

## 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: September 13, 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 advance refund three existing Certificates of Participation lease purchase transactions in an amount not to exceed \$41 million to generate debt service savings due to being able to refinance the transactions at lower interest rates. The transactions are the Series 2001A which is a lease/purchase for the Wastewater Office Building, the Series 2001B which is a lease/purchase for the Roslyn Office Complex, and the Series 2001C which is a lease/purchase for the Blair Caldwell African American Research Library. The refunding will not extend the repayment term and is expected to generate about 5% (approximately \$2.1 million) of interest cost savings.

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

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

- **Name:** Bob Gibson and Lupe Gutierrez
- **Phone:** 720-913-9383 and 720-913-9370
- **Email:** [bob.gibson@denvergov.org](mailto:bob.gibson@denvergov.org) and [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:** Bob Gibson
- **Phone:** 720-913-9383
- **Email:** [bob.gibson@denvergov.org](mailto:bob.gibson@denvergov.org)

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

In 2001, the City executed 3 certificates of participation transactions to provide funding for a number of capital projects, including parking garages at the Denver Zoo and the Museum of Nature and Science, the construction of the Blair Caldwell African American Research Library, and improvements to the Red Rocks Amphitheater. Because interest rates are currently below the market rates of 2001, the City can reduce its interest costs by refinancing the three transactions by approximately \$2.1 million, which is approximately a present value savings of 5%.

**\*\*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 2010B Refunding COPs will be 11 years (will not be extending the original final maturity date of 2021)
- c. **Location:** N/A
- d. **Affected Council District:** N/A
- e. **Benefits:** 5% present value savings anticipated, which translates into \$2.1 million of interest savings
- f. **Costs:** Costs associated with the transaction will be paid from the proceeds of the refunding

**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

DEPARTMENT OF FINANCE

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DENVER, COLORADO 80202  
PHONE: (720) 913-9370

John W. Hickenlooper  
Mayor

## Executive Summary

### **Ordinance to Authorize an Advance Refunding Certificate of Participation, Series 2010B Lease Purchase Transaction**

The proposed ordinance authorizes the Manager of Finance to undertake an advance refunding certificates of participation transaction (the Series 2010B) to advance refund three certificates of participation transactions done by the City in 2001. The principal amount of the refunding transaction will not exceed \$41 million and is expected to generate 5% (approximately \$2.1 million) of interest cost savings due to the current interest rate environment being significantly less than in 2001. The three transactions are currently not callable (able to be redeemed and canceled until 2011); therefore the transaction will provide proceeds sufficient to buy federal securities that will be placed into an escrow account that will be used to pay debt service until their call dates and redeem and retire the outstanding transactions. This advance refunding structure is similar to a number of transactions completed by the City over the years to reduce its costs of financing capital improvements. The structure of the transaction is that the City will create a Trust with Zions Bank for the new transaction. The Trust will sell the refunding certificates of participation in an amount sufficient to provide proceeds that will be used to purchase approved federal securities sufficient to defease the Series 2001A, 2001B, and 2001C transactions. The City will enter into a new lease purchase agreement with the Trust to make annual lease payments, subject to the annual appropriation of the City Council. The refunding transaction will not extend the final maturity date of 2021.

#### Background

On March 15, 2001, Denver Capital Leasing Corporation executed and delivered \$14.8 million of Series 2001A COPs on behalf of the City for the purpose of providing funding for the construction of parking structures at the Denver Zoo and Denver Museum of Nature and Science; and to retire outstanding 1986 and 1991B COP's. The leased property used as collateral is the Wastewater Enterprise Office facility.

In November 2001, the Denver Capital Leasing Corporation executed and delivered \$34 million of Series 2001B COPs on behalf of the City for the purpose of acquiring and remodeling a building for the police academy; acquisition, construction and outfitting the Parkfield Fire Station; a portion of funding for the parking garage at the Denver Museum of Nature and Science; funds to acquire Commons Park; and improvements to Red Rocks Amphitheater. The primary leased property used as collateral is the Roslyn Office and Service Center Complex.

Also, in November 2001, the Denver Capital Leasing Corporation executed and delivered \$16 million of Series 2001C COPs for the purpose of constructing and equipping the Blair Caldwell African American Research Library. The leased property used as collateral is that library facility.

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