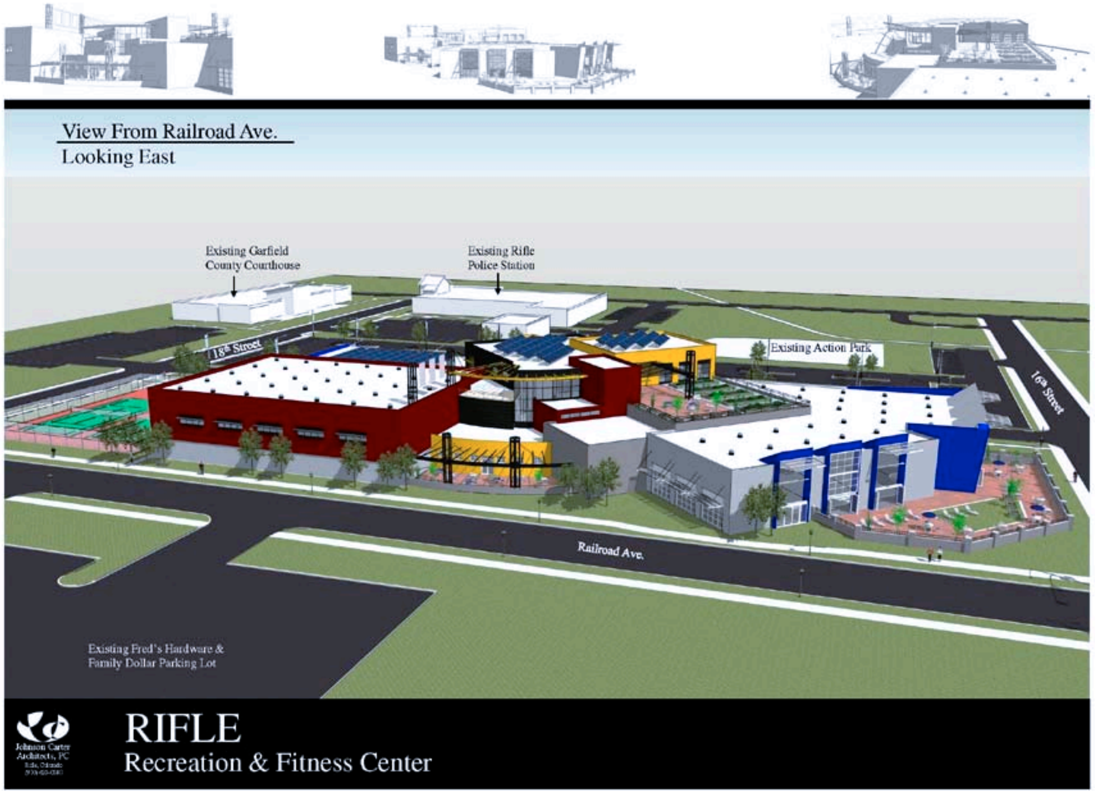
Dated Date	12/17/2013
All-In TIC	4.0901%
TIC	4.0397%

2013 Certificates of Participation

Fiscal Year	Principal	Interest	Debt Service
2014	$ 405,000	$ 962,035.42	$ 1,367,035.42
2015	430,000	998,681.26	1,428,681.26
2016	445,000	985,781.26	1,430,781.26
2017	460,000	967,981.26	1,427,981.26
2018	470,000	958,781.26	1,428,781.26
2019	485,000	944,681.26	1,429,681.26
2020	505,000	925,281.26	1,430,281.26
2021	520,000	910,131.26	1,430,131.26
2022	540,000	889,331.26	1,429,331.26
2023	565,000	862,331.26	1,427,331.26
2024	595,000	834,081.26	1,429,081.26
2025	620,000	810,281.26	1,430,281.26
2026	645,000	785,481.26	1,430,481.26
2027	670,000	759,681.26	1,429,681.26
2028	695,000	732,881.26	1,427,881.26
2029	725,000	705,081.26	1,430,081.26
2030	755,000	676,081.26	1,431,081.26
2031	785,000	645,881.26	1,430,881.26
2032	815,000	614,481.26	1,429,481.26
2033	845,000	581,881.26	1,426,881.26
2034	875,000	551,250.00	1,426,250.00
2035	920,000	507,500.00	1,427,500.00
2036	965,000	461,500.00	1,426,500.00
2037	1,015,000	413,250.00	1,428,250.00
2038	1,065,000	362,500.00	1,427,500.00
2039	1,120,000	309,250.00	1,429,250.00
2040	1,175,000	253,250.00	1,428,250.00
2041	1,235,000	194,500.00	1,429,500.00
2042	1,295,000	132,750.00	1,427,750.00
2043	1,360,000	68,000.00	1,428,000.00
Total	$ 23,000,000	$ 19,804,579.36	$ 42,804,579.36

