

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: September 11, 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 a first amendment to the existing 2014 Golf Enterprise equipment capital lease (FINAN-201416078-00), entered into with Banc of America Public Capital Corp., to allow for a partial prepayment on November 1, 2017, for leased golf equipment located at City Park Golf Course.

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

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

- **Name:** Beth Strauss
- **Phone:** (720) 913-5208
- **Email:** beth.strauss@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:** Beth Strauss
- **Phone:** (720) 913-5208
- **Email:** beth.strauss@denvergov.org

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

Authorizes a first amendment to the existing 2014 Golf Enterprise equipment capital lease as a result of the City Council approval of three Platte to Park Hill stormwater project (P2P) contract resolutions in August 2017 (Resolutions 17-0823, 17-0824, and 17-0826). City Park Golf Course (CPGC) is anticipated to be closed starting November 1, 2017, in order to construct stormwater detention areas (a component of P2P). In 2014, the Golf Enterprise entered into a capital lease to finance golf carts and various golf-related equipment for several courses, including 71 golf carts and one aerator for CPGC. CPGC will no longer need the leased golf equipment once the course is taken offline this fall, and the Golf Enterprise would like to prepay the leased equipment at CPGC which constitutes a partial prepayment of the existing capital lease.

****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:** FINAN-201416078-01
- b. **Contract Term:** No extension to current contract which matures on July 1, 2018
- c. **Location:** City Park Golf Course
- d. **Affected Council District:** District 9
- e. **Benefits:** To allow for partial prepayment of capital lease, for City Park Golf Course's leased golf carts and aerator, given the course will be taken offline this fall to construct stormwater detention areas (a component of P2P).
- f. **Contract Amount (indicate amended amount and new contract total):** No increase to original contract amount of \$1,807,489.10; anticipated interest savings of approximately \$630 as a result of the CPGC prepayment.

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

DEPARTMENT OF FINANCE

CASH RISK AND CAPITAL FUNDING
201 WEST COLFAX AVE.
DENVER, COLORADO 80202
PHONE: (720) 913-5500

Executive Summary

Ordinance to Amend Existing Golf Enterprise Capital Lease (FINAN-201416078-00)

The proposed ordinance authorizes a first amendment to the existing 2014 Golf Enterprise capital lease (FINAN-201416078-00), entered into with Banc of America Public Capital Corp., to allow for a partial prepayment on November 1, 2017, for leased golf equipment located at City Park Golf Course. As a result of the three Platte to Park Hill stormwater project (P2P) contract resolutions approved by City Council in August (Resolutions 17-0823, 17-0824, and 17-0826), City Park Golf Course (CPGC) is anticipated to close starting November 1, 2017, in order to construct stormwater detention areas (a component of P2P). In 2014, the Golf Enterprise (Golf) entered into a capital lease to finance golf carts and various golf-related equipment for several courses, including 71 golf carts and one aerator for CPGC. CPGC will no longer need the leased golf equipment once the course is taken offline this fall.

Golf has reviewed the potential to transfer the leased golf equipment to other City golf courses and/or to store the CPGC carts. However, it has been determined that no other courses need additional carts, and that storage is not a reasonable solution as Golf would have to rent space and pay for storage. Additionally, it would cost Golf \$60,000 to replace the batteries if the carts are stored until 2019 since the batteries need to be used regularly. Thus, it is most effective to prepay CPGC's leased golf carts and aerator on November 1, 2017 (total prepayment amount of approximately \$46,000).

The existing 2014 Golf capital lease allows for full prepayment at any time, however, a partial prepayment for only CPGC's carts and aerator was not anticipated. Thus, this administrative amendment is requested. It is expected that Golf will realize approximately \$630 of interest savings as a result of the proposed prepayment. There is no change to the original contract amount or term; the 2014 Golf capital lease matures on July 1, 2018, and only one principal and interest payment would remain after the prepayment on November 1, 2017. After the prepayment, title of the leased equipment will be transferred from the bank to the City, and Golf will instruct the vendor to collect and sell CPGC's leased golf equipment (Golf anticipates a de minimis profit from the sale of CPGC's golf carts).