

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
At 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: October 23, 2017

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 City and County of Denver Manager of Finance, Chief Financial Officer to incur, for and on behalf of the Department of Aviation, a non-revolving loan in an amount not to exceed \$300 million for the purpose of funding interim Airport capital improvements.

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

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

- **Name:** Guadalupe Gutierrez
- **Phone:** 720-913-9370
- **Email:** lupe.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:** Guadalupe Gutierrez
- **Phone:** 720-913-9370
- **Email:** lupe.gutierrez@denvergov.org

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

The proposed ordinance supports the objective of providing an interim financing vehicle for DEN by allowing the Manager of Finance to enter into a Non-Revolving Credit Agreement with Bank of America, who was selected via a competitive process, for the purpose of establishing a non-revolving loan to fund up to \$300 million of interim capital improvements at any given time, identified in the Airport's 2018-2022 Capital Improvement Plan. The non-revolving loan will be issued as subordinate contract obligation with a term not to exceed three years. Under the loan structure, note terms, interest rates and tax status will be determined at the time of drawing funds.

****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 – please do not leave blank.)

a. **Contract Control Number:** N/A

b. **Duration:** Term of the Credit Agreement will not exceed three years, with renewal of the facility subject to the approval of the Manager of Finance.

c. **Location:** n/a

d. **Affected Council District:** DEN is located in Council District 11

e. **Benefits:** Provides interim financing for capital needs identified in DEN's 2018-2022 CIP

f. **Costs:** Costs associated with the transaction will be paid solely from DEN revenues

7. **Is there any controversy surrounding this ordinance?** (Groups or individuals who may have concerns about it?) **Please explain.**
No identified controversy

(Completed by Mayor's Office):

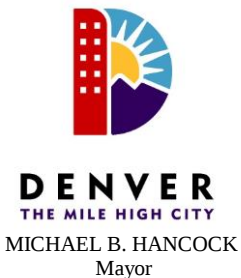
Ordinance Request Number:

Date:

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____



CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
CHIEF FINANCIAL OFFICER

201 W. COLFAX AVE. Dept. 1010
DENVER, COLORADO 80202
PHONE: (720) 913-5000

Executive Summary

An Ordinance to enter into a Credit Agreement to incur a Non-Revolving Loan for Denver International Airport

The proposed ordinance authorizes the Manager of Finance, on behalf to the Department of Aviation, to enter into a Non-Revolving Credit Agreement with Bank of America for the purpose of securing a loan of up to \$300 million outstanding at any given time. The loan will serve as an interim financing vehicle for DEN to fund immediate capital needs for projects identified in the 2018-2022 Capital Improvement Plan (CIP). The City expects to refund any draws on this interim financing facility with long-term fixed rate bonds as part of a future new money bond issuance, which will also be subject to City Council approval.

The loan is a subordinate contract obligation, authorized under the Airports General Subordinate Bond Ordinance. The amount of the facility will not exceed \$300 million and draws on the facility will be recorded as notes at the time funds are drawn. The term of the facility will not exceed 3 years and can be extended upon authorization of the Manager of Finance. The provider of the facility, Bank of America, was selected via a competitive selection process. Bank of America will not require a rating or disclosure document for the loan.

Key Note terms:

Interest Rate: Based on LIBOR index (*Fixed rate notes are also available under this structure, at a to be negotiated interest rate*)

Tax status: Tax-exempt or taxable

Drawn Fees: 38 basis points for tax-exempt and 69 basis points for taxable (*fees based on DEN's current ratings*)

Undrawn fees: Not exceed 25 basis points (*fees based on DEN's current ratings*)

Terms: not to exceed three years

Final terms will be determined at the time the funds are drawn and evidenced in the form of notes.

The City has by ordinance designated the Department of Aviation as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. Subordinate Airport System Revenue Bonds and Obligations such as this loan are special obligations of the City, for and on behalf of the Department of Aviation, payable solely from and secured by a subordinate pledge of the Net Revenues of the Airport System. None of the properties of the Airport System is subject to any mortgage or other lien for the benefit of the owners of the Bonds. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of Airport System Revenue Bonds or Obligations.

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