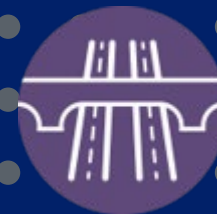


West Greeley Financial Model

WG Oversight Committee May 21, 2026
Allena Portis, Deputy City Manager/CFO





Agenda

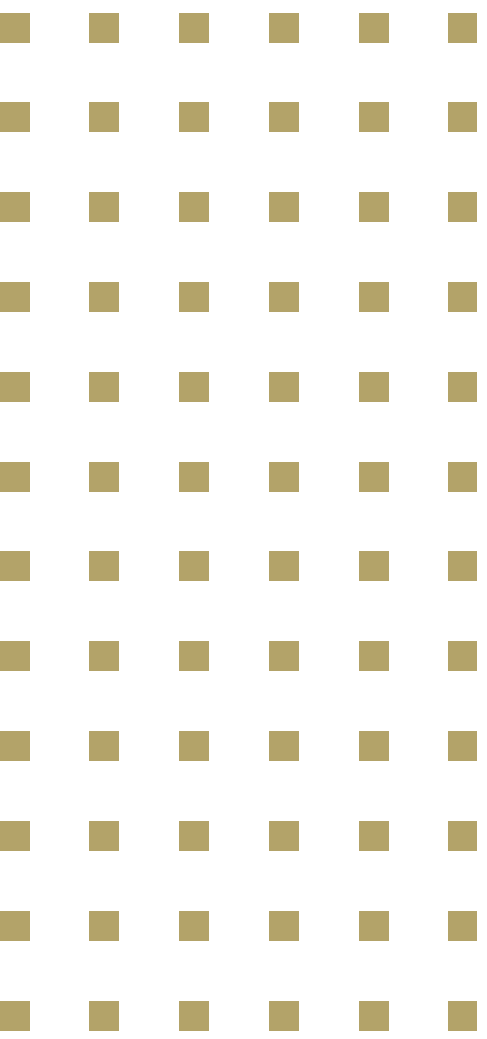
- Overview of Project Costs
- Entertainment District Financials
- General Improvement District Financials
- Other Successful Projects
- AHL Arena Financing Examples
- Debt Payoff Tools & Fiscal Solutions

Total Sources & Uses – Project Costs

Sources*	\$ (in millions)	%
501(c)(3) Bond Issue*	\$668.3	70%
Enterprise Debt Issue	\$79.0	9%
GID Debt Issue	\$85.0	5%
Total	\$820.3	85%
Additional Funding Required	\$127.1	15%
Total	\$959.4	100%

Uses*	\$ (in millions)	%
Entertainment District	\$668.3	70%
Wet Utilities, on-site & off-site	\$67.8	7%
Wet Utilities, Roads & Boyd Waterline Relocation	\$38.7	4%
Plaza	\$5.6	1%
Tributaries & Water Feature	\$15.9	2%
Infrastructure, on-site	\$43.1	4%
Infrastructure, roadway	\$49.0	5%
CR17 & Interchange	\$71.0	7%
Total	\$959.4	100%

*Excludes Capitalized Interest, Reserves, and Cost of Issuance



Catalyst Entertainment District (501c3)

Sources and Uses Comparison

Entertainment District

in thousands

March 2025 v9.1

February 2026

Sources	\$
Par Amount of Bonds Issued	\$790.0
Interest Earnings	\$41.9
Total Sources	\$832.0
Uses	\$
Project Fund	\$636.4
Start Up Reserves	\$23.8
Capitalized Interest	\$124.4
Debt Service Reserve Fund	\$33.2
Cost of Issuance Estimate	\$14.2
Total Uses	\$832.0

Sources	\$	Variance
Par Amount of Bonds Issued	\$872.2	\$82.2
Interest Earnings	\$27.7	(\$14.2)
Total Sources	\$899.9	\$67.9
Uses	\$	
Project Fund	\$606.5	(\$29.9)
City COP Repayment	\$62.2	\$62.2
Start Up Reserves	\$25.0	\$1.2
Capitalized Interest	\$149.1	\$24.7
Debt Service Reserve Fund	\$39.6	\$6.4
Cost of Issuance Estimate	\$17.5	\$3.3
Total Uses	\$899.9	\$67.9

