

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team  
at [MailHighOrdinance@DenverGov.org](mailto:MailHighOrdinance@DenverGov.org) by **3:00pm on Monday**.

*\*All fields must be completed.\**

*Incomplete request forms will be returned to sender which may cause a delay in processing.*

**Date of Request:** March 30, 2012

Please mark one:       **Bill Request**                      or                       **Resolution Request**

**1. Has your agency submitted this request in the last 12 months?**

**Yes**                       **No**

**If yes, please explain:**

**2. Title:** *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

An ordinance to authorize the Manager of Finance on behalf of the City to enter into a Lease Purchase Agreement with a Leasing Trust and sell into the Trust facilities described in the Executive Summary of this request; and to allow the Trustee on behalf of the Leasing Trust to execute and deliver an amount not to exceed \$45,000,000 of Certificates of Participation, Series 2012C1-C3 (tax-exempt and taxable).

**3. Requesting Agency:** Department of Finance

**4. Contact Person:** *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Guadalupe Gutierrez
- **Phone:** 720-913-9370
- **Email:** [guadalupe.gutierrez@denvergov.org](mailto:guadalupe.gutierrez@denvergov.org)

**5. Contact Person:** *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Guadalupe Gutierrez
- **Phone:** 720-913-9370
- **Email:** [lupe.gutierrez@denvergov.org](mailto:lupe.gutierrez@denvergov.org)

**6. General description of proposed ordinance including contract scope of work if applicable:**

The proceeds of the Series 2012C1-C3 COPs will be used to provide funding for the East Corridor Project improvements as set out in the City/RTD Amended Intergovernmental Agreement (“Amended IGA”) which was approved by Council on March 27, 2012, Council Bill #12-0164. The Amended IGA stipulates that the City provide \$45M in funding for additional improvements that enable two rail stations not currently contemplated by existing City/RTD agreements. The City will enter into a Lease Purchase Agreement with the Leasing Trust and sell into the Trust several properties which it will continue to occupy.

*\*\*Please complete the following fields: (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. Contract Control Number:** N/A
- b. Duration:** Term of the 2012C COPs will not exceed 20 years
- c. Location:** Improvements funded with COPs will be located in Districts 8, 9 and 11
- d. Affected Council District:** Affects multiple council districts
- e. Benefits:** improvements funded with COP proceeds enable the addition of 2 stations not contemplated as part of original East Corridor Project
- f. Costs:** Costs associated with the transaction will be paid from the proceeds of the COP

**7. is there any controversy surrounding this ordinance?(Groups or individuals who may have concerns about it?) Please explain.** NO

*To be completed by Mayor’s Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

# CITY AND COUNTY OF DENVER



**DENVER**  
THE MILE HIGH CITY

Michael B. Hancock  
Mayor

**DEPARTMENT OF FINANCE**  
**CARY KENNEDY**

Department 1004  
201 W. COLFAX AVE.  
DENVER, COLORADO 80202  
PHONE: (720) 913-5000

## **Executive Summary** **Ordinance to Authorize Execution and Delivery of** **Series 2012C1-C3 (tax-exempt and taxable) Certificates of Participation,** **& Lease Purchase Transaction**

The proposed ordinance authorizes the Manager of Finance to enter into a Lease Purchase Agreement and to allow the Trustee on behalf of the Leasing Trust to execute and deliver up to \$45 million Series 2012C1-C3 Certificates of Participation for the purpose of funding improvements related to the East Corridor Project.

### **The Project**

The proposed transaction will provide funding for certain improvements related to RTD's East Corridor Project. The East corridor consists of a commuter rail line that will serve as a connection between Denver Union Station, and Denver International Airport. The City and RTD have entered into an Amended Intergovernmental Agreement ("Amended IGA"), approved by Council on March 27<sup>th</sup>, 2012 (Council Bill #12-0164), which stipulates that the City provide \$45 million in funding for additional improvements that enable two stations not currently contemplated by existing City/RTD agreements. The additional improvements include two grade separation crossings at Tower Road and Green Valley Ranch Blvd., drainage improvements between 31<sup>st</sup> and 36<sup>th</sup> Ave., fiber optic infrastructure for traffic signals and one-mile of dual tracking along Pena Blvd. As part of the Amended IGA, the City could receive reimbursements up to \$27M that it would apply to the repayment of the COPs.

### **Financing Structure**

The COP proceeds will primarily fund the drainage, fiber optic infrastructure and grade separation crossings through a City initiated sale/lease-back financing structure. The City intends to enter into an annually renewable Lease Purchase Agreement with a Leasing Trust, as lessor, and the City and County of Denver, as lessee. Given the nature and future ownership of the financed improvements, the City is not able to use the improvements as collateral for the COPs. The leased property that will serve as collateral consist of a fire station located in District 9; 4 police stations, located in Districts 6, 9 and 11(2 in this district); and a City office building located at 200 W. 14<sup>th</sup> which houses the Department of Environmental Health and the Election Division of the Office of the Clerk and Recorder. These facilities will be sold to the Leasing Trust and leased back to the City. The Leasing Trust will execute and deliver the 2012C1-C3 COPs, to be directly purchased by JP Morgan Chase, who was selected via a competitive bid process.

The financing structure will consist of 3 series in order to allow for pre-payment flexibility upon receipt of payments of up to \$27 million and the release of collateral if the COPs are prepaid. Series 2012C1 (tax-exempt) totals \$18M; Series 2012C2 (taxable) \$15M; and Series 2012C3 (taxable) \$12Million. Series C2 and C3 could be repaid as early as January 1, 2017 if the City receives reimbursement from RTD. The Series 2012C3, if not repaid in full in 2017, will have a payment feature of approximately \$2 million annually starting 2017 through 2022. Final maturity on the COPs will not exceed 20 years.

The 2012C1-C3 COPs will have fixed annual level lease payments of approximately \$2.5 million per year and will be paid from "FASTER" monies received from the State designated for transportation improvements. The payments are subject to the annual appropriation by City Council. If the City elects to terminate the lease by not appropriating funds to make lease payments, the Trust can take possession of the facilities for the benefit of the Certificate holder.

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