

Main Street Improvements:

Certificates of Participation Proposal

March 10, 2026

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PURPOSE



Recap



Council direction, September 2026

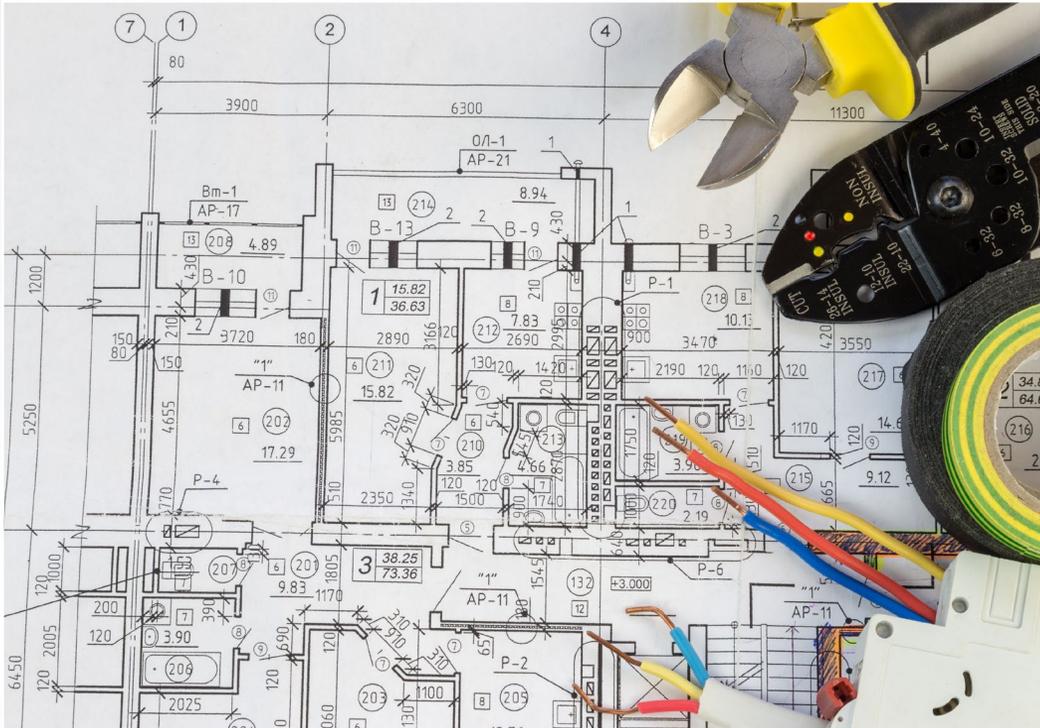


Recommended strategy for 2026 COP financing



Seek Council support to advance issuance of COPs in 2026

THE CHALLENGE



Long Term Capital Funding

- Aging/inefficient facilities (avg. age 75 years)
- Main St. Improvements in design
- Want to accelerate construction and limit cost inflation on 2024 concept plan
- Additional large infrastructure reinvestment needs (facilities, project downtown, bridges/underpasses)
- City currently has no debt
- Butler Snow and UMB, the City's Bond Counsel and Financial Advisors are here to help us understand our options

SNAPSHOT OF OUR FACILITIES

Building Name*	Year Constructed	Age	Size (SF)	Major Renovation / Remodel (if any)
Municipal Courthouse	1900	125	19,982	Major renovation in 1999
Town Hall Arts Center	1920	105	12,811	None
Bemis House	1921	104	2,461	Major exterior renovation in 2007.
Bellevue Service Center – Grounds / Utilities / Streets – Building 2	1948	77	19,608	None
Bellevue Service Center – Building Maintenance – Building 3	1948	77	4,820	None
Bellevue Service Center – Administrative Building 1	1961	64	17,040	None
Littleton City Center	1978	47	83,083	Police Renovation / Addition in 2009; Community Development /Permit/ Council Chamber remodeled in 2020; HR / City Clerk remodeled in 2022
Museum	2005	20	32,379	None