- Debt to be issued by 501c3 – does not represent City’s public financing capacity
- January 2026 is Hilltop Securities model dated 2.2.26

PRELIMINARY & SUBJECT TO CHANGE

Catalyst Comparison

H&LA Study includes:

- Debt service on construction costs only
- Considers Net Operating Income only

Catalyst Financial Model includes :

- Revenues:
 - Net Operating Income
 - Sales Tax
 - Public Improvement Fees
 - Economic Development Payment
- Debt Service includes:
 - Capitalized Interest
 - Reserves

Financial Model Comparison

Entertainment District

in thousands

2032 Year 5 Stabilization	H&LA Study	February 2026	Variance
Combined Net Operating Income	\$28,888	\$33,970	\$5,082
Eco Dev Payment	\$-	\$12,989	\$12,989
PIF& Sales Tax	\$-	\$15,082	\$15,082
Total Pledged Revenue	\$28,888	\$62,041	\$33,153
Net Debt Service	(\$41,488)	(\$49,836)	(\$8,348)
Funds Available for Reserves & Eco Dev Repayment	(\$12,600)	\$12,205	\$24,805
Reserve Deposits	\$-	(\$11,481)	(\$11,481)
Economic Development Repayment	\$-	(\$724)	(\$724)

- H&LA Study does not include additional pledged revenue
- Debt service in H&LA Study includes debt service on construction costs only

PRELIMINARY & SUBJECT TO CHANGE

Catalyst Comparison – Hotel

- Although the assumption for Average Daily Rates is more conservative in the H&LA Study, annual net operating income increased by approximately \$6 million at stabilization (2032) compared to March 2025 due to the addition of 61 available rooms and a slightly higher Occupancy Rate due to branding.

	CBRE	March 2025	H&LA
Available Rooms	400	350	411
Occupancy Rates*	68%	78.20%	79%
Average Daily Rate	\$266.02	\$250.07	\$239.42
RevPAR	\$180.89	\$195.55	\$189.14

* Occupancy rates increased to 83.5% by 2037 in the March 2025 model

Catalyst Comparison – Arena

- The assumptions for revenue are more conservative, resulting in a \$900K reduction in net income compared to March 2025.

	CBRE	March 2025	H&LA
Arena Capacity	8,600	8,600	8,300
Events per Year	120	249	240
Annual Visitors	579,000	505,234	520,000

Economic Development Payment

in millions

Key Considerations

- Structured as a “loan” to the project
- As currently modeled, repayment of the economic development payment begins at a lower rate with an annual break-even point in 2038.
- Options are being evaluated to return the schedule closer to the March 2025 schedule.

Revenue Year	Net Annual City Econ Dev (Payment) or Repayment \$ Millions		Variance
	March 2025	February 2026	
2028	\$ (12.0)	\$ (12.0)	\$ -
2029	\$ (12.2)	\$ (12.2)	\$ -
2030	\$ (12.5)	\$ (12.5)	\$ -
2031	\$ (11.6)	\$ (12.7)	\$ 1.1
2032	\$ 0.5	\$ (12.3)	\$ 12.8
2033	\$ (0.5)	\$ (7.1)	\$ 6.6
2034	\$ (1.2)	\$ (5.9)	\$ 4.7
2035	\$ (2.3)	\$ (4.6)	\$ 2.3
2036	\$ (1.3)	\$ (3.3)	\$ 2.0
2037	\$ (0.7)	\$ (1.9)	\$ 1.2
2038	\$ 1.2	\$ (0.5)	\$ 1.7
2039	\$ 1.2	\$ 1.0	\$ 0.2
2040	\$ 1.3	\$ 2.5	\$ (1.2)
Total	\$ (50.1)	\$ (81.5)	\$ 31.4

