

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@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: August 27, 2010

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 to provide financing through a capital lease purchase transaction on behalf of Public Works to acquire 908 parking meters and associated equipment totaling \$580,116

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

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

- **Name:** Guadalupe Gutierrez
- **Phone:** 720-913-9370
- **Email:** lupe.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

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

This ordinance request seeks approval to finance the acquisition of 908 IPS Flexi-Pay Single Space Parking Meters and associated equipment through a capital lease purchase transaction on behalf of the Department of Public Works.

The total cost of the equipment to be financed is \$580,116. The equipment will be provided by ISP Group Incorporated and Chase Equipment Finance, Inc. will serve as the financing agency. The proposed financing structure will consist of a five-year lease purchase transaction with annual lease payments of approximately \$125,000. If the City makes all annual lease payments, the total amount paid to lease and finally acquire the improvements will be approximately \$626,000. The lease purchase transaction is subject to the annual appropriation by the City Council.

This lease financing ordinance request is being submitted in conjunction with an equipment ordinance request submitted by the Department of Public Works. Approval of the equipment ordinance request will allow for the procurement of the equipment while the financing ordinance request seeks authorization to finance the equipment through a lease purchase transaction.

This ordinance request is being submitted to comply with the City's Charter which requires Council approval of any agreement in excess of \$500,000.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

****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:** CE06020
- b. **Duration:** 5 years
- c. **Location:** 531 Meters will be located in the Cherry Creek North Business Improvement District and remainder will be deployed in other higher use areas not covered In the initial deployment done in summer 2009.
- d. **Affected Council District:** Council District 10
- e. **Benefits:** Smart meters will have the capability of accepting credit/debt cards and smart cards in addition to coins. The new meters will also allow for enhanced reporting on parking meter statistics.
- f. **Costs:** Interest expense associated with the lease will total approximately \$46,000.

7. **Is there any controversy surrounding this ordinance?** (Groups or individuals who may have concerns about it?) **Please explain.**

No

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CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

TREASURY DIVISION
McNICHOLS CIVIC CENTER BLDG.
201 WEST COLFAX AVE.
DENVER, COLORADO 80202
PHONE: (720) 913-5500

**John W.
Hickenlooper
Mayor**

Executive Summary

An ordinance to authorize the Manager of Finance to provide financing through a capital lease purchase transaction to acquire equipment for the Department of Public Works totaling \$580,116.

The Department of Finance is seeking approval to fund the acquisition of 908 IPS Flexi-Pay Single Space Parking Meters and associated equipment that will be provided by IPS Group Incorporated through a capital lease purchase transaction on behalf of the Department of Public Works.

A majority of the parking meters (531) will be installed in the Cherry Creek Business Improvement District and will replace the parking kiosks that are currently in place. The remainder will be deployed in high use areas throughout the City that were not covered by the initial deployment. It is anticipated that these new meters will not generate significant revenue for the City but rather will lead to increased compliance and may lead to reduced expenses associated with the maintenance and upgrades of the existing kiosk system. The new meters will also offer enhanced reporting and statistical capabilities. The total cost of the equipment to be financed is \$580,116. The proposed financing structure will consist of a five-year lease purchase that will be provided by Chase Equipment Finance, Inc., which was selected through a competitive RFP process. Annual lease payments are anticipated to be \$125,000. The lease payments are subject to the annual appropriation by the City Council, and if the City makes all annual lease payments, the total amount paid to finance and acquire the proposed improvements will be approximately \$626,000. If approved by Council the anticipated closing date with Chase Equipment Finance, Inc. for the financing is slated for September 30, 2010 with installation of the improvements to commence during the later part of the summer in 2010. The proposed capital lease structure would allow for the pre-payment of this lease at anytime.

This lease financing ordinance request is being submitted in conjunction with an equipment ordinance request submitted by the Department of Public Works. If approved, the equipment ordinance would allow for the procurement of the improvements through IPS Group Incorporated, while the financing ordinance authorizes financing of the equipment through a lease purchase transaction.

This ordinance request is being submitted to comply with the City's Charter which requires Council approval of any agreement in excess of \$500,000.

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