Rifle Recreation Center

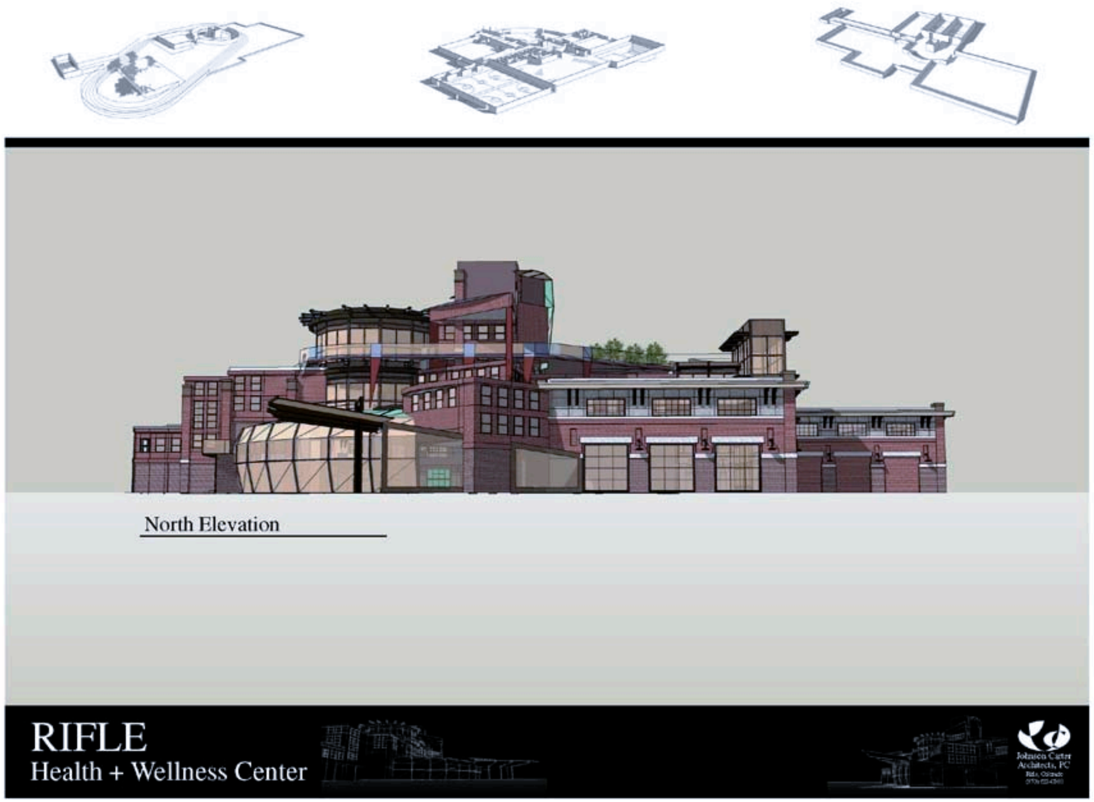
February 13, 2013



Brief History

- Rifle Regional Economic Development Corporation formed the Project Management Team to develop Rec Center Plan
- Members: Michael Langhorne, Rich Carter, Keith Lambert, Skye Sieber, Sandy Vacarro, Ryan Mackley, Aleks Briedis
- Funding from Mrs. Clough (no tax dollars have been used)
- Original proposed location was old Valley Lumber Site (current Brenden Theater)
- IGA with City for Metro Location
- Partnered with City on Rifle Fitness Center

Where We Started



Where We Started

- Preliminary design at Valley Lumber site
- Pro-forma at Valley Lumber site
- 107,000 square feet
- Construction cost of over $30 Million
- Moved facility to Metro Park
- Received input from public
- Scaled down the facility

