

## **BILL/ RESOLUTION REQUEST**

**1. Title:** Authorizes the Manager of Finance, Chief Financial Officer to issue City and County of Denver, for and on behalf of its Department of Aviation, Airport Revenue Bonds, Series 2012A-B in an amount not to exceed \$1.3 billion for the purpose of funding Airport capital improvements, refunding outstanding Airport Revenue bonds, and paying costs of issuance expenses.

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

**3. Contact Person *with actual knowledge of proposed ordinance***

**Name:**Guadalupe Gutierrez

**Phone:**

**Email:**lupe.gutierrez@denvergov.org

**4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary***

**Name:**Guadalupe Gutierrez

**Phone:**

**Email:**lupe.gutierrez@denvergov.org

**5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**

**a. Scope of Work**

The proposed ordinance supports three debt objectives. The first objective is to authorize the issuance of new money financing to fund approximately \$400 million Airport capital improvements. The 2012A-B bonds will be fixed rate obligations and will be used to finance various maintenance and improvement projects at Denver International Airport identified as part of the Airports 2013-2018 Capital Improvement Plan, including components of the South Terminal Redevelopment Plan. The second objective is to refund \$56 million of commercial paper. The third objective is to reduce debt service payments by refunding up to \$664 million of certain outstanding DIA bonds. The current unique financial market conditions may warrant issuing a portion of the bonds on a taxable basis because taxable yields are lower than tax-exempt yields on certain bond maturities. A separate ordinance request will be submitted concurrently for the proposed taxable bonds. The final par amount and tax-exempt/taxable mix will be determined on the day of pricing and is dependent on market conditions.

**b. Duration**

Term of the 2012A-B bonds will not exceed 30 years (Refunding will not extend original final maturity of refunded bonds)

**c. Location**

Bond funded improvements will be located at DIA

**d. Affected Council District**

11

**e. Benefits**

Funds essential capital maintenance and improvement needs for the Airport. Refunding produces debt service savings (\$31 million as of 8-16-2012)

**f. Costs**

Costs associated with the transaction will be paid from the proceeds of the bond transaction

**6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.**

n/a

**Bill Request Number: BR12-0629**

**Date: 8/21/2012**