Colorado Springs Urban Renewal Authority

Request for Proposals for Underwriting Services or Bank Direct Purchase

United States Olympic Museum Financing

DUE: FRIDAY, MARCH 25, 2016 AT 3:00 PM MDT

Strictly Private and Confidential

RBC Capital Markets

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RBC Capital Markets, LLC
Municipal Finance
1801 California Street, Suite 3850
Denver, Colorado 80202

March 25, 2016

Colorado Springs Urban Renewal Authority
c/o North Slope Capital Advisors
730 17th Street, Suite 900
Denver, Colorado 80202

Ladies and Gentlemen:

RBC Capital Markets, LLC (RBCCM) appreciates the opportunity to respond to the Colorado Springs Urban Renewal Authority's ("CSURA" or "Authority") Request for Proposals. We offer the Authority the strength of a global bank with a 100-year Colorado presence and considerable Colorado underwriting expertise, especially with tax increment financing and development authorities. We are well-positioned to serve the Colorado Springs Urban Renewal Authority and bring your attention to the following:

Expertise and Underwriting Colorado Tax Increment Bond Issues: Colorado Tax Increment Bonds can be unique credit structures relying on incremental sales tax revenues as well as ancillary structuring features for security. We offer the CSURA decades of experience in structuring development and re-development agency bond transactions for Colorado issuers and issuers in other states. **Since 2003, RBCCM has participated in 60 development financing transactions totaling $3.5 billion in Colorado, more than any other firm in the State.** Our experience includes Plaza (Belmar), Centerra, Rampart Range (RidgeGate), Park Creek (Stapleton) and Interlocken. Additionally, we also serve large Urban Renewal Authorities including Denver Urban Renewal Authority and Broomfield Urban Renewal Authority. Our success translates to a low borrowing cost for the Authority. We bring you considerable expertise at structuring, rating, insuring and marketing Colorado development and re-development authority bond issues. In fact, based on our knowledge of the available revenue stream, we estimate the Authority has the ability to bond for approximately $39,250,000 with total proceeds of $36.72 million available to the project.

Colorado Springs and El Paso County Experience: RBC and the finance team have worked with a majority of the issuers in El Paso County including the City of Colorado Springs, Colorado Springs Utilities, Colorado College, Cheyenne Mountain Schools, Colorado Springs D11, Manitou Springs Schools, Academy Schools, Peyton Schools, Fountain Fort Carson Schools, Widefield Schools and multiple metropolitan districts.

In addition, while at a previous firm Mr. Persichitte worked with many issuers in El Paso County including Colorado Springs Utilities, City of Colorado Springs, El Paso County, Fountain Valley Authority, Woodmoor Water & Sanitation District, Ellicott Schools, Miami Yoder Schools, Briargate General Improvement District and the Town of Monument. Our firm and the finance team have a deep and comprehensive understanding of the political and economic issues surrounding the Colorado Springs area. In fact, we were the Underwriter on the $31.47 million Certificates of Participation issued by the City in 2009, which was used to construct the current USOC headquarters.

RBC Independence: RBC has not previously been engaged by the CSURA or the Olympic Museum in this process and is able to provide an independent view of the overall project. We believe that is important in the process as this is the first bond issue to be issued under the RTA legislation. With significant political scrutiny this is important for the Authority and Museum in this process. Our experience with tax increment projects in Colorado and around the Nation is unparalleled in the industry. As the #1 underwriter in Colorado you will not find another underwriter with our experience and expertise in Colorado. Our goal is to provide the Museum with the highest amount of proceeds possible while providing the Authority with the strongest overall structuring package to limit any potential downside risk.

We are hopeful that our proposal demonstrates our understanding of the Authority's financing objectives and our ability to execute a successful transaction to the CSURA's maximum benefit. We are committed to being a strong financing partner to the Authority and sincerely hope to have the opportunity to work with you.

Sincerely,

RBC CAPITAL MARKETS, LLC

Michael Persichitte, Vice President	Kelly Murdock, Director
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Disclaimer

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Contents

Firm and Financing Team

1. Please provide the legal name of the firm, contact information for the professional responsible for managing the financing process, and names of other professionals that will work on the proposed financing in a day-to-day basis

RBC Capital Markets, LLC (RBCCM) is an indirect wholly-owned U.S. broker-dealer subsidiary of the Royal Bank of Canada. RBCCM provides a full range of corporate and investment banking, sales and trading, research and related products and services to corporations, public sector and institutional clients in North America and specialized products and services globally. Headquartered in New York City, RBCCM is one of the top full-service investment banks and broker-dealers – comprising over 7,200 employees operating from 70 offices globally. RBCCM's Municipal Finance group is one of the largest in the United States with 350 professionals in 27 different cities.

RBCCM has assigned a team of bankers with considerable experience in structuring superior financing approaches taking into consideration the needs, resources and specific goals of our Colorado municipal clients, such as the City of Colorado Springs (the "City") and the Colorado Springs Urban Renewal Authority ("CSURA" or the "Authority"). **Michael Persichitte, Vice President,** will lead RBCCM's financing team from our Denver office. Michael has a wealth of experience serving Colorado-based clients, most notably working with Colorado special districts in constructing complex financing structures which utilize unique and wide-ranging revenue sources. Over his career Michael has assisted in the issuance of over $7.0 billion in tax-exempt and taxable debt financings totaling over 125 projects in the state of Colorado. Contact information for Michael, as well as the other members of our financing team, follows below.

Name, Title & Location	Telephone and E-Mail	Role to the City and CSURA
Michael Persichitte, Vice President, Denver	303.595.1202 michael.persichitte@rbccm.com	Lead Banker
Kelly Murdock, Director, Salt Lake City	801.656.2928 kelly.murdock@rbccm.com	Secondary Banker
Tom Wendelin, Director, Denver	303.595.1211 tom.wendelin@rbccm.com	Structuring Expertise
Garret Mueller, Analyst, Denver	303.595.1201 garret.mueller@rbccm.com	Transaction Support

Distribution

2. Discuss which distribution channel is likely to produce the lowest cost financing for the project, bond issue or bank loan. Include a comparison of the different risk profiles of the two alternatives. Assume current market interest rates as of March 17, 2016.

As a result of the financial downturn, investors have increased their credit diligence, and are much more sophisticated in their analyses of bond issues. While this typically takes some additional marketing time this has created a market of investors that have a better understanding of the key credit factors. While recently we have seen the markets in Colorado expand for lower rated credits it has yet to reach pre-2008 levels. For the US Olympic Museum issue the key factor is the demonstrated revenue stream for the repayment of the obligation and if the bond issue can achieve an investment grade rating. Since 2015 represented the first year of the CSURA receiving revenues, it is too soon for the rating agencies and will be difficult at this stage for the bond issue to achieve an investment grade rating. We describe our analysis further in question 3. With a limited revenue stream of $62.4 million, the Authority will need to achieve an interest rate below 5.50% to issue $30 million in bonds. Based on this the lowest cost form of distribution for the Authority will be a bank direct placement.

Bond Issue Distribution

As discussed in question 3, our analysis shows that it is too soon for the USOM project to achieve an investment grade rating. As a result, a public bond issue would be done on a non-rated basis. In today's market this would result in an interest rate for a 30-year bond of about 6.0%. Since there haven't been many bond issues of this size and credit in the market there will need to be a significant amount of marketing time to explain the pertinent issues to investors. If the Authority chooses to go this route we would target many of the large "BBB" and non-rated buyers for Colorado bonds. The top 15 buyers in this market represent approximately 75% of the overall holdings and would be able to understand the revenue stream for repayment of the bonds. The table on the next page summarizes the top 15 holders, and their holdings, of Colorado "BBB" and non-rated paper.

Should the Authority decide to go to market with a non-rated bond issue, these investors will be actively targeted in the distribution. Specifically, we have seen Nuveen, Vanguard, Franklin, Oppenheimer, Delaware, Eaton Vance, Federated, Capital Research and USAA be very active in this marketplace. In addition, there have been a number of active local Colorado buyers, including Bear Creek, Alpine, Denver Investment Advisors and Schwab, who have purchased bonds in this rating category.

Colorado 'BBB' & Nonrated Bondholders (Top 15)	
Investor	Holdings ($000)
Nuveen Asset Management, LLC	1,061,822
Capital Research & Management Company (U.S.)	361,443
Invesco Advisers, Inc.	331,685
Franklin Advisers, Inc.	290,235
Freedom Funds Management Company	272,668
Western Asset Management Company	175,220
MFS Investment Management	168,114
The Vanguard Group, Inc.	159,805
OppenheimerFunds, Inc	154,304
USAA Asset Management Company	135,090
Waddell & Reed Investment Management Company	133,796
BlackRock Advisors, LLC	128,040
Delaware Investments	123,060
Wells Capital Management, Inc.	118,890
AllianceBernstein, L.P. (U.S.)	94,153
Total	**3,708,325**
Top 15 Holders Represent 75% of Public Holdings	

Clearly, strong pricing execution with a low interest rate is the ultimate measure of the success for the marketing effort. Success is also determined by the breadth of investor interest in buying the Authority's bonds as measured by the number of orders placed for each maturity, new investors attracted to the credit, and the ability of our desk to lower yields along the scale because of the magnitude of orders placed. RBCCM places strong emphasis on maintaining a large book of investors to benefit our issuer clients. With a total of 1,292 separate trades in Colorado-specific "BBB" and non-rated bonds from January 2015 to March 17, 2016 and with an average weekly trading volume of $10.58 million, we are consistently making a market for lower-rated Colorado issuers. This volume represents the depth of our trading and distribution platform and how consistently we are talking with the key investors outlined above to understand their preferences. While the lowest cost for the Authority is through a direct placement, we have the platform and underwriting capabilities to provide a public option, should the Authority desire such distribution.