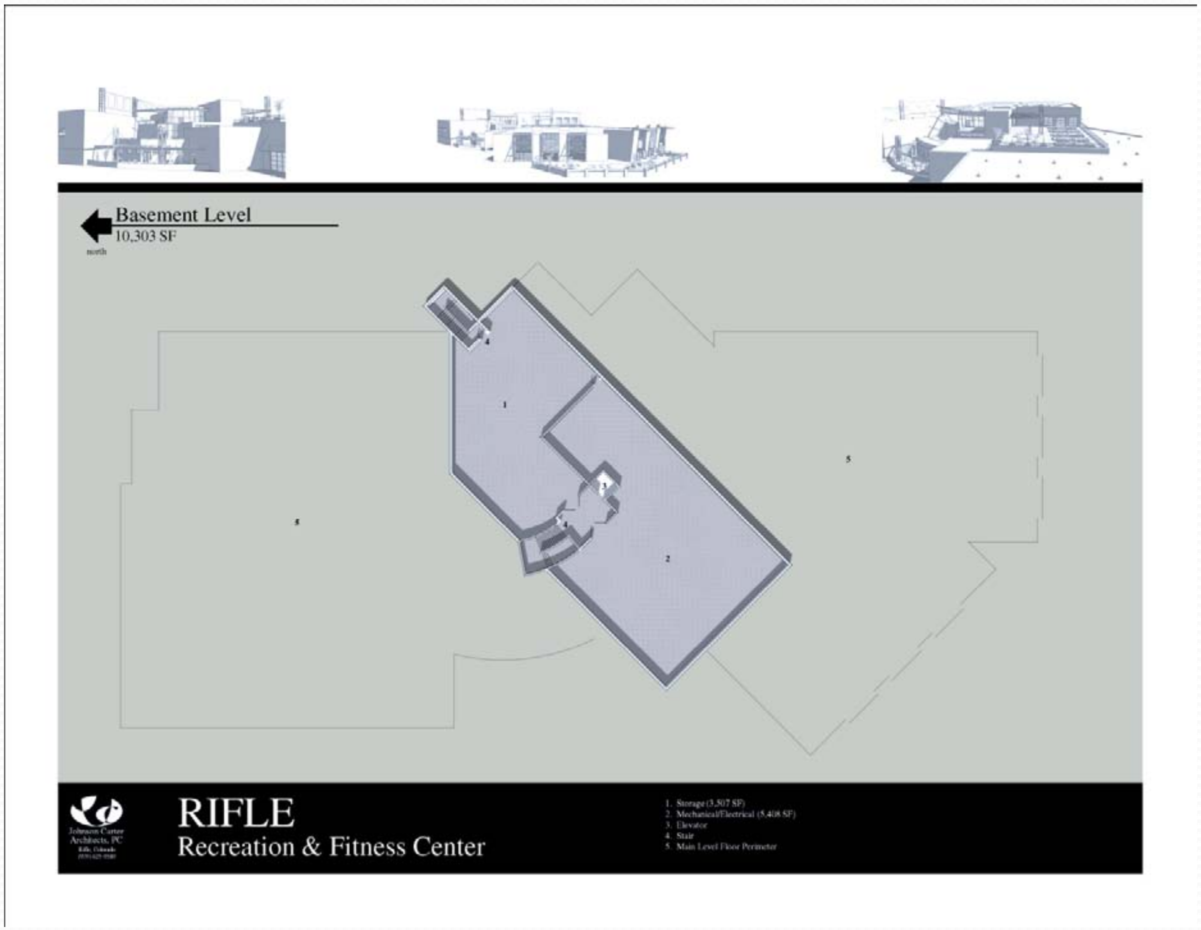
Completed to date:

- Preliminary design
- Construction cost estimates (based on historical data for rec centers built in area)
- Operating assumptions (pro forma)
- Fundraising feasibility study
- Financial analysis