Economic Development Payment Sensitivity Analysis

in millions

PRELIMINARY WORK PRODUCT
SUBJECT TO CHANGE

West Greeley 501c3 Project Revenue Bonds
Sensitivity Analysis
2/2/2026

Year	Hotel NOI ⁽¹⁾	Arena NOI ⁽¹⁾	Hotel and Arena Sales Tax & PIF	Economic Development Payment	Total Pledged Revenue	Year of Breakeven for Economic Development Payment	Year of Full Repayment of Economic Development Payment
Base Case	1,861,878	202,575	913,693	673,379	3,651,526	2038	2056
NOI at 95%	1,780,666	192,334	872,476	673,379	3,518,855	2040	n/a
NOI at 90%	1,698,204	181,826	831,258	673,379	3,384,667	2054	n/a
NOI at 85%	1,614,490	171,051	790,040	673,379	3,248,961	n/a	n/a

*n/a – Per the model, breakeven or full repayment may not occur during the 40-year project period



Moral Obligation

- **What a Moral Obligation Is**
 - A *non-binding pledge* by the City to consider appropriating funds if project revenues are insufficient.
 - Not a legally enforceable guarantee—investors rely on the City’s *willingness*, not a legal requirement, to appropriate funds.
 - Used to strengthen creditworthiness for certain revenue-backed financings without creating a full faith and credit obligation.
- **How It Replenishes a Debt Service Reserve Fund (DSRF)**
 - Bonds typically include a Debt Service Reserve Fund to cover shortfalls in scheduled payments.
 - If revenues fall below required levels, the trustee may draw on the DSRF.
 - A moral obligation pledge allows the financing entity to **request** that the City appropriate funds to restore the DSRF back to its required balance.
 - Council maintains discretion—appropriation is voluntary—but the pledge signals to investors that the City intends to keep the reserve funded, helping reduce perceived credit risk and borrowing cost

Fiscal Implications of the Vote

501(c)3 Debt Issuance

A negative community vote materially amplifies non-appropriation risk, undermining the effectiveness of a moral obligation pledge

Moral Obligation Pledge

- A non-binding commitment to consider appropriating funds to cover shortfalls
- Does not create a legally enforceable payment obligation

Non-Appropriation Risk

- The risk that the City Council chooses not to appropriate funds when requested
- Investors rely on political willingness, not legal requirement
- Political willingness is subject to the constituents

Impact of Community Vote Against the Project

- Signals lack of public support for the project
- Increases political pressure on officials not to appropriate funds

Heightened Credit Risk

- Greater likelihood that the moral obligation pledge will not be honored
- Could lead to missed payments or default scenarios

Market Perception

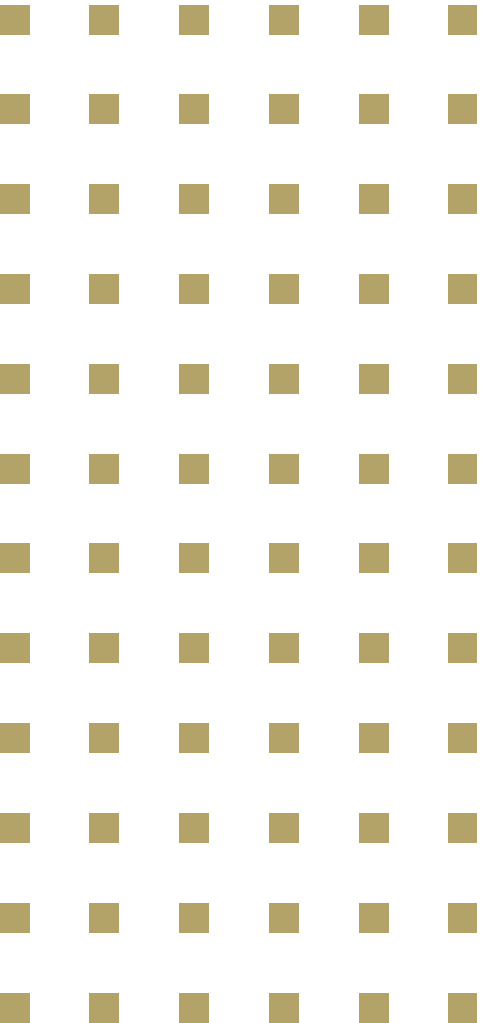
- Investors may view the pledge as weakened or unreliable
- Potential for higher borrowing costs or reduced demand

Moving Forward- Catalyst Financing

Primary challenge: Current financing approach depends on a diminished city moral obligation pledge.

