

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. For any questions please contact Skye Stuart.

*\*All fields must be completed.\*  
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: August 14, 2017

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, contract amendment, municipal code change, supplemental request, etc.**)

An ordinance to authorize the Manager of Finance to issue City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Special Facilities Airport Revenue Refunding Bonds (United Airlines Project), Series 2017 in a par amount not to exceed \$280 million for the purpose of refunding outstanding Special Facilities Airport Revenue Bonds for United Airlines and paying costs of issuance expenses.

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

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

- **Name:** Guadalupe Gutierrez / Michelle Johnson
- **Phone:** 720-913-9370 / 720-913-9353
- **Email:** [lupe.gutierrez@denvergov.org](mailto:lupe.gutierrez@denvergov.org) / [michelle.johnson2@denvergov.org](mailto:michelle.johnson2@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 / Michelle Johnson
- **Phone:** 720-913-9370 / 720-913-9353
- **Email:** [lupe.gutierrez@denvergov.org](mailto:lupe.gutierrez@denvergov.org) / [michelle.johnson2@denvergov.org](mailto:michelle.johnson2@denvergov.org)

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

The proposed ordinance allows for the reduction of debt service payments on the existing Special Facilities Airport Revenue Bonds for United Airlines. The Series 2017 refunding bonds will be fixed rate obligations and are expected to generate approximately \$28 million or 10% of present value savings (based on current market conditions). The final rate and par amount will be determined on the day of pricing.

**No new money/debt will be added as part of this refunding transaction and the original maturity of the bonds will not be extended. Special Facility Bonds are backed solely by the lease payments United Airlines makes on leased facilities at the Airport. No funds of the City nor the Airport secure the bonds and the bonds are not considered debt of the City or Airport. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of the Bonds.**

*\*\*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 – please do not leave blank.)*

- a. **Contract Control Number:** N/A
- b. **Contract Term:** Term of the 2017 Refunding bonds will not exceed the original term of the 1992 Special Facilities bonds for United Airlines, which mature in 2032
- c. **Location:** United Airlines is the principal air carrier operating at Denver International Airport
- d. **Affected Council District:** DEN is located in Council District 11
- e. **Benefits:** Refunding anticipates debt service savings of \$28 million or 10% (based on current market rates)
- f. **Contract Amount (indicate amended amount and new contract total):** N/A. Costs associated with the transaction will be paid by United Airlines, likely from the proceeds of the bond transaction.

7. **Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.** None known.

To be completed by Mayor's Legislative Team:

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

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



**DENVER**  
THE MILE HIGH CITY

MICHAEL B. HANCOCK  
Mayor

# CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

BRENDAN J. HANLON  
CHIEF FINANCIAL OFFICER

201 W. COLFAX AVE. Dept. 1010  
DENVER, COLORADO 80202  
PHONE: (720) 913-5000

## Executive Summary

### **An Ordinance to authorize the issuance of the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Special Facilities Airport Revenue Refunding Bonds (United Airlines Project), Series 2017**

The proposed ordinance authorizes the Manager of Finance to issue a par amount not to exceed \$280 million Special Facilities Airport Refunding Bonds, Series 2017, for the purpose of refunding the Series 2007 Special Facilities Refunding Bonds, and paying the costs associated with the issuance of the refunding bonds.

#### **Refunding**

The proceeds of the original bonds, issued by the City in 1992, were used to acquire, construct, equip and improve certain terminal, Concourse B, aircraft maintenance, ground equipment maintenance, flight kitchen and air freight at the new Denver International Airport. The 1992 bonds were refunded in 2007, and due to low current interest rates can also be refunded in 2017 to provide debt service savings for United Airlines, who is responsible for the repayment of these obligations.

The Series 2017 Special Facilities Refunding Bonds will be issued as fixed rate obligations and the term of the 2017 Refunding bonds will not exceed the original term of the 1992 Special Facilities bonds for United Airlines, which mature in 2032. Based on current market rates, the refunding would generate \$28 million, or 10% present value savings for United.

The final par amount and interest rate of the 2017 refunding bonds will be determined at the time of the bond pricing (to occur after City Council approval), and will be in line with refunding saving threshold outlined in the City's debt policy.

**It is important to note that no new money for projects will be included as part of this transaction. This transaction is being done to provide interest cost savings for United Airlines by refunding of existing bonds.**

The City has by ordinance designated the Department of Aviation as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. Special Facilities Airport System Revenue Bonds are backed solely by the lease payments United Airlines makes on the leased facilities at the Airport. No funds of the City or the Airport secure the bonds, and the bonds are not considered debt of the City or the Airport. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of Special Facilities Airport System Bonds.

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