Preliminary Design

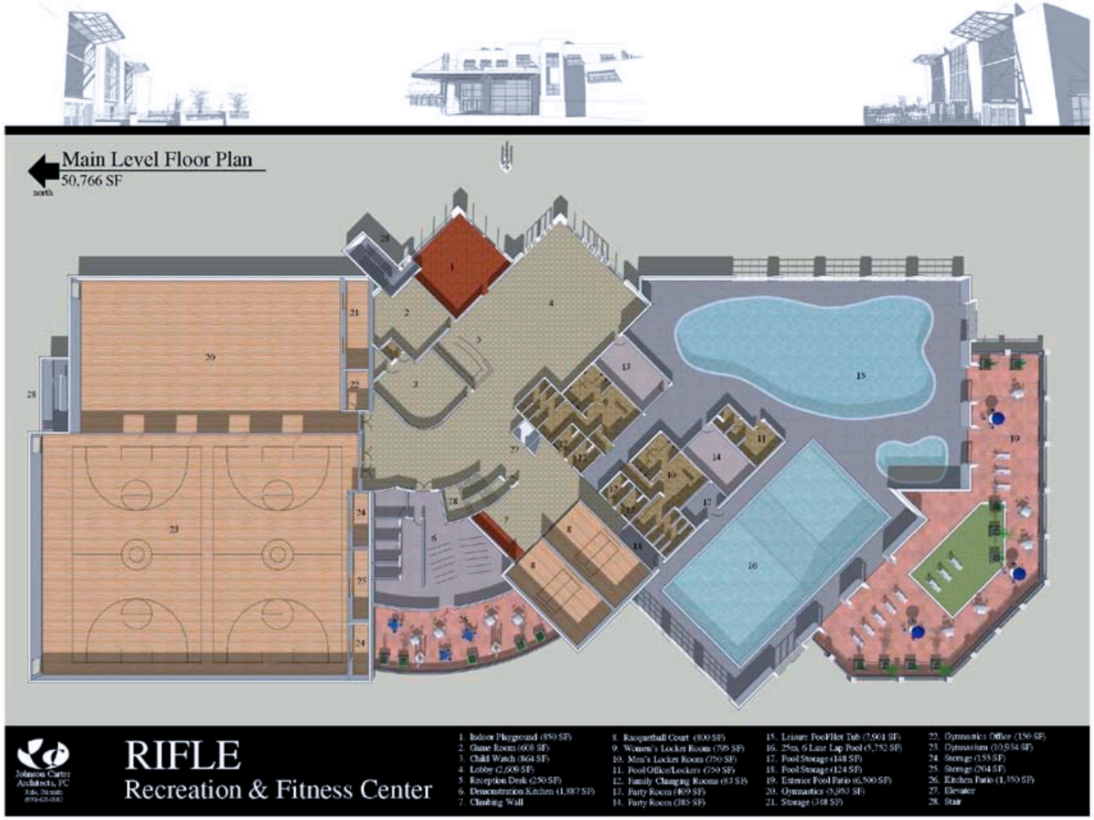
- leisure pool
- 25 meter lap pool
- locker rooms/restrooms
- child care area
- exercise area with an elevated running track
- climbing wall
- dance/yoga studios
- basketball courts (2)
- racquetball courts (2)
- gymnastics center
- learning kitchen
- meeting rooms
- game room
- Exterior seating/relaxation patios
- City of Rifle Recreation Department offices