- **New investor:** Introduce private capital to strengthen financing and reduce reliance on governmental credit support.
- **Public-private partnership:** Use a private partner to help finance, deliver, or operate the project, with negotiated risk-sharing and potential efficiency gains.
- **Public/public partnership:** Align with another public entity to share costs, governance, or financing responsibility in a more mission-driven structure.
- **Revenue bond with conduit borrower:** Finance through project revenues and a conduit structure rather than direct City-backed debt, if revenues are strong enough. Will require a moral obligation pledge from another government.
- **Tradeoffs:** Each option varies in cost of capital, control, risk transfer, transaction complexity, and implementation timeline.

Decision focus: Identify the structure that is most financeable, minimizes dependence on external moral obligation support, and best fits City objectives.



General Improvement District



West Greeley Commercial & Residential GID

General Improvement District (GID) is a local taxing entity created to fund specific public improvements within a specific area.

- Property Tax – O&M Mill Levy, Debt Service Levy
- Assessments – Study Underway

Infrastructure Needs

PRELIMINARY & SUBJECT TO CHANGE

Description	Cost Estimate
Plaza	\$ 5.6M
Tributary & Water Features	\$ 15.9M
On-Site Infrastructure	\$ 43.1M
Infrastructure – Roadway	\$ 49.0M
CR-17 Interchange	\$ 71.0M
Water & Sewer	\$106.5M
Total	\$291.0M
GID Debt Capacity (less COI)	\$ 84.8M
Gap	\$206.2M
Water & Sewer Loan*	\$ 79.0M
Financing Gap	\$127.1M

*Water & Sewer to issue debt that will be repaid by the GID in the future



Sources and Uses Comparison

General Improvement District

in millions

March 2025

February 2026

Sources	
GID Debt	\$129.0
Total Sources	\$129.0
Uses	
Project Fund	\$112.7
Surplus Fund	12.4
City COP Repayment**	0.0
Costs of Issuance	3.9
Total Uses	\$129.0

Sources		
GID Debt	\$87.0	(\$42.0)
Total Sources	\$87.0	(\$42.0)
Uses		
Project Fund	\$52.3	(\$60.4)
Surplus Fund	0.0	(12.4)
City COP Repayment**	32.5	32.5
Costs of Issuance	2.2	(1.7)
Total Uses	\$87.0	(\$42.0)

- Project Fund includes the cost of Plaza, Tributary & Water Features, on-site and off-site infrastructure
- Does not include Water and Sewer financed Infrastructure or CR-17 Interchange

**City COP repayment previously in Project Fund

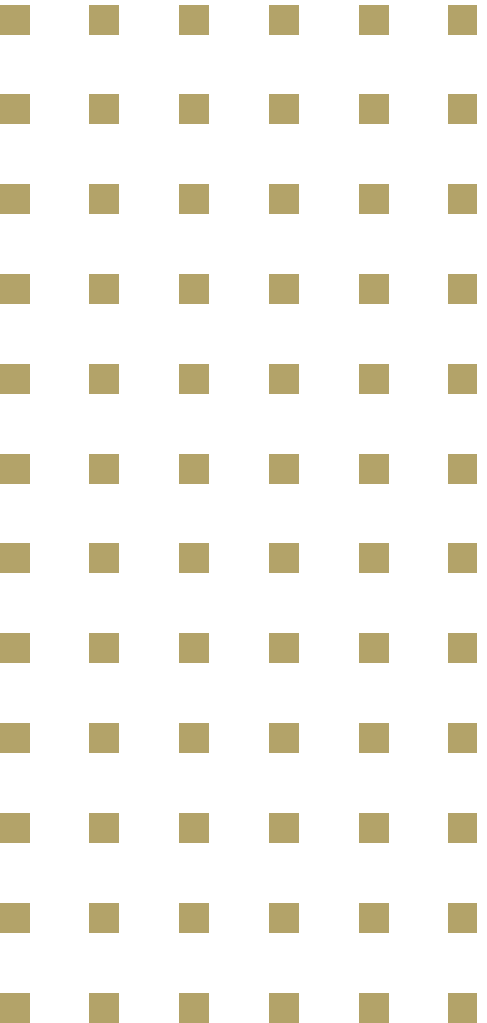
GID Comparison – Residential Cascadia & Delantero

- Residential assessed valuation decreased due to the removal of development at and adjacent to the Great Western Industrial Complex, which decreases debt capacity and exacerbates the need for commercial development.