Bank Direct Placement Distribution

As a top 10 National Placement Agent, RBCCM has spent a long time developing the market for direct placements. In Colorado, we maintain strong relationships with approximately 32 different local investors who are active in the direct placement market. We have developed this Colorado market over the years as more banks have begun to directly invest. Based on our experience and understanding of their market preferences, we have narrowed own this group to our core targets. In our initial discussions with local banks we have identified 3-4 banks that would be interested in buying this credit based on the structure we have created in question 4. Based on today's interest rates we would expect the Authority and USOM project to achieve an interest rate of 3.25%. This is based on the anticipation that the financing term would be initially set over 30 years with interest rate resets every 5 years. This would minimize the Authority's market access risk in the future as there wouldn't be a need for a balloon payment after the initial rate period.

Advantages of a Bank Direct Placement

With the consideration of a bank direct placement the Authority has the option to test the bank market while still receiving input from a public offering. RBCCM is able to tap our existing relationships with local, regional and national banks to receive term sheets on taking the Authority's bond issue onto their own balance sheet. This approach has many advantages for this project including:

- Call Option – Typically a bank direct placement will offer shorter call options, which may or may not include a pre-payment penalty.
- Interest Rate – With a non-rated credit the interest rate can be lower than a publicly offered transaction due to the ability for the banks to do more work to understand the credit.
- Cost of Issuance – With less documentation the cost of issuance can be lower.
- Less Disclosure – Most banks do not require a full offering document, limiting the amount of disclosure information on the Authority that is required.
- Flexible Structures – As the market has matured the banks have been more flexible in providing innovative structures that fit Authority needs.

With a bank direct placement, RBCCM will prepare the package and negotiate the best terms available with the banks to achieve the Authority's goals. This process allows the market and competition between the banks to achieve a flexible structure which provides the lowest cost. As we discuss in question 4 and have provided in Appendix A we have prepared an initial model that outlines the bank loan option available for the Authority which provides the greatest amount of proceeds.

We welcome the opportunity to work with the Authority, Museum and financial advisor to further refine our analysis before seeking a buyer.

Bond Issue vs. Bank Placement Risk Profiles

As the following chart shows, there are some differences in risk between a bank direct placement and a public bond offering. The biggest risk differential between the two is interest rate risk, disclosure risk, covenant, tax and term. In our negotiations with the banks, many of these risks can be mitigated up front through a defined structure.

Interest Rate Risk: For a direct placement, typically the rate is set for a shorter period of time than in a traditional bond offering. In a placement, the interest rate would reset after a period of time but typically is lower as the rate is based on a shorter maturity than the bond offering.

Disclosure Risk: In a traditional offering, the Authority will need to put together a disclosure document and maintain market disclosure on an ongoing basis, which is typically more rigorous than what is required with a direct placement. In a direct placement, the ongoing disclosure is typically limited to quarterly financial information.

Covenant Risk: In a traditional offering, the finance team and Authority are able to determine the covenants based on typical market convention. In a direct placement, these terms are negotiated between the bank and the finance team. In recent years we have seen the banks reduce the amount of covenants that they require and become more lenient in the requirements. This is something that will need to be negotiated and agreed upon by both parties.

Term Risk: In a direct placement, there can be balloon risk at the end of the initial term period. In the structure we have proposed we are limiting this risk as the Authority will have committed funding for a 30-year period similar to a traditional offering.

Tax Risk: In a direct placement there will typically be a change in interest rate should the bonds become taxable in the future. This is a potential risk of a higher interest rate to the Authority.

Additional Considerations

Item	Bank Direct Placement	Traditional Bonds
Committed Funding Amount	Full Amount Known at Closing Released Amounts Determined Objectively by Fixed Coverage Levels and assumed	Full Amount Unknown – Subject to Development, Future Interest Rates, Debt Service Coverage Requirements, Additional Bonds Test and Pool of Buyers
Total Funding Amount	Larger Due to the Structure	Smaller Due to the Structure
Term of Repayment	5, 7 and 30 Years	30 Years
Interest Rates	Lower Due to Shorter-Term or Rate Reset Provisions	Higher Due to Long-Term Borrowing and Long-Term Fixed Rates
Bank Regulatory Risk	Changes in banking regulations and laws impact the pricing of a bank transaction on an ongoing basis. All bank documents contain provisions allowing the bank to pass on costs of regulatory and/or legislative changes to borrowers - regardless of the original loan pricing and terms.	No bank regulatory risk
Changes in Interest Rates	Fixed Spread – Set at a 5 Year Reset for 30 Year Option	Fixed – Set at Each Borrowing
Prepayment Option	Anytime with Reasonable Premiums After 3 Years with No Premium	No Prepayment until 10 Years After Issuance
Capitalized Interest Reserve Fund	Small Amount Due to Supportable Revenue	Significantly Larger Due to Market Standards and Inability to Prepay Unused Amount Immediately
Net Proceeds for Projects or Reimbursements	Larger (Lower Rates, Low CAPI, Smaller Reserve Fund Needed)	Smaller (Higher Rates, More CAPI, Larger Reserve Fund Needed

Rating

3. Indicate whether you believe this financing can achieve an investment grade rating. Provide your views of the credit strengths and weaknesses of the project and the cost/benefit of pursuing a rating versus selling the bond issue or bank loan as non-rated.

As a leading underwriter of tax increment bonds and various other forms of limited revenue based tax-exempt and taxable development financings, RBCCM is well suited to assist with your rating process. RBCCM plays an active role in the rating process by helping issuers anticipate questions, prepare rating presentation materials and presenting information in the best possible light.

Colorado Springs Urban Renewal Authority – US Olympic Museum Rating Approach

CSURA and the USOM will directly benefit from RBCCM's experience in obtaining ratings for Colorado urban renewal authorities. For example, RBCCM's bankers understand that Moody's and Fitch often take more "holistic" approaches, considering the supporting jurisdiction as well as projected revenues. Standard & Poor's (S&P) often only considers the projected revenues, giving little or no credit to the governing jurisdiction and future build out. In this case the potential increase in State sales tax revenues arising from the four City for Champions projects.

The investment grade rating universe for tax increment bonds ranges from "BBB-"to "A+". The large differential between the ratings is based on the size of the increment area, history of the tax base, supporting jurisdiction credit enhancement, diversity of the revenue stream and general socioeconomic factors. As a result the rating for the USOM project is capped in the "A" range. There are several different factors that the rating agencies consider with tax increment bonds. We have identified the broad categories that the agencies typically consider in the chart to the right:

	Rating Value
Project Area Characteristics / Tax Base	
Socioeconomic Factors	5%
Tax Base Size	10%
Economic Diversity	15%
Tax Base Volatility	15%
Subtotal	**45%**
Financial Strength	
Debt Service Coverage	25%
Revenue Trend	10%
Subtotal	**35%**
Legal Provisions	
Additional Bonds Test	20%
Subtotal	**20%**
Total	**100%**

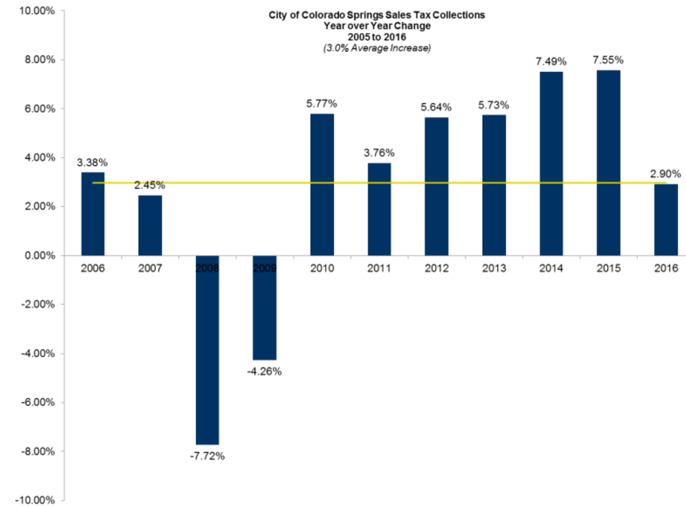
Since the urban renewal authority will be passively receiving the pledged revenues from the State for the project there is no ability to raise additional taxes. The revenue to pay back the bonds is subject to the economic environment in Colorado Springs and may fluctuate based on the overall health of the economy. The benefit of the pledged revenue is that the defined TIF area has been made broad enough to capture a large portion of the overall revenues. With the base being set in 2013 there has only been a limited amount of time to receive the incremental revenues from the State. Typically, the rating agencies want to see a demonstrated trend of revenues over an extended period of time.