Basement



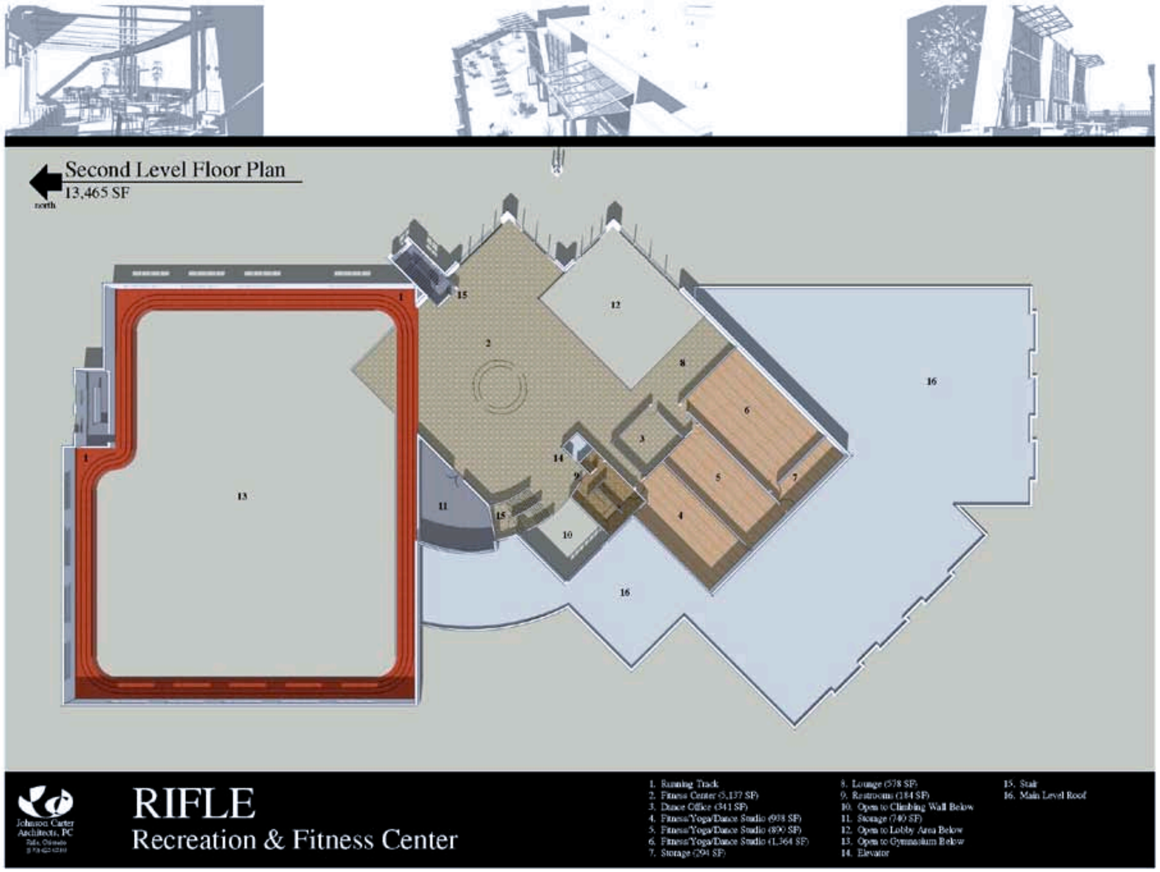
Basement Level
10,303 SF
north
Johnson Carter Architects, PC
RIFLE
Recreation & Fitness Center
1. Storage (3,507 SF)
2. Mechanical/Electrical (5,408 SF)
3. Elevator
4. Stair
5. Main Level Floor Perimeter