	March 2025	Cascadia & Delantero February 2026
Single Family	3,401	1,557
Multi Family	1,831	2,810
Residential Assessed Valuation at Build out	\$163,128,527	\$109,110,805
Property Tax for Debt Service at 10 mills*	\$44,751,988	\$22,288,117
Assessment*	\$183,320,000	\$64,232,000

Key Considerations

- Need additional land within both GIDs
- Must adopt an assessment for adequate debt service coverage
- Need development within the entire West Greeley Subarea to fund the necessary infrastructure including water & sewer
- Need phasing of infrastructure to match debt capacity
- Build out is projected at Tax Year 2052 in January 2026 model and 2038 in March 2025 model**
- Through 2056



Other Successful Projects

Hotel and Water Park Project Financing

Built with the assistance of AI

Venue	Owner	Financing Mechanism	Debt Payment Source
Omni Louisville Hotel	Private	TIF, City backed bonds, private equity from Omni hotel, state tourism incentives	Hotel room taxes, incremental sales/property taxes, hotel operating revenues, convention tourism activity
Hilton Americas- Houston	Public	Hotel occupancy tax-backed municipal bonds, city convention/tourism revenues	Hotel occupancy taxes, convention center revenues, hotel operating income
Omni Nashville Hotel	Private	Metro Nashville issued revenue bonds, omni participated with private investments, tourism taxes and convention-center related taxes supported financing	Hotel taxes, sales tax generated in the district, hotel cash flow, tourism-related revenues
Shlitterbahn Galveston	Private	The Galveston Park Board participated in public financing support tied to tourism development districts and infrastructure	Tourism taxes, lease revenues, park revenues, local development revenues
Great Wolf Lodge Scottsdale	Private	Tax rebates, infrastructure financing, sales-tax sharing agreements, tourism-development incentives	Incremental sales taxes, tourism activity, resort taxes
Kalahari Resorts Round Rock	Private	City issued tax rebate agreements, infrastructure bonds, economic development incentives	Sales tax rebates, hotel occupancy tax growth, tourism-generated tax increments
Epic Waters	Public	Sales tax revenue bonds	¼-cent dedicated sales and use tax and net operating income
NRH2O Family Water Park	Public	Municipal financed	Local sales tax base growth and recreation revenues
Great Wolf Lodge Gurnee	Private	TIF, Sales Tax Sharing agreement, infrastructure support bonds	Hotel room taxes and related tourism revenues



AHL Arena Financing Examples

AHL Arenas Built in the 2000s (United States)

Built with the assistance of AI

Team	Arena Name	Location	Date Opened	Approx. Cost	Ownership	Financing Method
Bridgeport Islanders	Total Mortgage Arena	Bridgeport, CT	2001	\$90M	City-Owned	Municipal Financing
Hershey Bears	Giant Center	Hershey, PA	2002	\$85M	Private	Built by Hershey Entertainment
Colorado Eagles	Blue Arena	Loveland, CO	2003	\$75M	County-Owned	County-issued revenue bonds, dedicated sales-tax revenues, event/facility revenues
Iowa Wild	Wells Fargo Arena	Des Moines, IA	2005	\$117M	County-Owned	Public funding – hotel tax, county-issued bonds, state support
Ontario Reign	Toyota Arena	Ontario, CA	2008	\$150M	PPP	PPP, City + private management
Texas Stars	HEB Center at Cedar Park	Cedar Park, TX	2009	\$55M	PPP	City + private operator
Lehigh Valley Phantoms	PPL Center	Allentown, PA	2014	\$177M	PPP	Downtown redevelopment project – City + Developer Subsidies
Coachella Valley Firebirds	Acrisure Arena	Palm Desert, CA	2022	\$290M	Private with Land Lease	Built by Oak View Group
Henderson Silver Knights	Lee's Family Forum	Henderson, NV	2022	\$84M	City-Owned	PPP-City of Henderson and the Vegas Golden Knights/Black Knights Sports & Entertainment
San Jose Barracuda	Tech CU Arena	San Jose, CA	2022	\$42M	Private	Built by San Jose Sharks