RBC has prepared a chart outlining the most important strengths and weaknesses in terms of credit. This chart, in our opinion, reflects some of the items rating agencies will consider.

Strengths	Challenges
Large defined sales tax increment area	Tax base volatility
Low debt burden	Debt service coverage
Diversified tax base	Limited cap on tax revenues
Strong socioeconomic factors	Limited history of collections

Project Area Characteristics/ Tax Base: The biggest portion of the credit analysis will be the sales tax increment revenue stream to the URA. The application for the RTA provided for a very large and diverse increment area which is a big boost for the overall credit as it represents approximately 25% of the rating. Strong socioeconomic factors in Colorado Springs boost the credit profile of the issue and factors to a total of 30% of the rating. These factors alone would put the USOM project in the 'A' rating category. The biggest drawback in this rating factor will be the volatility of the base increment. Since we have only received one year of the sales tax increment there is a large amount of potential volatility to the base. The rating agencies typically like to see a ratio of increment to base above 80%. Since there has not been a significant amount of time between the base year and the current year the increment has not had enough time to grow to a substantial amount. In our modelling, this will take five years or more for the agency to achieve. In general the rating agencies are looking at a worst case scenario if the overall sales tax in the region decreased significantly and how this would affect the overall revenue stream. This portion of the rating represents approximately 15% of the rating and would likely fall in the non-rated category. In large part, the rating agencies will want to stress test the increment versus a worst case scenario. As we saw in 2008 & 2009, the City's overall sales tax collections decreased by nearly 12%. Without a significant period of time between the base year and increment total this stress test will significantly reduce the available revenues as defined by the rating agencies thus leading to a lower financial strength score.

Financial Strength: The next portion of the rating which will provide the largest influence on the rating is the financial strength of the project/area. This is the debt service coverage and overall growth of the sales tax increment. Typically the rating agencies will want to see at least three years of increment growth to be able to rate a credit. They view this as important to see the overall trend of the revenues and smooth out any large increases or decreases over time. Since the area was recently formed, we don't have actuals for three years. We will be able to show them historically what the collections have been over the years in the area but we will not be able to show the actual increment change. To an investor this is an easy jump to make from historical information to actuals. The rating agencies will have a much tougher time getting comfortable with this analysis. In addition, this portion of the rating includes the debt service coverage. Typically for an investment grade rating they will want to see coverage above 1.3 times Maximum Annual Debt Service. The key in this is that they are not looking at annual coverage but the maximum debt service in any year compared to current revenues. Since we only have one year of actuals and the bond structure will likely have increasing debt service, it will be difficult to achieve the 1.3x threshold. More importantly, to reach this threshold the Authority and USOM will significantly reduce the overall proceeds available to go towards capital construction.



Legal Provisions: This is the final area of the overall rating and represents approximately 20% of the rating value. This factor relates to the reserve fund and additional bonds test. Primarily, the rating agencies are looking at the liquidity of the project and potential overall impairment of the revenue stream. This rating factor shouldn't be an issue for the USOM since this bond issue will likely be the only one for this well-defined revenue stream. This can be structured in a way to maximize the overall rating.

As a result of our thoughtful analysis we do not think this project will be able to achieve an investment grade rating at this time. This biggest factor is the current time between the base year and the current year. With some modest increases in the overall sales tax collections, we could conceive the Authority & Museum project achieving an investment grade by 2018 or 2019. At that time, the project could achieve a "BBB" rating assuming modest increases in the sales tax increment during that time. Due to this, it makes more economic sense for the Authority to pursue a bank direct placement.

Cost/Benefit of Bond Issue vs. Bank Loan

As we've defined above it would be difficult for the Authority to achieve an investment grade rating. As a result, a public bond issue would be issued on a non-rated basis. While the market for non-rated bonds has continued to evolve, the interest rate differential between a non-rated bond issue and a bank direct placement can be significant. In general, a non-rated issue would garner an interest rate between 5.5% – 6.5% depending on the market at the time. In addition, a non-rated bond issue would require some significant credit covenants, reserve funds and surplus funds available for investors. In question 3, we have prepared a model for a direct placement which has a significantly lower overall interest rate. In general, a direct placement should get the Museum upwards of $8 million in additional proceeds over a public offering.

Structuring

4. Identify any structuring features you believe to be important to a successful sale of the financing including flow of funds, debt service coverage, other financial covenants, redemption features, the value of credit enhancement and any other structuring considerations.

One of the strengths of RBCCM's special district group is our ability to customize a bond issue to meet the issuer's needs. For the Colorado Springs Urban Renewal Authority we have assumed initially going to local banks with a direct placement RFP. With the expansion of this market the terms banks are willing to propose have begun to loosen up and tilted in the Issuer's favor. The relationships that we have developed at RBCCM have allowed us to create new and custom bank products for our clients. For example most banks have been unwilling to go beyond a ten year bond issue or ten year average life. As we have introduced the banks to this market they have been more and more willing to provide flexible and unique structures for our Colorado issuers. With the Authority's issuance for the US Olympic Museum there are several different structuring issues to consider including:

Flow of Funds: Since the collection of the increment will be done by the State and deposited with the Treasury before being remitted to the Special Fund created by the CSURA, there are some additional collection steps. Reducing the risk with the remittance of the State funds will be important to any investor in the project. A key feature will be to make sure that the funds are deposited into a subaccount with a bank trustee as they are received. Since the State is remitting these funds based upon their normal course of collections we have assumed that the monthly payments will be in arrears. This will create a lag time between receipt of the sales tax and debt service payments. In structuring the issue we will want to make sure the Authority has enough cushion to account for this timing lag and the legal structure to ensure the funds are captured appropriately.

Debt Service Coverage: One of the biggest factors to the total amount of proceeds available to the project will be the debt service coverage factor for the anticipated revenues. As we have mentioned in the credit section the projected debt service will need to be structured with maximum annual debt service coverage of 1.3 times based on current revenue. Since this significantly reduces the total amount of proceeds available to maximize the total project funds we will want to structure the bond issue with an implied coverage factor on an annual basis. Since the Authority doesn't have an ability to increase the tax rate, buyers will place a strong emphasis on the sales tax growth rate and annual coverage. Our initial analysis of a direct placement underwriting estimates the coverage factor at 1.3 – 1.35 times on an annual basis. Based on our initial discussions with banks there may be the ability to reduce this further.

Principal Prepayment: One of the key structuring features will be the ability of the Authority to prepay the principal amount from excess annual surplus revenues over the required principal & interest payments. This is sometimes referred to as a 'super sinker' structure which allows for the bond issue to be priced at the average life of the anticipated prepayments. This effectively reduces the interest rate and overall interest cost on the issue. The goal of this would be to reduce the debt service coverage factor needed and reduce the overall interest cost. This would also reduce the potential volatility associated with the base year fluctuations for the buyer which would result in better overall pricing.

Interest Rate & Term: As we described earlier for every 0.50% increase in interest rate the bond proceeds are reduced by approximately $1.0 to $1.5 million. To minimize the interest rate in the beginning the Authority has the ability to borrow on the short end of the yield curve (approximately 5 years) while maintaining a long term financing. With some direct placements the banks will only go to a short term of 5-7 years with a balloon payment due after that term. To minimize risk the Authority should look to have a long term financing in place with the ability to refinance in a short period of time. This reduces market access risk in the future while providing flexibility. In this structure the Authority will be subject to interest rate risk as the rate resets every five years but reduces market access risk.

Optional Redemption: With sales tax increment revenue that has just started it is important to have the ability to restructure or refinance as necessary in the future. Since we are projecting revenues based on historical collections it is important to have the ability to be flexible in structuring the bond issue as we don't know exact future revenues. Having an optional redemption feature that would allow the Authority and Museum to redeem the bonds earlier would allow for the ability to adjust in the future if necessary.

Reserve Funds: Since there isn't an ability to change the sales tax rate a Debt Service Reserve Fund will be important to provide a cushion if there are any years where sales tax revenue goes down.

Value of Credit Enhancement: On a 'BBB' rated bond issue bond insurance can provide significant savings to the issue. In the market today this could be between 10 – 25bp depending on the yield curve. For the Authority, it will be difficult to get insurance on a non-rated credit. In addition, some of the insurance companies are willing to provide wrap insurance on direct placement issues. This may provide value as long as the insurance doesn't come with any detrimental covenants. Additionally the Authority and Museum could seek a Moral Obligation pledge from the City to replenish the debt service reserve fund. This would provide the greatest amount of credit enhancement as the bonds would then be rated in the high 'A' category based on the City's rating. It's our current understanding that the political climate would not allow for the moral obligation pledge at this time.

