

## 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**.

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

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

Date of Request: 04/10/15

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.)*

Authorizes the Manager of Finance, on behalf of the City, to enter into a Lease Purchase Agreement with a Leasing Trust; to lease into the Trust four (4) City-owned facilities; and to allow the Trustee, on behalf of the Leasing Trust, to execute and deliver an amount not to exceed \$24,000,000 of Certificates of Participation, Series 2015A.

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

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

- **Name:** Michelle Wang
- **Phone:** 720-913-9353
- **Email:** [michelle.wang@denvergov.org](mailto:michelle.wang@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:** Michelle Wang
- **Phone:** 720-913-9353
- **Email:** [michelle.wang@denvergov.org](mailto:michelle.wang@denvergov.org)

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

The proposed ordinance authorizes the Trustee on behalf of a Leasing Trust to execute and deliver Series 2015A Certificates of Participation in a par amount not to exceed \$24,000,000, the proceeds of which will be used for the acquisition, improvement and equipping of a new 911 Communications Center, the acquisition of a new Fleet Service Center, and to pay associated costs with the transaction. The City will enter into a Lease Purchase Agreement with the Leasing Trust and lease into the Trust 4 City-owned 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 – please do not leave blank.)*

- a. **Contract Control Number:** TBD
- b. **Duration:** Term of the 2015A COPs not to exceed 20 years
- c. **Location:** Projects funded with COPs will be located at 12025 E. 45<sup>th</sup> Ave (new 911 Communications Center) and 2100 31<sup>st</sup> Street (new Fleet Service Center)
- d. **Affected Council District:** Projects funded with COPs located in District 11 (new 911 Communications Center) and District 9 (new Fleet Service Center)
- e. **Benefits:** Tax-exempt COP financing allows the City to seize the opportunity currently available to purchase the needed facilities to maintain the essential Safety and City operations by leveraging limited capital dollars.
- f. **Costs:** Costs associated with the transaction will be paid from the proceeds of the Series 2015A COPs.

7. **Is there any controversy surrounding this ordinance?** *(Groups or individuals who may have concerns about it?)* **Please explain.** Not that we are aware of at this time.

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

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

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



**Michael B. Hancock**  
Mayor

# 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 Authorize Execution and Delivery of Series 2015A Certificates of Participation and Lease Purchase Transaction

This 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 \$24 million of Certificates of Participation, Series 2015A for the purpose of funding the acquisition, improvement and equipping of a new 911 Communications Center, the acquisition of a new Fleet Service Center, and to pay associated costs with the transaction.

#### The Projects

The proposed COP will provide funding for two projects:

- 1) A new 911 Communications Center to replace the existing facility. The existing facility cannot adequately handle growing call volumes and personnel (which affects speed of answer), resides in the floodplain of two Denver Water reservoirs, does not meet post-9/11 structural security standards nor industry recommendations for catastrophic wind and earthquake resistance, and current facility systems are near or past their useful life. A new facility has been on the Six-Year Capital Needs Plan for several years and the one identified would support the growing needs of the 911 Communications system. The cost for this project is estimated at \$23 million, of which \$18 million will be financed under the 2015A COP (remaining \$5 million to be funded on a pay-as-you-go basis from the 911 Trust Fund). Costs include \$7 million for the purchase of the building/land and \$16 million for improvement and construction costs, including escalation and contingency costs. The new facility will be used for Safety (911 Services) and other City uses (TBD Real Estate planning and budgeting process).
- 2) A new Fleet Service Center to replace the existing facility. The existing facility will be re-purposed in Summer 2015 as part of the Arkins Court project under the North Denver Cornerstone Collaborative plans. The new facility meets all of the requirements for relocating existing functions. The cost for this project is estimated at \$5.8 million, of which \$5.34 million for the purchase of the building/land will be financed under the 2015A COP (remaining \$500k to be funded via the Capital Improvement Fund). The new facility will be used for Safety (DPD Auto Service Center), Electronic Engineering Bureau, and other City uses (TBD Real Estate planning and budgeting process).

The Purchase and Sale Agreements for both new facilities have already been approved by City Council in late 2014/early 2015. This ordinance is approving the financing to provide funding for these acquisitions.

#### Financing Structure

The Series 2015A Certificates of Participation will be executed and delivered under a lease purchase structure. The City intends to enter into a Facilities Lease with the Leasing Trust, pledging 4 City-owned properties. The Leasing Trust will then lease back to the City those same properties under an annually renewable Lease Purchase Agreement, and the City will continue to occupy and use the facilities without interruption. The leased property that will serve as collateral consist of the Blair Caldwell African American Research Library (2401 Welton Street, District 8) and Fire Stations 18 (District 5), 19 (District 5), and 22 (District 4).

The Leasing Trust will execute and deliver the 2015A COPs via a competitive sale to achieve lowest cost of funds for the City. The term of the COPs will not exceed 20 years, and there will be a 10-year call option.

The 2015A COPs will have a lease payment of approximately \$525,000 in 2015, \$2.02 million annually in 2016-2022 and \$1.56 million annually in 2023-2034, subject to annual appropriation. Repayment will be from the 911 Special Trust Fund (63%) and Capital Improvement Fund (37%). If the City fails to appropriate the lease payment, the Trust can take possession of the lease of the facilities for the benefit of the Certificate holder.

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