CURRENT MAJOR PROJECTS SUMMARY

Major Project	Total Project Cost	Annual Debt Service Impact	Project Phase	Impact Area	Planned Start Date	Planned End Date
Main Street Improvements	\$27.5M - \$30M	\$1.9M - \$2.1M	Design	Cultural, Operational, and Economic	Q2 2026	Q1 2029
Belleview Service Center – Buildings 2 & 3 Replacement	\$30M - \$35M	\$2.1M - \$2.4M	Pre-Design	Operational	Q1 2026	Q2 2030
Town Hall Arts Center Improvements	\$3M - \$6M	\$210K - \$420K	Pre-Design	Cultural and Economic	Q3 2026	Q3 2028

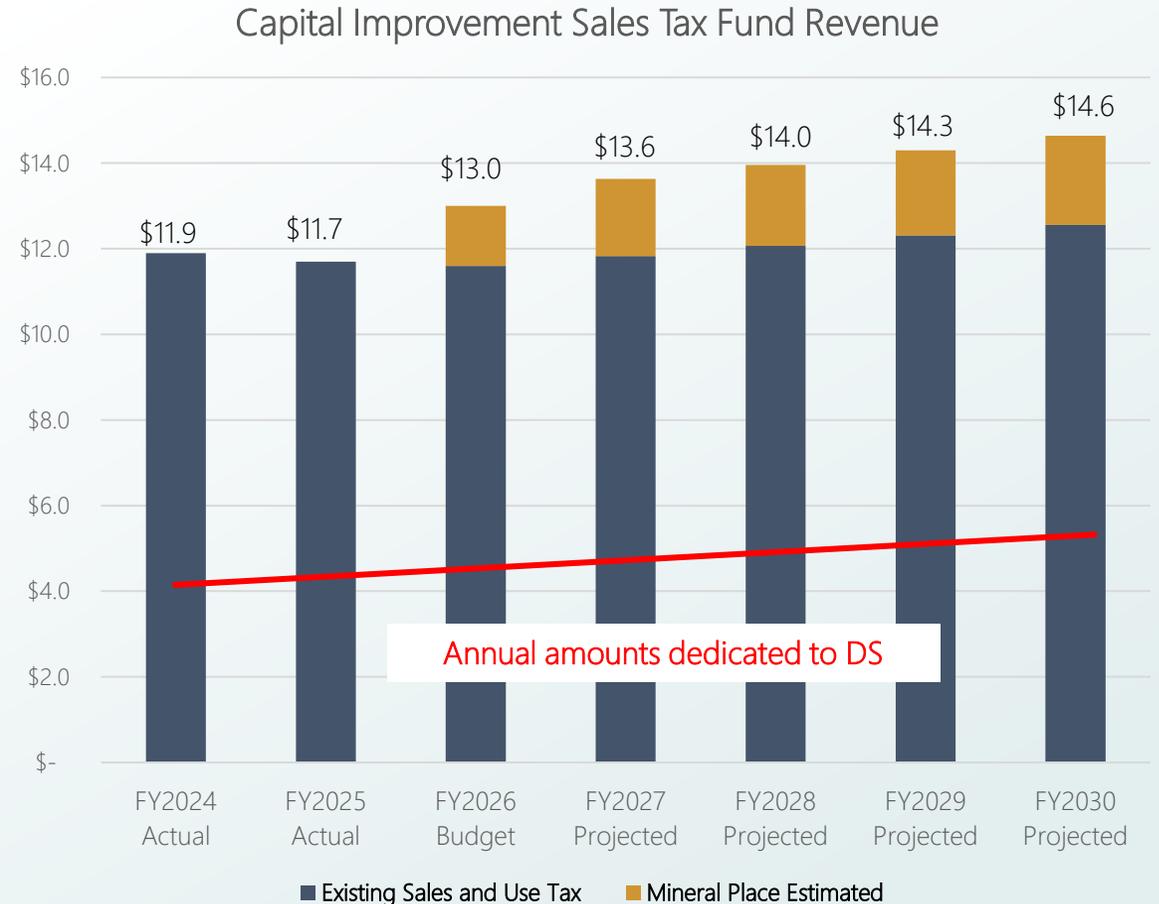
FUNDING & FINANCIAL CAPACITY

Conservative Debt Policy:

- City is currently debt free
- Up to 33% to pay for debt annually provides ~\$4M in 2026
- Capital Sales Tax revenues projected to grow over time, providing additional funding capacity