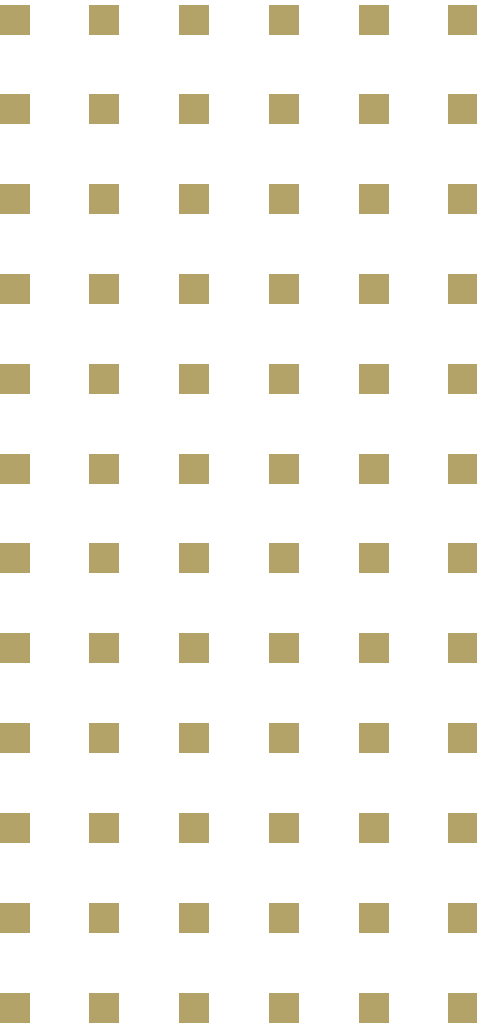
**Seating Capacity varies, Tech CU 4,200 seat capacity

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Debt Payoff Tools & Fiscal Solutions

Example of Payment Options

20 Year Certificate of Participation - \$90 million*

	Level Debt Service	Interest Only (5Y)	Interest Only Capitalized Interest Level D/S	Interest Only Increasing D/S	Interest Only Capitalized interest Increasing D/S
Interest Rate	5.25%	5.25%	5.25%	5.25%	5.25%
Average Payments Years 1-5	\$7.2 million	\$4.1 million	\$5.1 million	\$4.1 million	\$5.1 million
Average Payments Years 1-10	\$7.2 million	\$6.5 million	\$7.1 million	\$6.0 million	\$6.7 million
Total Cost	\$143.4 million	\$153.9 million	\$162.3 million	\$157.7 million	\$165.3 million
Payments Begin	2027	2027	2029	2027	2029

* For Discussion Purposes only, the amount is subject to change



Examples of Tools Used to Pay Debt

- Service Cuts
- Refinancing or issuing new debt
- Budget surpluses and asset management
- Tax Increases
- Sell rights to collect unpaid property taxes
- Sale of assets
- Bankruptcy restructuring