Direct Placement Bank Loan Structure

RBC has had some informal discussions with local banks on purchasing the Authority's bond issue based on a prepayment structure we have developed. We have prepared a model based on the information that we have at this time from the RFP, CSURA 2016 budget and initial RTA application. It is our understanding that the USOM project will receive approximately $62.4 million in total sales tax over the financing term to be used exclusively for the construction of the museum along with some of the regional infrastructure associated with the project. This revenue stream may come in over a short period of time or over a longer 30 year financing term depending on the pace of sales tax growth within the region. In our model we have estimated the base sales tax at $127 million based on the City's collections in 2013 and conservatively estimated the growth in the sales tax revenue at 2% per year. This is conservative given the average in Colorado Springs since 2005 has been approximately 3.0%.

The structure that we would propose to the Authority maximizes the amount of proceeds available upfront by prepaying a significant portion of the long maturities as surplus revenues accumulate. The initial bond would be structured to provide coverage on an annual basis but allow for the principal to be prepaid should the sales tax increment be higher than anticipated. Our structure is meant to maximize the total proceeds available to the project while minimizing the total interest cost. This would allow the Authority to have an obligation for approximately 15 years rather than 30 years and minimize interest payments. **Based on our knowledge of the available revenue stream the Authority has the ability to bond for approximately $39,250,000 with total proceeds of $36.72 million available to the project.** In Appendix A we have provided the summary cash flow for our analysis.

Sources	Amount
Project Fund	39,250,000
Premium/Discount	-
	-
	-
Total Sources	**39,250,000**

Uses	Amount
Project Fund	36,727,656
Reserve Fund	1,315,625
Capitalized Interest Fund	956,719
Cost of Issuance	250,000
Total Uses	**39,250,000**

Summary	
U.S. Olympic Museum Reimbursement	62,400,000
RTA Base Amount	127,000,000
Total RTA % to City for Champions	13.08%
% to U.S. Olympic Museum Project	52.00%

Initially we would estimate the interest rate on this direct placement at approximately 3.25% with an initial underwriting at a 30 year amortization schedule. We feel confident at this interest rate based on today's market and our contacts with local banks. The interest rate would reset every five years based upon a predetermined fixed spread to a benchmark index. In this structure the Authority would have the option to refund the obligation every three years within the rate reset period. This would allow the Authority and Museum the flexibility to restructure or refund the obligation.

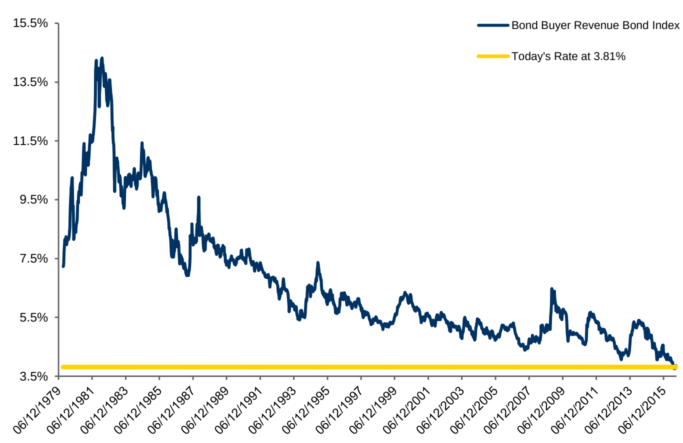
In addition we have not created in the structure a capital maintenance fund for future improvements to the museum facility. It appears that C.R.S 24-46-303 defines the eligible costs associated with the RTA projects to include the "maintenance of the eligible improvements". As our model shows this structure provides approximately $10.09 million in remaining sales tax increment after the initial bonding term that Museum and Authority may want to designate as available revenues for future capital maintenance.

Overall this structure has been vetted with local banks and would be available for the Authority to use in financing the USOM project. Our goal as placement agent to the Authority would be to maximize the proceeds available while maintaining the highest amount of flexibility within the structure. Our experience and knowledge in this area will prove paramount in developing the structuring and negotiating the terms with the banks.

Timing

5. Please identify any timing considerations you feel the CSURA and USOM should be mindful of in terms of interest rate risk, ideal time for issue pricing, or other economic or supply considerations.

Market Update: Before delving into timing and market factors for the Authority to consider, we think it is important to have insight on the current state of the financial market. On March 16, the Federal Reserve announced that it would not raise its short term-borrowing rate from its current level of 0.25%. While the announcement was not a surprise to market participants, the Fed did indicate that its projected pace for rate increases may be slower than anticipated – projecting two rate hikes in 2016, down from the previous estimate of four. As financial markets have already been "pricing in" the likelihood of one or two 2016 rate increases, the Fed's announcement didn't cause a significant stir to the market.



While rates have rebounded from what appears to be a February bottom, they remain near all-time lows – a positive factor for those anticipating entering the market, such as the CSURA. The chart

RBC Capital Markets

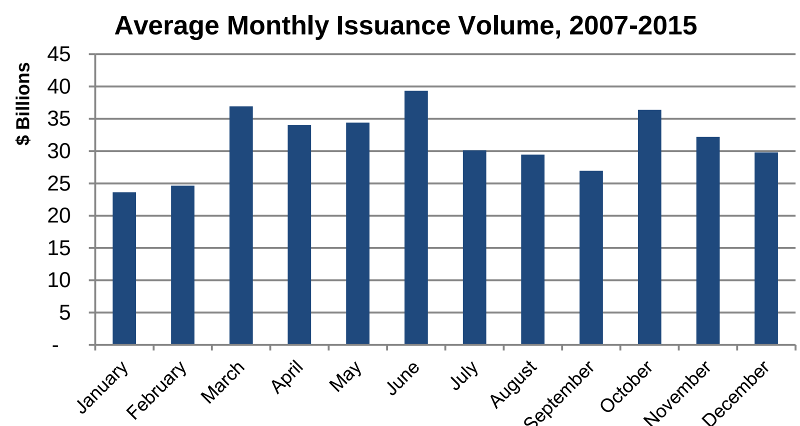
on the previous page indicates that as of Thursday, March 17, the Bond Buyer's 30-year Revenue Bond Index stood at 3.81% - lower than 99.58% of historical rates since September of 1979.

These low rates are beneficial to issuers on a macroeconomic level – it is simply a better time to be issuing bonds than it was when the CSURA went to market with its Series 2008 A/B Tax Increment Revenue Bonds. However, investors are starting to tire of receiving low returns on their investment, and are beginning to demand a greater spread to benchmark rates when purchasing municipal debt.

Keeping these market factors in mind, RBCCM's first timing consideration for the Authority is the Federal Reserve's Federal Open Markets Committee (FOMC) meeting schedule. The FOMC holds eight regular meetings per year, but may call other meetings as market conditions warrant. The next scheduled FOMC meeting is set for April 26-27. While conventional thought in the market is that the FOMC will refrain from taking interest rate action at its April meeting, certain members of the Committee, such as St. Louis Fed President James Bullard, have suggested that an April increase shouldn't be taken off the table. Should the Fed abstain from taking action in April, the next scheduled meeting will take place on June 14-15. Special care should be taken to avoid scheduling significant financing checkpoints at or near FOMC meeting dates, as investors become wary in anticipation of any Federal Reserve actions.

Along those lines, the Authority may benefit from an accelerated timetable for its transaction. As the market prices in the likelihood of Federal Reserve interest rate action, benchmark interest rates increase. Delaying a transaction could subject the CSURA to additional basis points being added to its cost of financing.

As we mentioned earlier, RBCCM's recommendation is for the Authority to pursue a direct placement for its proposed financing. Should the Authority decide to explore traditional fixed rate bonds, however, it is important that the CSURA successfully times the market to maximize investor interest. RBCCM research shows that bond issuance typically subsides in the summer months of July, August and September. This means that the CSURA should consider issuing its bonds after the yearly June issuance peak. Lower supply and higher demand can result in lower interest rates for CSURA. Moreover, there is an increase in cash available for Colorado paper because June and July are some of the highest redemption months for such products. This is important for a middle-market transaction such as CSURA's, which would have increased pricing and marketing competition with large issuers during higher volume periods.



Source: The Bond Buyer

Schedule

6. Please provide a schedule outlining key financing activities and dates, from selection of a banking firm to successful closing of a financing.

RBC will manage the financing timeline and make sure each party meets its required deadlines. RBCCM will be readily available to the Authority board and expects a seamless working relationship with the Authority and its financing team throughout this process. Below is a preliminary timeline based upon past bank placements. Once selected, RBCCM will refine the timeline to meet the needs of all parties.