Main Floor

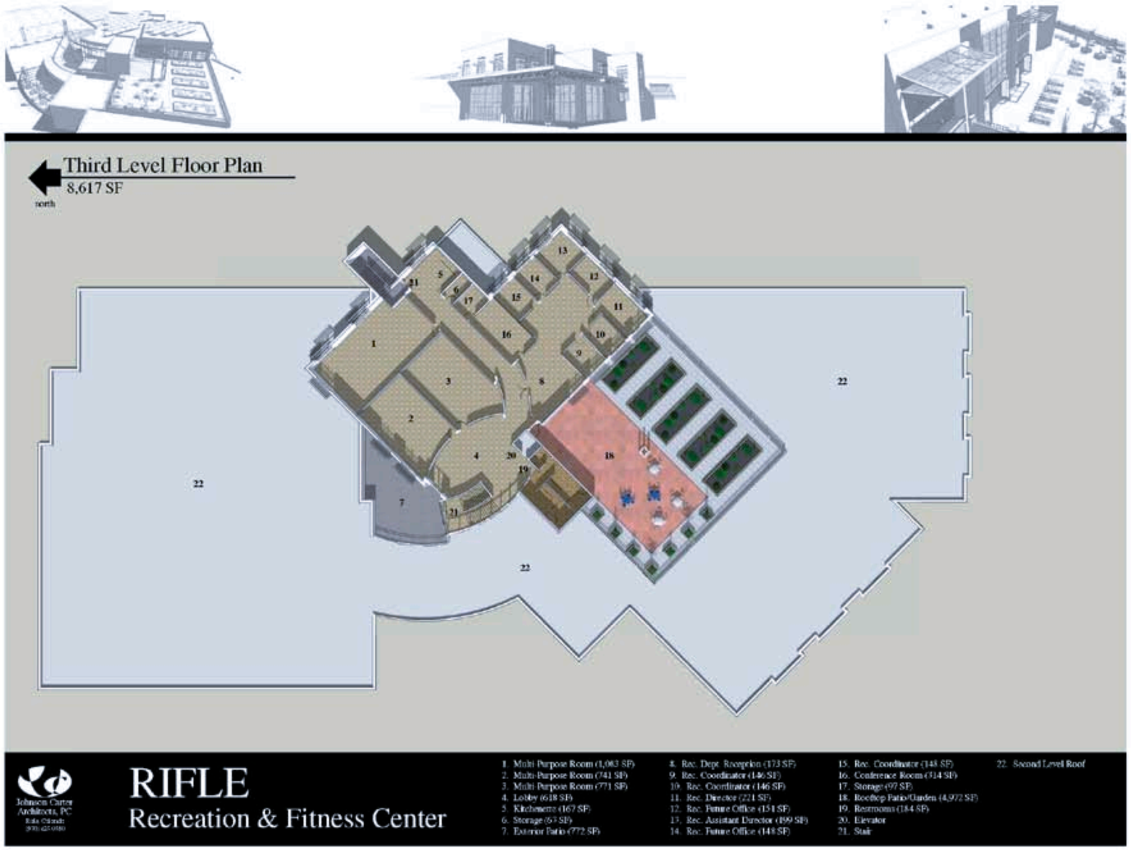


Main Level Floor Plan
50,766 SF
north
RIFLE
Recreation & Fitness Center
1. Indoor Playground (850 SF)
2. Game Room (608 SF)
3. Child Watch (864 SF)
4. Lobby (2,609 SF)
5. Reception Desk (250 SF)
6. Demonstration Kitchen (1,887 SF)
7. Climbing Wall
8. Racquetball Court (800 SF)
9. Women's Locker Room (795 SF)
10. Men's Locker Room (790 SF)
11. Pool Office/Lockers (750 SF)
13. Party Room (409 SF)
14. Party Room (385 SF)
16. 25m, 6 Lane Lap Pool (5,752 SF)
17. Pool Storage (148 SF)
18. Pool Storage (124 SF)
19. Exterior Pool Patio (6,500 SF)
21. Storage (348 SF)
22. Gymnastics Office (150 SF)
23. Gymnasium (10,934 SF)
24. Storage (155 SF)
25. Storage (204 SF)
26. Kitchen Patio (1,350 SF)
27. Elevator
28. Stair

Second Floor



Third Floor



Third Level Floor Plan
8,617 SF
north
RIFLE
Recreation & Fitness Center
1. Multi-Purpose Room (1,083 SF)
2. Multi-Purpose Room (741 SF)
3. Multi-Purpose Room (771 SF)
4. Lobby (618 SF)
5. Kitchenette (167 SF)
6. Storage (57 SF)
7. Exterior Patio (772 SF)
8. Rec. Dept. Reception (173 SF)
9. Rec. Coordinator (146 SF)
10. Rec. Coordinator (146 SF)
11. Rec. Director (221 SF)
12. Rec. Future Office (151 SF)
13. Rec. Assistant Director (199 SF)
14. Rec. Future Office (148 SF)
15. Rec. Coordinator (148 SF)
16. Conference Room (314 SF)
17. Storage (97 SF)
18. Rooftop Patio/Garden (4,972 SF)
19. Restrooms (184 SF)
20. Elevator
21. Stair
22. Second Level Roof

2012 Construction Cost Estimates

Building Size	83,151 SF
Construction	
$17,398,398	($209/SF)
GC Miscellaneous	
$869,920	(construction contingency)
$187,903	(liability insurance)
$123,358	(bonding)
$200,262	(subcontractor insurance)
$772,072	(construction manager)
$50,960	(preconstruction services)
Owner Miscellaneous	
$40,000	Water Tap
$15,000	Plan Check Fee
$126,000	Owners Representative (40 hours/month – 18 months)
$40,000	Testing, Staking…
$869,920	Construction Contingency (5% of construction)
$1,043,904	FFE (6% of construction)
Design Fee's (architect, civil, MEP…)	
$1,217,888	(7% of construction)
Construction Administration (design team)	
$243,578	(20% of design team fee)