COP Capacity:

- Currently ~\$79 million of asset value capacity available
- With the new building value, ~\$97 million of capacity available



INITIAL PROJECTS

Belle View Service Center

\$30.0M

Fleet maintenance facility,
operations center, equipment
storage

Downtown/Main Street

\$27.5M

Infrastructure improvements and
streetscape enhancements

Town Hall Arts Center

\$3.0M

Arts center renovation and
community programming space

Rationale

Project readiness

Suitable for COPs

Ability to accelerate the
construction

Avoids additional cost
inflation

PROJECT STATUS

Main Street, Downtown

- Ready to award Cost Estimator Contract
- Ready to review Construction Agreement

READY

Service Center

IN PROGRESS

Town Hall

PLANNED

MAIN STREET IMPROVEMENTS

Infrastructure Performance

- Replace and modernize aging utilities and surface infrastructure
- Improve drainage, pavement structure, and system reliability
- Reduce long-term maintenance risk and lifecycle costs
- Support resilient infrastructure capable of serving downtown for decades

Downtown Function & Access

- Enhance safety and accessibility for all users, including pedestrians, cyclists, transit, and vehicles
- Maintain business access and throughout construction
- Improve curbside functionality
- Support a vibrant, active downtown environment for residents, visitors, and businesses

Delivery & Long-Term Value

- Deliver improvements within established financial guardrails
- Phase construction to minimize disruption and protect downtown operations
- Establish repeatable design standards and delivery practices for future phases
- Protect the City's long-term investment through disciplined governance and risk management

TYPES OF MUNICIPAL BONDS

General Obligation

- Not secured by any assets
- Backed by the “full faith and credit” of the issuer, including the power to tax residents to pay bondholders
 - Commonly used for police stations, K-12 schools, and city hall
- Requires voter approval

Revenue

- Not backed by the government’s taxing power but by revenues from a specific project or source, e.g. sales tax
 - Commonly used for a specific project or system, e.g. power, water, and sewer
- Voter approval may or may not be required

Certificates of Participation

- Lease financing used to acquire or lease real estate
 - Investor purchases a share of the lease revenues
 - Issuer pays investors via lease revenues
- Common alternative to issuing debt
- Voter approval not required

Other

- Special Assessment
- Private Activity Bonds
- Conduit Bonds

Certificates of Participation (“COPs”)

- Lease-purchase agreement used to acquire or construct a capital asset
 - Most often certificates of participation are issued to investors payable from the annual rents
 - COPs may also be issued leveraging the value of the capital asset to be acquired or constructed (e.g. facilities) or the value of eligible real estate assets (roughly \$66M in 2024)
- Rent payments are only due if Council annually appropriates the amount necessary for such payment in the next year
 - City stands to lose the leased property if there is no appropriation
- Courts have held such agreements are not a debt and no election is required

COP CASHFLOW STRUCTURE

Delivery Date of Certificates Cashflow



Ongoing Cashflow Process Post Delivery Date



RECENT COPS – ROAD/HORIZONTAL PROJECTS

Reference points for the City of Littleton’s upcoming Certificates of Participation (COPs)

Issuer / Series	Series	Par (\$mm)	Credit Ratings (Moody’s/S&P)	Purpose	Final Maturity
Larimer County	2025	\$110.0	AA+	Ranch Master Plan Projects, including new buildings and site infrastructure	2039
Pueblo County	2023	\$55.0	A+	Medal of Honor Boulevard connecting Pueblo West Metro District and City of Pueblo	2052
State of Colorado (SB-267)	2018 / 2020 / 2021 / 2022	\$2,000.0	Aa2	Highway improvements across the state	2037 / 2039 / 2040 / 2041
Town of Breckenridge	2020B	\$7.1	Aa2	Broadband	2039
City of Fort Collins	2019	\$23.9	Aa1	Highway interchange at I-25 and Prospect Road & Joint police training facility with City of Loveland	2033

FINANCING STRUCTURE RECOMMENDATION

30-Year Amortization

RECOMMENDED

- Lower annual debt service
- More financial flexibility
- Preserves capacity for future projects
- Matches 30+ year facility useful life