Date	Event	Responsible Party
March 30	Selection of Placement Agent/Underwriter	Issuer/Financial Advisor
March 31	Organizational Call	All
April 5	First Draft of Bank Term Sheet	Bond Counsel
April 8	RFP Sent to Banks	Placement Agent
April 20	RFP Due	Placement Agent
April 22	Bank Selected	All
April 29	First Draft of Bond Documents Distributed	Bond Counsel

Date	Event	Responsible Party
May 5	Second Draft of Bond Documents Distributed	Bond Counsel
May 10	Approval of Documents and Term Sheet at Authority Board Meeting	All
May 12	Distribute Closing Documents	Bond Counsel
May 13	Pre-Closing	All
May 19	Closing, transfer of funds	All

Firm Credentials

7. Summarize your firm's credentials in underwriting, placing and/or purchasing Colorado financings, TIF financings, and financings for unique projects such as the USOM.

Colorado Financing Experience: RBCCM is consistently among the leading underwriters and placement agents in the United States. **In 2015 alone, RBCCM ranked as the 5th highest underwriter by par amount nationally (totalling $23.4 billion in financings) and the 8th highest placement agent, serving such a role on $686 million of financings.**

RBCCM's national standing is a product of its regional focus. Our 27 national offices allow us to deliver localized service buoyed by the strength of a world-class financial institution. The State of Colorado is a key cog to our regional focus, as highlighted by our municipal finance office in the heart of downtown Denver. The 11 professionals staffing this office take great pride in our position in Colorado, where RBCCM holds a first-place market share in negotiated underwriting. The table at right shows negotiated underwriting rankings for the 2015 calendar year.

We highlight below some of our most recent and relevant financings within the State of Colorado.

2015 Colorado Senior Manager Rankings

Senior Manager	Par Amount (US$ mil)	Rank	Market Share	# of Issues
RBC Capital Markets	**1,299.6**	**1**	**29.7**	**29**
D A Davidson & Co	557.0	2	12.7	39
Stifel Nicolaus & Co Inc.	553.9	3	12.6	31
Wells Fargo & Co	468.9	4	10.7	5
Citi	464.7	5	10.6	4
George K. Baum & Company, Inc.	287.1	6	6.6	26
Ziegler	157.0	7	3.6	3
Morgan Stanley	156.3	8	3.6	2
J P Morgan Securities LLC	99.8	9	2.3	1
Bank of America Merrill Lynch	83.0	10	1.9	1
Industry Total	**4,383.3**			**154**

Source: Thomson Financial (SDC); excludes competitive sales and private placements

MINES
$34,690,000
Colorado School of Mines Institutional Enterprise Revenue and Refunding Bonds
Sole Manager
Jan 2016

DENVER URBAN RENEWAL AUTHORITY
$67,700,000
Stapleton Senior Subordinate Tax Increment Revenue Bonds
Senior Manager
Dec 2015

Park Creek Metro District
$231,290,000
Senior Limited Property Tax Supported Revenue Refunding Bonds
Senior Manager
Dec 2015

27J
$160,000,000
School District 27J (Adams and Weld Counties) General Obligation Bonds
Senior Manager
Dec 2015

$163,480,000
Adams County Refunding and Improvement Certificates of Participation
Senior Manager
Dec 2015

Colorado State University
$126,245,000 | $26,485,000
$138,740,000 | $300,855,000
Colorado State University System Enterprise Revenue Bonds
Senior Manager
Feb 2012 | Sep 2013 | Dec 2013 | Apr 2015

$142,870,000 | $153,705,000
$177,700,000
University of Colorado University Enterprise Revenue & Refunding Bonds
Senior Manager
Oct 2012 | Oct 2013 | Jan 2015

chfa
$55,435,000 | $53,630,000
Colorado Housing & Finance Authority Federally Taxable Single Family Mtg Class I Bonds
Senior Manager
Oct 2014 | Apr 2013

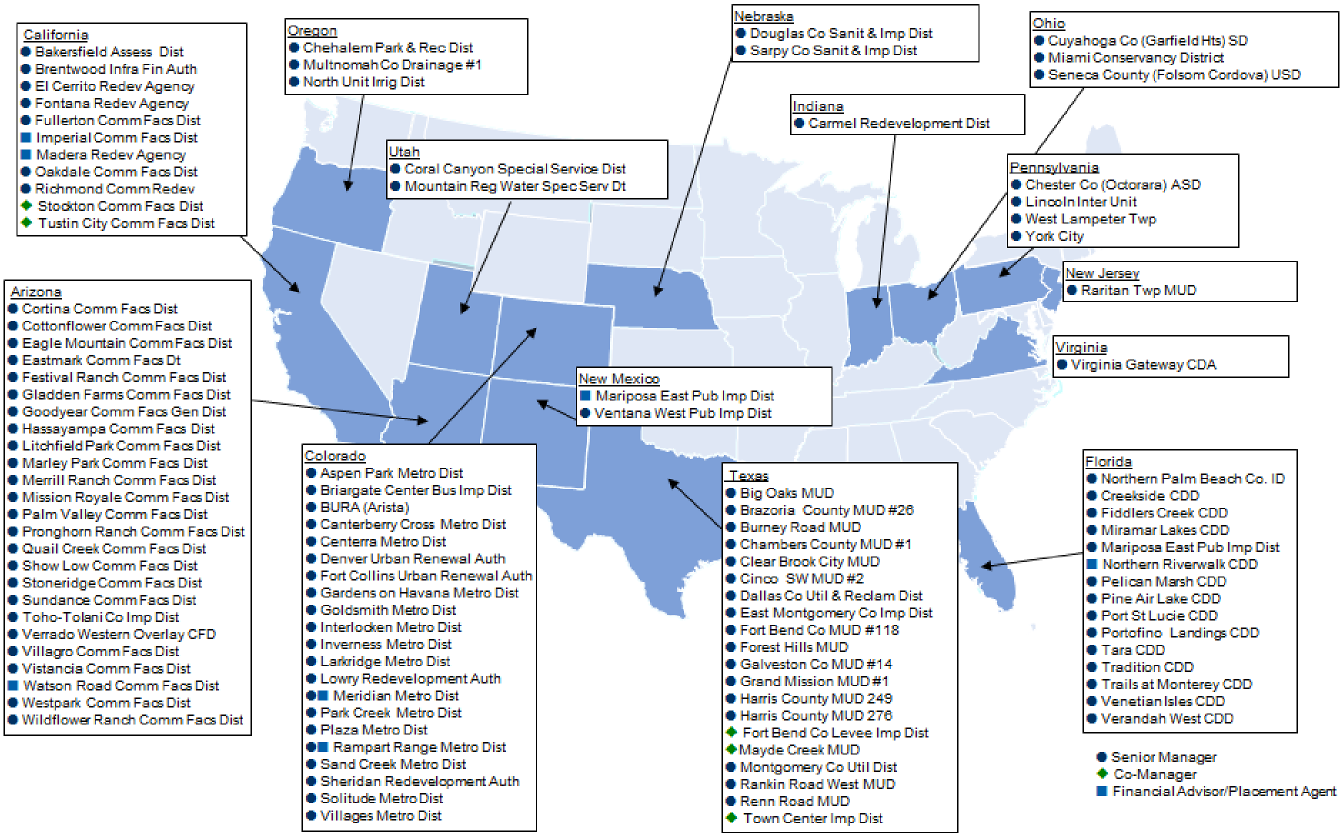
STATE OF COLORADO 1876
$110,485,000
State of Colorado Higher Ed Capital Construction Projects Refunding COPs
Senior Manager
Oct 2014

BEST
Building Excellent Schools Today
$836,470,000
State of Colorado BEST Program Certificates of Participation
Senior Manager
2008 - 2013

Park Creek Metro District
$50,000,000
Park Creek Metropolitan District Second Lien Sub. Limited Property Tax Supported Rev Bonds
Sole Manager
Jul 2013

RTD
$224,045,000 | $474,935,000
Regional Transportation District COPs & Sales Tax Revenue Bonds
Senior Manager
Apr 2013 | Dec 2012

TIF Financing Experience: RBC Capital Markets also boasts one of the largest and most active special district and tax increment finance banking practices of any firm in the United States. CSURA will benefit from RBCCM's specific expertise to best structure and sell its TIF financing. The map on the following page highlights some of our special district, urban renewal and development clients.



As a leading underwriter of TIF bonds and various other forms of tax-exempt and taxable land-based financings, RBCCM is particularly well-suited to serve as your placement agent. Since 2003, RBCCM has participated in nearly 40 Colorado Urban Renewal Authority or tax-increment finance transactions totalling $2.7 billion, more than any other firm in Colorado. Our experience with these issuers includes many areas and aspects which include providing various financing solutions, modeling and structuring and, in some cases, assisting in obtaining a credit rating or bond insurance. RBCCM plays an active role in the rating process helping issuers anticipate inquiries, preparing rating presentation materials and presenting development and financial information in the best possible light. On the following pages are a list of Colorado TIF and special district issuers with complex financing structures where RBCCM has assisted in the structuring, rating or marketing.