Total

$23,199,163

Operating Assumptions

- Completed in April 2012 by Greenplay, LLC

Estimated revenues	$ 794,360
Estimated expenses	$1,287,638
Deficit	($493,279)
Current RFC & Pool Deficit	($219,334)
Additional Needed Funding	$273,945

Proposed Admission Fees

Daily pass

3 and under	Free
4-17	$5
16-64	$7
65+	$5

Annual pass

4-17	$300
16-64	$455
65+	$350
Household (4)	$750

Fundraising Feasibility Study

- Completed by NCDS in the Summer of 2012
- Expected to raise $1 Million in private funds
- Additional funds through grants
- Grants for programming in facility

Financial Analysis

- Completed January 2013 by FirstSouthwest
- Developed financing plan
- Advised amount of sales tax increase needed
- Developed sizing and repayment schedules
- Pro/con statement on bond vs. lease/purchase
- Analysis of market conditions
- Created timeline, if September election

Financing Plan

- Current revenues would not support construction of facility
- Additional sales tax would be required
- A minimum of 1.5x coverage of annual debt service is needed
- Existing tax can be used to help coverage, but will effect operations if sales taxes decrease

Bond vs. Lease/Purchase

Pros	Cons
Sales Tax Revenue Bonds	
Lower interest costs compared to similarly rated Certificates of Participation (COP)	Requires voter approval to enter into multiple fiscal year obligation
Specific pledge of tax revenues can isolate any impacts on the General Fund	Requires minimum debt service 1.50x to obtain favorable rating
COP/Lease Purchase	
Does not require voter authorization	Appropriation risk leads to higher interest rates compared to similarly rated sales tax bonds
No specific coverage requirement	Is an obligation of the City's General Fund which can impact other services if revenues fall

Current Sales Tax Rates

Municipality	Rate	County	County Rate	Total Rate
Glenwood Springs	3.70%	Garfield	1.00%	4.70%
New Castle	3.50%	Garfield	1.00%	4.50%
Silt	3.00%	Garfield	1.00%	4.00%
Rifle	**4.25%**	**Garfield**	**1.00%**	**5.25%**
Parachute	3.75%	Garfield	1.00%	4.75%
De Beque	2.00%	Mesa	2.00%	4.00%
Palasade	2.00%	Mesa	2.00%	4.00%
Grand Junction	2.75%	Mesa	2.00%	4.75%

Market Conditions

- Current conditions are very strong for municipal bonds with interest rates at 47 year lows and overall issuance levels still lower than historical levels
- Market conditions will likely still be favorable towards the end of 2013

Sales Tax Needed

- $23 million bond
- 30-year = $1.4 million annual debt service = ¾ cent increase
- 20-year = $1.7 million annual debt service = 1 cent increase

Recent Developments

- Construction costs in 2014 will increase 15% based on materials and labor
- $3.5 million increase (approx. .85 sales tax)
- The existing sales tax may not be able to cover all operating expenses

Recomendations

- Reduce the project by 20,000 sq. ft.
- Project cost down to $19M (from $26M)
- $19M Bond = .62 sales tax over 30 years
- .7 sales tax could put $150K towards operations
- Private donations will increase scale of project
- Let the Rifle voters decide in September

Timeline

Date	Task
9/12/2013	Organizational call with all financing participants.
9/26/2013	Circulate first draft of bond documents
10/2/2013	Document review session
10/11/2013	Circulate 2nd draft of documents
10/16/2013	Document review session
10/18/2013	Finalize Financial Structure
10/21/2013	Send documents to rating agencies
11/6/2013	City Council First Reading
11/20/2013	City Council Second Reading
11/21/2013	Finalize Preliminary Official Statement
11/22/2013	Receive Ratings/Post Preliminary Official Statement
12/4/2013	Price Bonds
12/17/2013	Close Transaction

Citizens Action Committee

- Committee for Rifle Recreation & Fitness Center
- Members: Shelley Aibner, Angela Strode, Jessica Hernandez, Elissa Nye, Landon Churchill, Amber Graby, Tanya Giard, Wayne Edgeton, Ignacio Mendoza and Alicia Mendoza.
- Issues committee formed
- Have been meeting regularly
- Will inform community on project
- Facebook page
- Working on website

Next Steps

- Receive go ahead from City Council
- Minimum redesign
- Begin fundraising campaign
- Committee educates public
- Question on September ballot

Questions?

Discussion