20-Year Amortization

- Higher annual debt service
- Lower total interest cost
- Limits capacity for other initiatives

Negotiated Sale

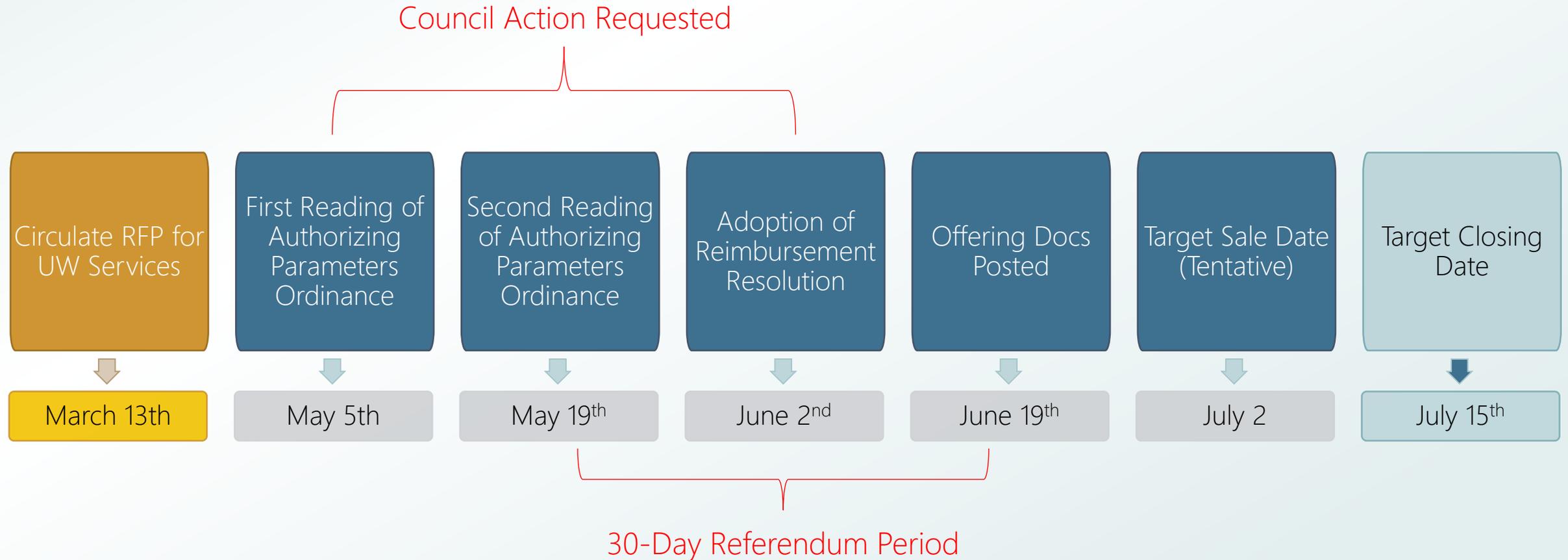
RECOMMENDED

- Timing flexibility to optimize rates
- Execution certainty for infrequent issuers