	Par Amount ($ mil)	Pledge	Original Ratings	Current Ratings	Credit Enhancement	Role of RBC
Denver Urban Renewal Authority (Stapleton Project)						
Junior Subordinate Tax Increment Revenue Loan Agreement, Series 2014D-2	$60.000	Property & Sales Taxes	NA	N/A	None	Placement Agent
Senior Tax Increment Revenue Refunding Bonds, Series 2013A	$175.000	Property & Sales Taxes	A-	A-	None	Senior Manager
Senior Subordinate Tax Increment Revenue Bonds, Series 2010B-1	$100.740	Property & Sales Taxes	Aa3 / NR / NR	Aa3 / NR / NR	None	Senior Manager
Senior Tax Increment Revenue Bonds, Series 2008A-1 (Variable Rate)	$79.000	Property & Sales Taxes	NR / NR / BBB	N/A (Refunded)	Letter of Credit	Senior Manager/ Remarketing Agent
Senior Tax Increment Revenue Bonds, Series 2008A-2 (Variable Rate)	$107.000	Property & Sales Taxes	NR / NR / BBB	N/A (Refunded)	Letter of Credit	Senior Manager/ Remarketing Agent
Senior Subordinate Tax Increment Revenue Bonds, Series 2008B-1 (Institutional Placement)	$105.000	Property & Sales Taxes	NR / NR / NR	N/A (Refunded)	None	Placement Agent
Senior Subordinate Tax Increment Bonds, Series 2004B-1 (Institutional Placement)	$200.000	Property & Sales Taxes	NR / NR / NR	N/A (Refunded)	None	Placement Agent
Senior Tax Increment Bonds, Series 2004A-1 (Institutional Placement)	$75.000	Property & Sales Taxes	NR / NR / NR	N/A (Refunded)	None	Placement Agent
Park Creek Metropolitan District (Stapleton Project)						
Second Lien Subordinate Limited Property Tax Supported Revenue Bonds, Series 2014	$50.000	Property Taxes	NA	N/A	None	Placement Agent
Subordinate Limited Property Tax Supported Revenue Refunding Bonds, Series 2013	$50.000	Property Taxes	NA	N/A	None	Senior Manager
Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2011	$47.385	Property Taxes	NR / NR / BBB+	NR / NR / BBB+	Assured Guaranty Bond Insurance	Senior Manager
Senior Limited Tax Revenue Refunding & Improvement Bonds, Series 2009	$86.000	Property Taxes	NR / NR / BBB	NR / NR / BBB+	Assured Guaranty Bond Insurance	Senior Manager
Junior Subordinate Limited Property Tax Supported Revenue Bonds, Series 2005 (Institutional Placement)	$58.000	Property Taxes	VMIG-1	N/A (Refunded)	None	Senior Manager

	Par Amount ($ mil)	Pledge	Original Ratings	Current Ratings	Credit Enhancement	Role of RBC
Senior Subordinate Limited Property Tax Supported Revenue Refunding & Improvement Bonds, Series 2005 (Institutional Placement)	$65.000	Property Taxes	NR / NR / NR	N/A (Refunded)	None	Placement Agent
Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2005 (Institutional Placement)	$63.000	Property Taxes	Baa2 / NR / NR	Ba2 / NR / BBB+	None	Placement Agent
Denver Urban Renewal Authority (Downtown Denver Project)						
Tax Increment Revenue Refunding Bonds, Series 2006ABCD (Variable Rate)	$54.100	Sales, Property and Lodging Taxes	A1 / NR / NR	Baa2 / NR / NR	Letter of Credit	Sole Manager/ Remarketing Agent
Tax Increment Revenue Bonds, Series 1989 to 2002 (Variable Rate)	Various	Sales, Property and Lodging Taxes	Various	NA (Refunded	Letter of Credit	Sole Manager/ Remarketing Agent
Centerra Metropolitan District #1						
Refunding Revenue Loan, Series 2014 (Institutional Placement – Variable Rate)	$142.920	PIF, TIF, Property Taxes	NR / NR / NR	NR / NR / NR	None	Placement Agent
Refunding Revenue Loan, Series 2011 (Institutional Placement – Variable Rate)	$130.920	PIF, TIF, Property Taxes	NR / NR / NR	NR / NR / NR	None	Placement Agent
Refunding and Improvement Revenue Bonds, Series 2008 (Variable Rate)	$112.000	PIF, TIF, Property Taxes	NR / A+ / NR	N/A (Refunded)	Letter of Credit	Sole Manager / Remarketing Agent
Revenue Bonds, Series 2004 (Variable Rate)	$57.000	PIF, TIF, Property Taxes	NR / AA / NR	N/A (Refunded)	Letter of Credit	Senior Manager / Remarketing Agent
Broomfield Urban Renewal Authority (Events Center Project)						
Tax Increment Revenue Bonds, Series 2005 (Variable Rate)	$59.785	Property & Sales Taxes	Aa1 / NR / NR	A2 / NR / NR	Letter of Credit	Senior Manager/ Remarketing Agent
Plaza Metropolitan District No. 1 (Belmar)						
Revenue Refunding Bonds (Tax Increment Supported), Series 2013	$98.600	Public Improvement Fees, Property and Sales Taxes	NR / NR / NR	NR / NR / NR	None	Sole Manager
Subordinate Pubic Improvement Fee/Tax Increment Supported Revenue Bonds, Series 2005 (Institutional Placement)	$12.500	Public Improvement Fees, Property and Sales Taxes	NR / NR / NR	N/A (Refunded)	None	Sole Manager
Public Improvement Fee/Tax Increment Supported Revenue Bonds, Series 2003 (Institutional Placement)	$83.000	Public Improvement Fees, Property and Sales Taxes	NR / NR / NR	N/A (Refunded)	None	Sole Manager

	Par Amount ($ mil)	Pledge	Original Ratings	Current Ratings	Credit Enhancement	Role of RBC
Lowry Economic Development Authority						
Adjustable Rate Improvement Revenue Bonds, Series 2008	$65.000	Property Taxes	NR / A+ / NR	N/A (Refunded)	Letter of Credit	Senior Manager / Remarketing Agent
Adjustable Rate Improvement Revenue Bonds, Series 2002	$71.000	Property Taxes	NR / A+ / NR	N/A (Refunded)	Letter of Credit	Senior Manager / Remarketing Agent
Adjustable Rate Improvement Revenue Bonds, Series 2000	$29.900	Property Taxes	NR / A+ / NR	N/A (Refunded)	Letter of Credit	Senior Manager / Remarketing Agent
Adjustable Rate Improvement Revenue Bonds, Series 1998	$20.500	Property Taxes	NR / A+ / NR	N/A (Refunded)	Letter of Credit	Senior Manager / Remarketing Agent
Improvement Revenue Bonds, Series 1996	$33.000	Property Taxes	NR / NR / NR	N/A (Refunded)	None	Senior Manager
Interlocken Metropolitan District (Broomfield)						
General Obligation Refunding Loan, Series 2013	$90.000	Property Taxes	NA	N/A	None	Placement Agent
General Obligation Refunding Loan, Series 2009	$18.500	Property Taxes	NR / NR / NR	N/A (Refunded)	None	Placement Agent
Taxable General Obligation Improvement & Refunding Bonds, Series 2004A, B & C	$19.544	Property Taxes	NR / AAA / NR (enhanced)	N/A (Refunded)	XL Capital Bond Insurance	Sole Manager
General Obligation Improvement & Refunding Bonds, Series 1999A, B & C	$72.215	Property Taxes	NR / AA / NR (enhanced)	N/A (Refunded)	Asset Guaranty Insurance	Sole Manager
General Obligation Improvement & Refunding Bonds, Series 1994 to 1998	Various	Property Taxes	NR / NR / NR	N/A (Refunded)	None	Sole Manager
Sheridan Redevelopment Authority (South Santa Fe Corridor Project)						
Tax Increment Refunding Revenue Bonds, Series 2011B (Private Placement)	$57.000	Property & Sales Taxes, Public Improvement Fees	NR / NR / NR	NR / NR / NR	Letter of Credit	Co-Manager
Tax Increment Refunding Revenue Bonds, Series 2011A (Variable Rate)	$74.000	Property & Sales Taxes, Public Improvement Fees	Aa1 / NR / NR	Aa3 / NR / NR	Letter of Credit	Co-Manager
Taxable Subordinate Lien Bonds, Series 2007B-1 (Institutional Placement)	$17.000	Property & Sales Taxes, Public Improvement Fees	NR / NR / NR	N/A (Refunded)	None	Co-Manager

	Par Amount ($ mil)	Pledge	Original Ratings	Current Ratings	Credit Enhancement	Role of RBC
Tax Increment Revenue Bonds, Series 2007A-2 (Variable Rate)	$45.745	Property & Sales Taxes, Public Improvement Fees	Aaa / NR / NR	N/A (Refunded)	Letter of Credit	Co-Manager / Swap Counterparty
Tax Increment Revenue Bonds, Series 2007A-1 (Variable Rate)	$51.255	Property & Sales Taxes, Public Improvement Fees	NR / NR / NR	N/A (Refunded)	Letter of Credit	Co-Manager/Swap Counterparty

Fee Proposal

8. For firms wishing to serve as underwriter or placement agent, please provide a not-to-exceed fee expressed as a $1/$1,000 of the principal amount financed. For underwriting fee proposals, include the detail for each component of spread – management fee, takedown by maturity, and expenses. For placement agent services, please provide a not-to-exceed fee expressed in a $1/$1,000 of principal amount financed format.

