

ORDINANCE REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **9:00am on Friday**. Contact the Mayor's Legislative team with questions

Date of Request: June 20, 2025

Please mark one: ☒ Bill Request or ☐ Ordinance Request

Please mark one: The request directly impacts developments, projects, contracts, resolutions, or bills that involve property and impact within .5 miles of the South Platte River from Denver's northern to southern boundary? (Check map [HERE](#))

☐ Yes ☒ No

1. Type of Request:

☐ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment

☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change

☒ Other: Certificate of Participation Financing Transaction

2. Title:

Authorizes the Manager of Finance, on behalf of the city, to enter into a Facilities Lease Agreement for both the Colorado Convention Center Parking Garage and the Denver Performing Arts Center Parking Garage under which the Trustee will execute and deliver Series 2025 Certificates of Participation in a par amount not to exceed \$108,000,000.00 to pay to the city and the city will lease back through a Lease Purchase Agreement. The proceeds of the Certificates will be used for the purpose of replacing the existing fire alarm system at the Colorado Convention Center, reimbursing the city for certain preliminary expenditures, and paying associated costs of issuance, in Council District 10.

3. Requesting Agency: Department of Finance

4. Contact Person:

Contact person with knowledge of proposed ordinance	Contact person to present item at Mayor-Council and Council
Name: Ross Kuhn	Name: Carolina Flores
Email: ross.kuhn@denvergov.org	Email: carolina.flores@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The proposed ordinance authorizes the Manager of Finance, on behalf of the City and County of Denver (city) to enter into a 2025 Facilities Lease and a 2025 Lease Purchase Agreement with a Public Facilities Leasing Trust and acknowledges that the Trustee, on behalf of the Leasing Trust, will execute and deliver a par amount not to exceed \$108,000,000 of Certificates of Participation, Series 2025. See Executive Summary for additional details.

6. City Attorney assigned to this request (if applicable): Carmen Jackson Brown

7. City Council District: Council District 10

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

To be completed by Mayor's Legislative Team:

Ordinance/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):
Certificates of Participation Financing Transaction

Vendor/Contractor Name: Denver Public Facilities Leasing Trust 2025

Contract control number: n/a

Location: Colorado Convention Center

Is this a new contract? ☒ Yes ☐ No n/a **Is this an Amendment?** ☐ N/A ☒ No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): Final rental payment will coincide with the Maturity on COPs, December 1, 2044

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$108,000,000.00	n/a	n/a

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
September 4, 2025-December 1, 2044	n/a	n/a

Scope of work: n/a

Was this contractor selected by competitive process? Yes, underwriter will be selected competitively **If not, why not?**

Has this contractor provided these services to the City before? ☐ Not yet known, underwriter is selected upon council approval and pricing **Yes** ☐ **No**

Source of funds: The 2025 rental payments are made from the Colorado Convention Center Capital Fund, the Capital Improvement Fund and the Facilitates Development Admissions Tax Fund, subject to annual appropriation by City Council and the source of funds to make such payments is expected to (but not required to) be made from the various sources listed below:

- Seat Tax
- Capital Improvement Fund Contribution
- 2025 One-Time 2C Transfer (split over 3 year)
- Convention Center Hotel SRF

Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☐ XO101 ☐ ACDBE ☒ N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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Executive Summary

An Ordinance to Authorize Execution and Delivery of Series 2025 Certificates of Participation and Lease Purchase Transaction

The Colorado Convention Center (CCC) is an essential asset of the city that generates more than \$500 million in annual economic impact and an expected \$3 billion in economic impact through 2034 based on future bookings. The Colorado Convention Center currently consists of exhibit space, meeting rooms, ballroom space, a 5,000-seat theatre, and 671 parking spaces located in an adjacent parking facility.

Based on a new assessment of the existing fire alarm system in March 2024, it is essential to upgrade the existing system in order to integrate it with the new modernized system of the recently completed expansion portion of the building. The current system is operational and inspected on a regular basis but it is past its useful life. The CCC is operating on a temporary Certificate of Occupation due to the life safety issue of an outdated fire alarm system. With the anticipated completion of the replacement and integration of a new system, the CCC will receive its Certificate of Occupancy. It is expected that the city, by replacing the existing fire alarm system, would prevent potential impact to CCC operations including the risk of losing future revenue and economic activity generated by the Convention Center events.

This proposed transaction seeks to secure the proceeds to fund the fire alarm replacement via a lease/lease purchase financing using Certificates of Participation (COPs). The ordinance would authorize the Manager of Finance on behalf of the city to contract the Series 2025 Public Facilities Leasing Trust and to enter into a proposed Facilities Lease to the Trust and Lease Purchase Agreement from the Trust for the Convention Center Parking Garage and the Denver Performing Arts Center Parking Garage for the city's continued use of the site and facilities. The proposed ordinance then allows the rental stream for the Trustee on behalf of the Trust to issue not to exceed \$108,000,000 of Certificates of Participation, Series 2025. The Series 2025 COPs will be issued as tax-exempt and will bear a fixed interest rate not to exceed 5.25%. The Series 2025 COPs will be sold via a competitive public offering process. The proceeds will be used to pay for the Facilities Lease and used by the city for the replacement of the existing fire alarm system and associated cost of issuance expenses. If approved by city Council, the transaction is expected to close September 4, 2025.

The Series 2025 Lease payments are subject to annual appropriation by Denver City Council and neither the lease nor the COPs constitute a multiple year fiscal obligation of the city. The source of repayment for the Lease is expected to (but not required to) be allocated from various revenue sources funded through the Colorado Convention Center Capital Fund, the Capital Improvement Fund and the Facilitates Development Admissions Tax Fund.

The Convention Center Parking Garage and the Denver Performing Arts Center Parking Garage will be leased to the Trust under the 2025 Facilities Lease and will serve as the leased properties under the 2025 Lease back to the city. If the city fails to appropriate the lease payments, the city will vacate the two garages and the Trust can take possession of the lease of the facilities for the benefit of the Certificate holders and lease the property to third parties or may sell and assign the Facilities Lease to a third party who may sublease it for the remaining term of the 2025 Facility Lease.

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