

## 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**.

Date of Request: December 19, 2016

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:** For an ordinance concerning the Denver Union Station Project and in connection therewith authorizing a loan agreement among the City, Compass Bank, Compass Mortgage Corporation and U.S. Bank National Association to be repaid from a portion of the property and sales tax incremental revenues received by the City pursuant to the Denver Downtown Development Authority Plan of Development for Denver Union Station and other revenues received from certain metropolitan districts for the purpose of refinancing a portion of the outstanding debt of Denver Union Station Project Authority; authorizing the execution of certain agreements and providing other details in connection therewith; ratifying action previously taken relating thereto; providing other matters relating thereto; and providing the effective date thereof.

3. **Requesting Agency:** Finance

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

- **Name:** Andrew Johnston – Manager of Financial Development
- **Phone:** 720-913-9372
- **Email:** [Andrew.Johnston@denvergov.org](mailto:Andrew.Johnston@denvergov.org)

5. **Contact Person:** *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council*

- **Name:** Andrew Johnston – Manager of Financial Development
- **Phone:** 720-913-9372
- **Email:** [Andrew.Johnston@denvergov.org](mailto:Andrew.Johnston@denvergov.org)

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

- a. **Contract Control Number:** None
- b. **Duration:** December 1, 2028
- c. **Location:** Downtown Denver Development Authority which includes Denver Union Station.
- d. **Affected Council District:** Council District #9 – Councilman Brooks
- e. **Benefits:** Lower administrative costs from federal reporting requirements and enabling the retirement of DUSPA board.
- f. **Costs:** Costs of the transaction are not a cost of the General Fund

7. **Is there any controversy surrounding this ordinance? Please explain.**

No Controversy.

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

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

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

Revised 08/16/10

# Executive Summary

## History:

The Denver Union Station Project Authority (DUSPA) is seeking to refinance its outstanding loans with the US Department of Transportation acting through the Federal Highway Administration (the "TIFIA loan") and the Federal Railroad Administrator (the "RRIF loan", and with the TIFIA loan, the "Federal Loans"). The Federal Loans were originally issued for the purpose of financing the Denver Union Station redevelopment project.

DUSPA is a statutory authority formed by the City and County of Denver (the "City") and its partners to serve as coordinator and financing entity for the redevelopment project. DUSPA's board is made up of the five public partner agencies that have been working since 2001 to plan, develop, and implement Union Station's redevelopment. The agencies collaborating with the City are the Regional Transportation District, Colorado Department of Transportation, Denver Regional Council of Governments, and Denver Union Station Metropolitan Districts.

The Federal Loans are currently repaid by revenue pledges of the Downtown Denver Development Authority ("DDA") increment, Denver Union Station Metropolitan District property taxes, and annual RTD payments. In the fall of 2016, DUSPA distributed an RFP in order to refinance the Federal Loans, with the goal of splitting repayment of the debt between RTD and the City, acting on behalf of its DDA.

## Currently:

The DUSPA board selected Piper Jaffray as the lead bank to refinance the Federal Loans. Their proposal provided for the payoff of the Federal Loans by creating two new obligations. The new obligations are held 1/3 by RTD and 2/3 by the City on behalf of the DDA; \$95M and \$191M respectively. The new City loan is memorialized in the "2017 Loan Agreement" along with two complementary agreements with the metropolitan districts and the DDA proposed for approval by this ordinance. The 2017 Loan Agreement will be a bank loan through Compass Bank and US Bank.

It is anticipated that with the retirement of the Federal Loans and all Denver Union Station projects completed that DUSPA will be dissolved.

The details of the City/DDA loan are as follows:

- \$200 million estimated principal balance which is the City/DDA 2/3 portion of the Federal Loans including a debt service reserve and issuance costs.
- Enables removal of the City's Contingent Commitment (Moral Obligation) for the Union Station project.
- 2017 Loan Agreement matures December 1, 2028.
- Fixed rate cannot be locked until loan agreement approved.
- Repayment of the loan will be a special and limited obligation payable solely from Pledged Revenues defined as:
  - DDA tax increment revenues derived from property and sales taxes in the DDA area.
  - DUS metro district property tax revenue generated by additional mills.
- Pursuant to C.R.S. 31-25-813, the 2017 Loan Agreement shall not constitute an indebtedness of the City within the meaning of any constitutional, Charter, or statutory limitations.

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