RBCCM proposes a not-to-exceed fee of $4.00/$1,000 of principal amount financed to serve as Placement Agent to the Colorado Springs Urban Renewal Authority. As underwriter, we propose the same fee with $3.75 as the total takedown and $0.25 in expenses.

Additional Information

10. Please provide any additional information that distinguishes your firm and makes you particularly well suited for this engagement.

Firm Experience: One of the important items for the Authority to consider is a firm that has the experience in TIF financings in Colorado to provide an accurate representation of the market. When pricing or placing an issuer into volatile markets it will be critical for the Authority to have a placement agent, such as RBC, that (i) is in the market more frequently than most other firms and will offer an on-point read of current markets, (ii) offers "Top Tier" direct distribution and execution capabilities, and (iii) offers unmatched Colorado experience and an industry leading tax increment practice. We highlight below aspects that distinguish us from our competition.

- **National and Colorado Distribution:** RBC's pricing approach is different from many other firms as we have already identified 3-4 local banks who would be interested in purchasing the Authority's bonds. On a credit of this type it will be important to get the banks' attention through a direct approach. When the banks are in competition they are more willing with a direct placement to go through the credit analysis for a term sheet. Our experience with these banks will be helpful in getting them over some of the credit hurdles they will face. A distinct advantage of RBC is our local network with the ability to implement a complicated Colorado tax increment financing.
- **Leading National and Colorado Underwriter:** RBCCM is the #5 underwriter nationally and consistently senior manages more transactions than most other firms. Additionally, RBCCM is the #1 Colorado senior manager with nearly $1.0 billion more than our nearest competitor. Our knowledge of the Colorado market will help achieve a successful transaction for the Authority.
- **Tax Increment Expertise:** We bring to the Authority industry leading TIF expertise that no other firm in Colorado can offer. Our deep knowledge of the sector allows us to assist the Authority with identification of cost saving strategies to help execute a successful financing.

Financial Modelling Capabilities: RBCCM has extensive modelling capabilities both locally and nationally. Tom Wendelin has designed and produced all types of models for our Colorado special district projects. These models cover the entire spectrum of complexity – with most of them being quite complicated structures. Given the different requirements and complexity of these transactions, no one layout or approach is the same for any given project. The models always differ in order to maximize the applicability, understanding and appropriateness for each project. We always strive to produce models and structures that are easy to explain, follow and understand while still providing the thoroughness our clients deserve. In addition to our Denver-based analytic capabilities, we have a dedicated quantitative group and training facility located in our New York headquarters. This group is designed to handle large and sophisticated issuers and analyses. This resource is always available to all of our clients. The New York quantitative group also continually works on new ideas, concepts and solutions – allowing RBCCM to be on the forefront of municipal finance in bringing products and solutions to our clients.

Regulatory Information

11. Please describe any conflicts of interest, current or past regulatory investigations, pending litigation, or judgments or settlements against the firm in the last three years.

The Municipal Finance division of RBC Capital Markets, LLC has developed extensive policies, procedures and training to identify, manage, and disclose actual and/or potential conflicts of interest. These include written policies, annual online compliance training, and transaction review processes that may require written disclosure as appropriate. To the best of our knowledge, there exists no actual or potential conflict of interest with the party identified in the Request for Proposal, nor any relationship, formal or informal, that the firm or any of the personnel listed in the response has with any party that might interfere with the firm's ability to provide objective advice and recommendations to the party identified in the Request for Proposal in performing the services set forth in the RFP.

RBC Capital Markets, LLC ("RBCCM") is an indirect, wholly-owned subsidiary of Royal Bank of Canada, a large global institution subject to many different legal and regulatory requirements in the United States, Canada and other jurisdictions. Our response to this question is limited to matters involving the Municipal Markets business of RBC Capital Markets, LLC, the broker-dealer through which we conduct our municipal underwriting and financial advisory activities. From time to time, certain of RBCCM's regulators may conduct investigations, initiate enforcement proceedings and/or enter into settlements with RBCCM with respect to issues raised in various investigations. Similarly, RBCCM is a defendant or respondent in various litigations and arbitrations that arise in the ordinary course of business. RBCCM complies fully with its regulators in all investigations and in all settlements RBCCM reaches. The Financial Industry Regulatory Authority ("FINRA"), in furtherance of its responsibilities as the securities industry's self-regulatory organization pursuant to Section 15A(i) of the Securities Exchange Act of 1934, maintains a public database on registered broker-dealers and their associated persons known as BrokerCheck (http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/). The information made available through BrokerCheck is derived from the Central Registration Depository (CRD®), the securities industry online registration and licensing database. Information in CRD is obtained through forms that broker-dealers, their associated persons and regulators complete as part of the securities industry registration and licensing process, and to comply with comprehensive disclosure obligations imposed by FINRA and other regulators. RBCCM generally does not disclose investigations, proceedings, litigations, arbitrations, or settlements except as required through CRD, and RBCCM makes no representations as to the existence or non-existence of any such investigations, proceedings, litigations, arbitrations, or settlements beyond what is available through CRD. To the extent material to the financial results of Royal Bank of Canada, any investigation, proceeding, litigation, arbitration, or settlement involving RBCCM also is disclosed in Royal Bank of Canada's financial statements, which may be obtained by visiting **www.rbc.com/investorrelations/**.