Competitive Sale

- May achieve slightly lower rates
- Less timing flexibility

2026 COP FINANCING TIMELINE

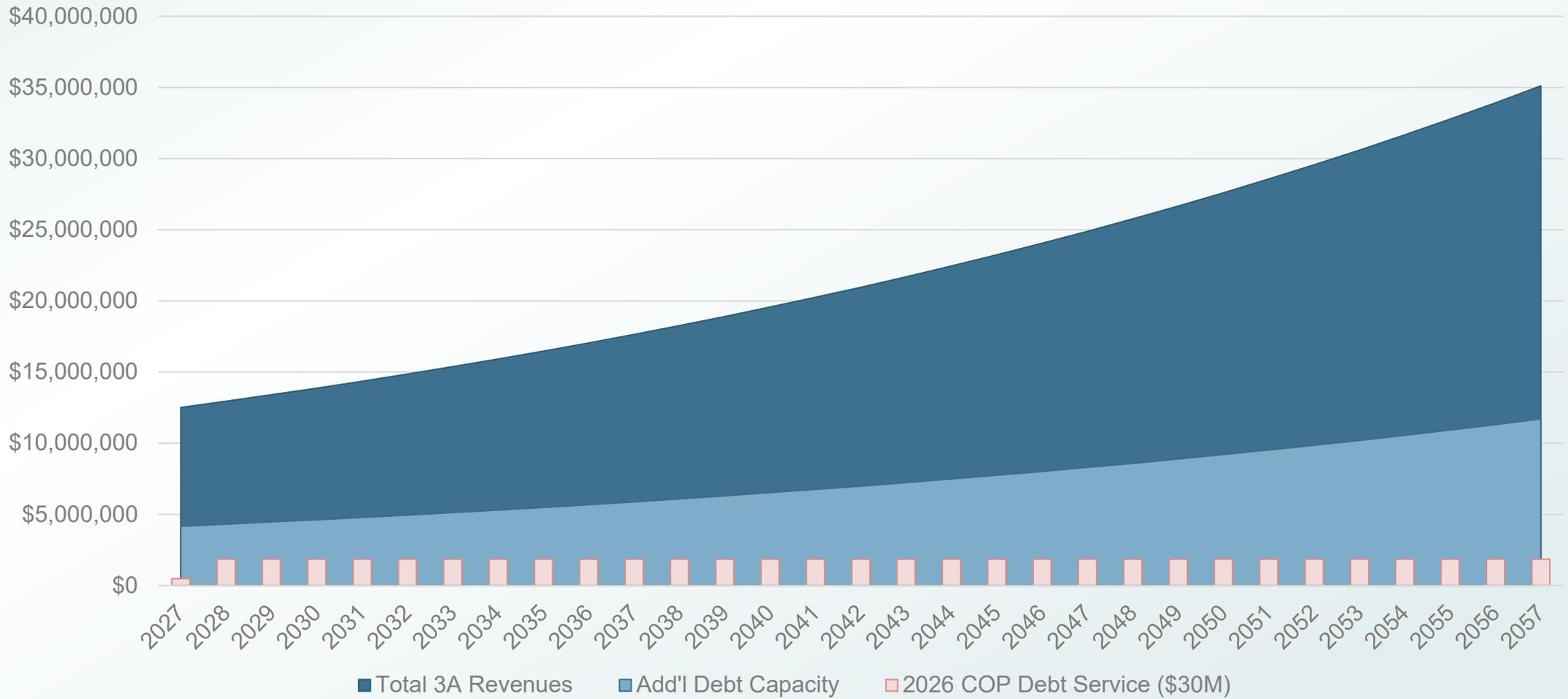


DEBT SUMMARY

	\$27.5 MM Project Cost	\$30MM Project Cost	\$32MM Project Cost
True Interest Cost	4.52%	4.52%	4.52%
Average Coupon:	5.00%	5.00%	5.00%
Maximum Annual Debt Service:	\$1,701,250	\$1,855,500	\$2,009,000
Average Annual Debt Service:	\$1,694,750	\$1,848,478	\$1,985,007
Total Debt Service:	\$51,402,706	\$56,065,376	\$60,206,364
Total Interest:	\$25,282,706	\$27,575,376	\$29,826,364

Current market rates as of February 23, 2026. Preliminary and subject to change

FUTURE COP CAPACITY



Source: UMB

2026 AND BEYOND



Facilities Master
Plan



We have a lot of
work to do



And will be using all
the tools in our
toolbox

Proposed Strategy

- Issue COPs to finance the Main Street Improvement project
 - Negotiated Sale
 - Not to exceed \$30M
- COPs to be paid via the Capital Improvement Sales Tax Fund

Timeline

- March 13th - Circulate RFP for underwriting services
- May 5th – 1st Reading Authorizing Ordinance
- May 19th – 2nd Reading Authorizing Ordinance
- June 2nd – Reimbursement Resolution
- June 19th – Offering documents posted
- July 2nd – tentative sale date
- July 15th – target closing date

SEEKING DIRECTION

Does Council support the issuance of COPs in summer, 2026, for Main Street Improvements, in an amount not to exceed \$30M pending final approval of COP parameters prior to issuance?

Alternative: Direct staff to pause project and pursue alternative financing mechanism (would delay construction until 2028 or 2029)