

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