Appendix

RBC Capital Markets

Appendix A: Financing Analysis

Colorado Springs Urban Renewal Authority
United States Olympic Museum Project

RTA Financing | Private Placement

Financing Summary

Year	City for Champions Total RTA Sales Tax Revenue	Chg %	Base Amount	Increment CFC RTA Revenue	13.08% to CFC	62,400,000 52.00% to USOM	100.00% Pledged to D/S	Without Prepayments Total D/S	Without Prepayments D/S Cov. Ratio	Without Prepayments Revenue After D/S	With Prepayments Total D/S	With Prepayments D/S Cov. Ratio	With Prepayments 100.00% Prepay	With Prepayments Revenue After D/S	DSRF Balance
2016	147,000,000		127,000,000	20,000,000	2,616,000	1,360,320	1,360,320	318,906	4.27	1,041,414	318,906	4.27	1,041,414	-	1,315,625
2017	149,940,000	2.00%	127,000,000	22,940,000	3,000,552	1,560,287	1,560,287	637,813	2.45	922,475	603,967	2.58	956,320	-	1,315,625
2018	152,938,800	2.00%	127,000,000	25,938,800	3,392,795	1,764,253	1,764,253	1,305,625	1.35	458,628	1,240,699	1.42	523,555	-	1,315,625
2019	155,997,576	2.00%	127,000,000	28,997,576	3,792,883	1,972,299	1,972,299	1,459,650	1.35	512,649	1,377,708	1.43	594,591	-	1,315,625
2020	159,117,528	2.00%	127,000,000	32,117,528	4,200,973	2,184,506	2,184,506	1,618,638	1.35	565,868	1,517,371	1.44	667,134	-	1,315,625
2021	162,299,878	2.00%	127,000,000	35,299,878	4,617,224	2,400,957	2,400,957	1,777,263	1.35	623,694	1,654,315	1.45	746,642	-	1,315,625
2022	165,545,876	2.00%	127,000,000	38,545,876	5,041,801	2,621,736	2,621,736	1,941,188	1.35	680,549	1,771,325	1.48	850,411	-	1,315,625
2023	168,856,793	2.00%	127,000,000	41,856,793	5,474,869	2,846,932	2,846,932	2,107,063	1.35	739,869	1,905,310	1.49	941,622	-	1,315,625
2024	172,233,929	2.00%	127,000,000	45,233,929	5,916,598	3,076,631	3,076,631	2,276,000	1.35	800,631	2,038,937	1.51	1,037,694	-	1,315,625
2025	175,678,608	2.00%	127,000,000	48,678,608	6,367,162	3,310,924	3,310,924	2,452,625	1.35	858,299	2,176,648	1.52	1,134,276	-	1,315,625
2026	179,192,180	2.00%	127,000,000	52,192,180	6,826,737	3,549,903	3,549,903	2,626,375	1.35	923,528	2,307,863	1.54	1,242,041	-	1,315,625
2027	182,776,023	2.00%	127,000,000	55,776,023	7,295,504	3,793,662	3,793,662	2,629,475	1.44	1,164,187	2,191,369	1.73	1,602,293	-	1,315,625
2028	186,431,544	2.00%	127,000,000	59,431,544	7,773,646	4,042,296	4,042,296	2,629,300	1.54	1,412,996	2,119,090	1.91	1,923,206	-	1,315,625
2029	190,160,175	2.00%	127,000,000	63,160,175	8,261,351	4,295,902	4,295,902	2,626,875	1.64	1,669,027	2,030,121	2.12	2,265,781	-	1,315,625
2030	193,963,378	2.00%	127,000,000	66,963,378	8,758,810	4,554,581	4,554,581	2,627,200	1.73	1,927,381	1,928,486	2.36	2,626,095	-	1,315,625
2031	197,842,646	2.00%	127,000,000	70,842,646	9,266,218	4,818,433	4,818,433	2,630,050	1.83	2,188,383	1,813,162	2.66	3,005,272	-	1,315,625
2032	201,799,499	2.00%	127,000,000	74,799,499	9,783,774	5,087,563	5,087,563	2,629,100	1.94	2,458,463	1,624,079	3.13	3,463,484	-	1,315,625
2033	205,835,489	2.00%	127,000,000	78,835,489	10,311,682	5,362,075	5,362,075	2,626,400	2.04	2,735,675	-936,218	NA	-	6,298,293	-
2034	209,952,198	2.00%	127,000,000	82,952,198	10,850,148	3,796,740	3,796,740	2,630,850	1.44	1,165,890	-	-	-	3,796,740	-
2035	214,151,242	2.00%	127,000,000	87,151,242	11,399,383	-	-	2,626,975	NA	-2,626,975	-	-	-	-	-
2036	218,434,267	2.00%	127,000,000	91,434,267	11,959,602	-	-	2,630,013	NA	-2,630,013	-	-	-	-	-
2037	222,802,953	2.00%	127,000,000	95,802,953	12,531,026	-	-	2,630,250	NA	-2,630,250	-	-	-	-	-
2038	227,259,012	2.00%	127,000,000	100,259,012	13,113,879	-	-	2,629,500	NA	-2,629,500	-	-	-	-	-
2039	231,804,192	2.00%	127,000,000	104,804,192	13,708,388	-	-	2,629,750	NA	-2,629,750	-	-	-	-	-
2040	236,440,276	2.00%	127,000,000	109,440,276	14,314,788	-	-	2,630,750	NA	-2,630,750	-	-	-	-	-
2041	241,169,081	2.00%	127,000,000	114,169,081	14,933,316	-	-	2,627,250	NA	-2,627,250	-	-	-	-	-
2042	245,992,463	2.00%	127,000,000	118,992,463	15,564,214	-	-	2,629,250	NA	-2,629,250	-	-	-	-	-
2043	250,912,312	2.00%	127,000,000	123,912,312	16,207,730	-	-	2,631,250	NA	-2,631,250	-	-	-	-	-
2044	255,930,558	2.00%	127,000,000	128,930,558	16,864,117	-	-	2,628,000	NA	-2,628,000	-	-	-	-	-
2045	261,049,169	2.00%	127,000,000	134,049,169	17,533,631	-	-	2,629,500	NA	-2,629,500	-	-	-	-	-
2046	266,270,153	2.00%	127,000,000	139,270,153	18,216,536	-	-	1,314,625	NA	-1,314,625	-	-	-	-	-
Total					**299,895,336**	**62,400,000**	**62,400,000**	69,787,506		-7,387,506	**27,683,136**		**24,621,831**	**10,095,033**	

Sources	Amount
Principal Amount	39,250,000
Premium/(Discount)	-
	-
	-
Total Sources	**39,250,000**

Uses	Amount
Project Fund	36,727,656
Reserve Fund	1,315,625
Capitalized Interest Fund	956,719
Cost of Issuance	250,000
Total Uses	**39,250,000**

Summary	
U.S. Olympic Museum Reimbursement	62,400,000
RTA Base Amount	127,000,000
Total RTA % to City for Champions	13.08%
% to U.S. Olympic Museum Project	52.00%

Colorado Springs Urban Renewal Authority
United States Olympic Museum Project

RTA Financing | Private Placement

Debt Service Summary

	Before Prepayments									After Prepayments								
Year	Principal	Rate	Interest	CAPI	DSRF	D/S	Prepay	Ending Balance	DSRF Balance	Principal	Rate	Interest	CAPI	DSRF	D/S	Prepay	Ending Balance	DSRF Balance
2016		**3.25%**	637,813	318,906		318,906		39,250,000	1,315,625		**3.25%**	637,813	318,906		318,906	1,041,414	38,208,586	1,315,625
2017		3.25%	1,275,625	637,813		637,813		39,250,000	1,315,625		3.25%	1,241,779	637,813		603,967	956,320	37,252,266	1,315,625
2018	30,000	3.25%	1,275,625			1,305,625		39,220,000	1,315,625	30,000	3.25%	1,210,699			1,240,699	523,555	36,698,711	1,315,625
2019	185,000	3.25%	1,274,650			1,459,650		39,035,000	1,315,625	185,000	3.25%	1,192,708			1,377,708	594,591	35,919,120	1,315,625
2020	350,000	3.25%	1,268,638			1,618,638		38,685,000	1,315,625	350,000	3.25%	1,167,371			1,517,371	667,134	34,901,986	1,315,625
2021	520,000	3.25%	1,257,263			1,777,263		38,165,000	1,315,625	520,000	3.25%	1,134,315			1,654,315	746,642	33,635,344	1,315,625
2022	510,000	**3.75%**	1,431,188			1,941,188		37,655,000	1,315,625	510,000	**3.75%**	1,261,325			1,771,325	850,411	32,274,933	1,315,625
2023	695,000	3.75%	1,412,063			2,107,063		36,960,000	1,315,625	695,000	3.75%	1,210,310			1,905,310	941,622	30,638,311	1,315,625
2024	890,000	3.75%	1,386,000			2,276,000		36,070,000	1,315,625	890,000	3.75%	1,148,937			2,038,937	1,037,694	28,710,617	1,315,625
2025	1,100,000	3.75%	1,352,625			2,452,625		34,970,000	1,315,625	1,100,000	3.75%	1,076,648			2,176,648	1,134,276	26,476,341	1,315,625
2026	1,315,000	3.75%	1,311,375			2,626,375		33,655,000	1,315,625	1,315,000	3.75%	992,863			2,307,863	1,242,041	23,919,300	1,315,625
2027	1,115,000	**4.50%**	1,514,475			2,629,475		32,540,000	1,315,625	1,115,000	**4.50%**	1,076,369			2,191,369	1,602,293	21,202,007	1,315,625
2028	1,165,000	4.50%	1,464,300			2,629,300		31,375,000	1,315,625	1,165,000	4.50%	954,090			2,119,090	1,923,206	18,113,801	1,315,625
2029	1,215,000	4.50%	1,411,875			2,626,875		30,160,000	1,315,625	1,215,000	4.50%	815,121			2,030,121	2,265,781	14,633,020	1,315,625
2030	1,270,000	4.50%	1,357,200			2,627,200		28,890,000	1,315,625	1,270,000	4.50%	658,486			1,928,486	2,626,095	10,736,925	1,315,625
2031	1,330,000	4.50%	1,300,050			2,630,050		27,560,000	1,315,625	1,330,000	4.50%	483,162			1,813,162	3,005,272	6,401,653	1,315,625
2032	1,320,000	**4.75%**	1,309,100			2,629,100		26,240,000	1,315,625	1,320,000	**4.75%**	304,079			1,624,079	3,463,484	1,618,169	1,315,625
2033	1,380,000	4.75%	1,246,400			2,626,400		24,860,000	1,315,625	302,544	4.75%	76,863		1,315,625	-936,218			
2034	1,450,000	4.75%	1,180,850			2,630,850		23,410,000	1,315,625									
2035	1,515,000	4.75%	1,111,975			2,626,975		21,895,000	1,315,625									
2036	1,590,000	4.75%	1,040,013			2,630,013		20,305,000	1,315,625									
2037	1,615,000	**5.00%**	1,015,250			2,630,250		18,690,000	1,315,625									
2038	1,695,000	5.00%	934,500			2,629,500		16,995,000	1,315,625									
2039	1,780,000	5.00%	849,750			2,629,750		15,215,000	1,315,625									
2040	1,870,000	5.00%	760,750			2,630,750		13,345,000	1,315,625									
2041	1,960,000	5.00%	667,250			2,627,250		11,385,000	1,315,625									
2042	2,060,000	**5.00%**	569,250			2,629,250		9,325,000	1,315,625									
2043	2,165,000	5.00%	466,250			2,631,250		7,160,000	1,315,625									
2044	2,270,000	5.00%	358,000			2,628,000		4,890,000	1,315,625									
2045	2,385,000	5.00%	244,500			2,629,500		2,505,000	1,315,625									
2046	2,505,000	5.00%	125,250		1,315,625	1,314,625												
Totals	**39,250,000**		**32,809,850**	**956,719**	**1,315,625**	**69,787,506**				**13,312,544**		**16,642,936**	**956,719**	**1,315,625**	**27,683,136**	**24,621,831**		

DSRF Amount	**1,315,625**	**DSRF Amount**	**1,315,625**