Municipal Approaches to Financial Recovery

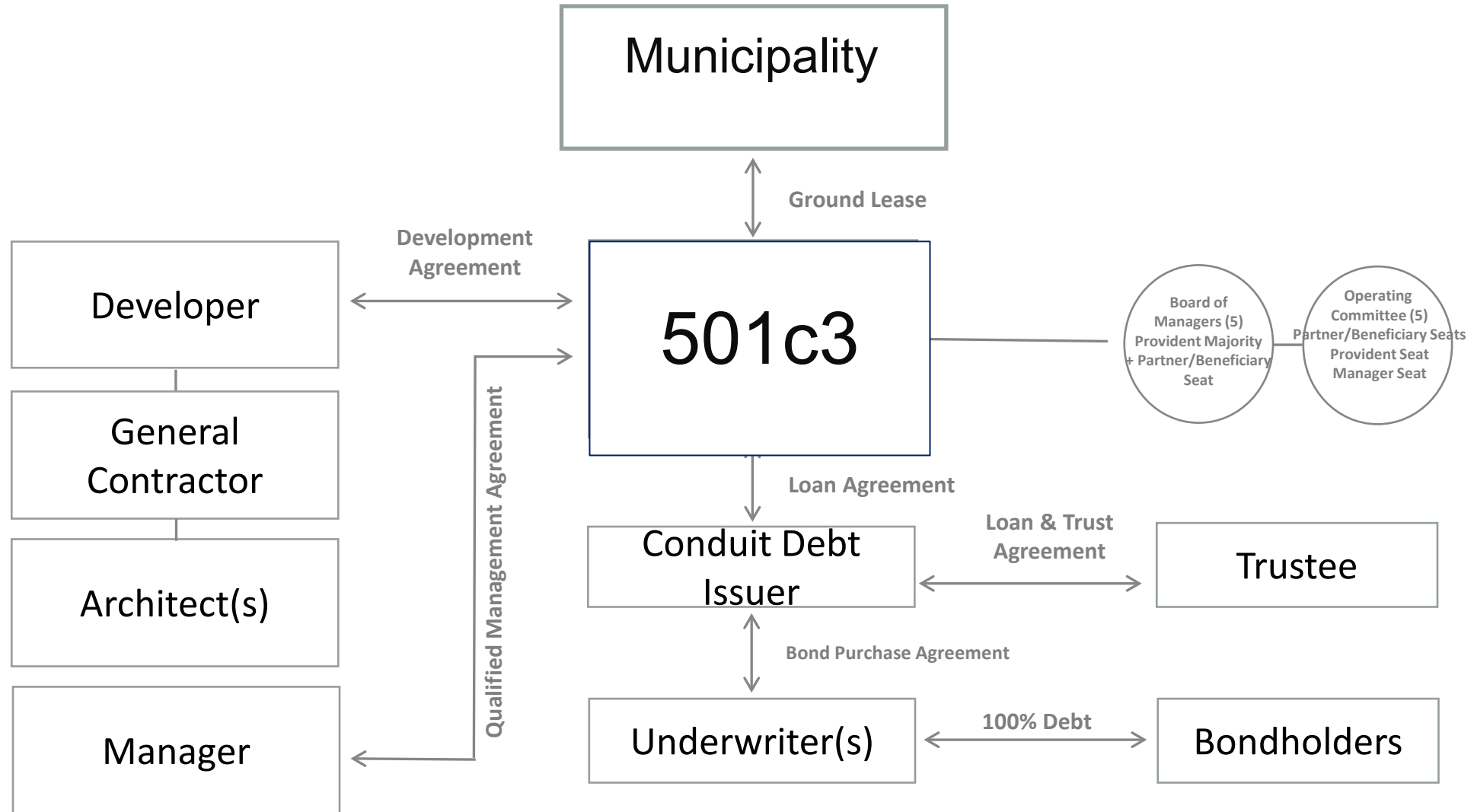
Built with the assistance of AI

City	How dealt with Debt	Date
Stockton, CA	Bankruptcy restructuring, renegotiated obligations and reduced pressure on its budget	2012
Vallejo, CA	Filed for bankruptcy, cut services and payroll, then added a sales tax to improve revenue	2008
Jefferson County, AL	Entered bankruptcy proceedings and restructured sewer debt	2011
Worcester, MA	Sold delinquent tax liens to raise cash	2000s
Lawrence, MA	Sold about \$4.2 million in tax liens in bulk	2009
Lowell, MA	Sold delinquent tax liens to generate revenue	2000s
New York City, NY	Used tax lien sales and property tax collection enforcement. Asset sales and privatizations became part of broader restructuring efforts	Various years
Philadelphia, PA	Used sequestration and sheriff-sale enforcement to collect unpaid property taxes and water bills	2000s-2020s
Newark, NJ	Sold 16 municipal buildings including police and fire headquarters and cultural buildings	Post-2008 fiscal crisis
Chicago, IL	Leased its parking meter system to a private consortium for about \$1.15 billion	2008

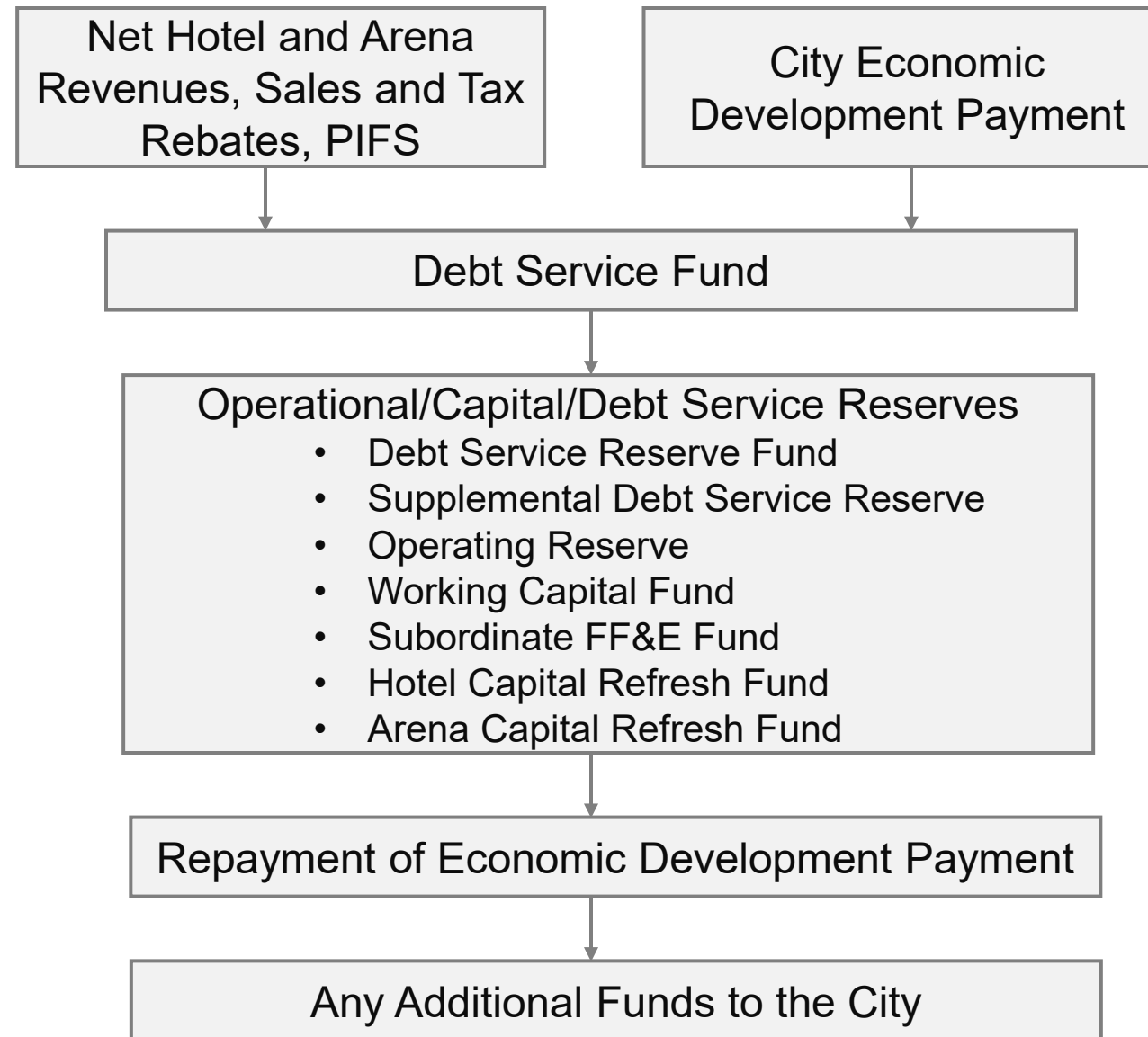
Thank You



501c3 non-profit conduit structure



Bond Funding Flow of Funds for Repayment



Description of Funding Elements

- **Certificate of Participation** is a financing instrument to fund capital projects. Investors purchase shares in a lease agreement. Form of lease-backed financing.
- **Non-profit 501c3 financing conduit** creates a means for raising capital through tax-exempt bonds to fund large scale projects with public benefit.
- **Moral obligation on debt** is a commitment to avoid defaulting on payments, even if it means appropriating funds from the general fund.
- **Annual economic development payment** adds additional security to the bonds by providing a revenue stream that is not dependent on project performance.
- **General Improvement District (GID)** is a local taxing entity created to fund specific public improvements within a specific area.
- **Enterprise Fund** is an entity used in government for activities that provide goods or services to the public for a fee.