

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: November 3, 2014

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.)*

Authorizes the issuance of an amount not to exceed \$120M of Series 2014A DIA refunding bonds, for the purpose of refunding of a portion of outstanding Series 2007F1-F4 Airport Bonds, to be directly purchased by Bank of America, who was selected via a competitive process.

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 Series 2014A bonds will refund a portion of the Series 2007F1-F4 bonds for the purpose of extending the maturity and deferring approximately \$84 million in principal on the bonds. The bonds will be directly placed with Bank of America, who was selected via a competitive process. This transaction is part of a package aimed at strategically reducing costs for DIA’s airline partners by restructuring an aggregate amount of approximately \$295 million of existing DIA variable rate bonds, among 9 different bond series.

***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:** Bond maturity date will be extended to no longer than, November 15, 2031
- c. **Location:** n/a
- d. **Affected Council District:** Bonds are related to the DIA Enterprise. DIA is located in Council District 11
- e. **Benefits:** Allows for reduction in debt service payments payable by Airlines as part of DIA rates and charges cost reduction strategy
- f. **Costs:** DIA will incur added interest expense on debt deferral. The added cost will be subject to market conditions

7. **Is there any controversy surrounding this ordinance?** *(Groups or individuals who may have concerns about it?)* **Please explain.**

None known

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____



DENVER
THE MILE HIGH CITY

MICHAEL B. HANCOCK
Mayor

CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

CARY KENNEDY
CHIEF FINANCIAL OFFICER

201 W. COLFAX AVE. Dept. 1010
DENVER, COLORADO 80202
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Executive Summary

An Ordinance to Issue Series 2014A DIA Refunding Bonds and privately place with Bank of America, with the objective of Restructuring Bonds

The proposed ordinance authorizes the issuance of Series 2014A bonds in order to refund a portion of the Series 2007F1-4 Airport System Bonds and directly place the 2014A refunding bonds with Bank of America, who was selected via a competitive process. The refunding of the 2007F1-4 bonds is being done to allow for the restructuring of the 2007F1-F4 bonds. The restructuring will consist of extending the bond maturity to no later than November 15, 2031 and to defer approximately \$84 million in principal in order to reduce debt service payments over the next 10 years. The restructuring is one of the strategic actions aimed at increasing DIA's cost competitiveness with its airline partners, approved by Council in August 2014.

The restructuring will affect a total of nine series of outstanding bonds and approximately \$295 million of principal. This ordinance is one of several aimed at achieving a total of \$25 million in annual debt service reductions. Actual reductions are subject to market conditions. Below are a summary affected bonds and ordinances. This request only applies to the 2007F1-F4 bonds highlighted in blue.

Bond Series	Amended Ordinance	Par amount deferred*	Current prospective holder	Implementation	Status
2002C	#800	\$13.5 mm	Bank of America	Negotiate with holder	Pending
2007G1-G2	#722	\$59.4 mm	Bank of Montreal	Negotiate with holder	Pending
2008B	#322	\$11.3 mm	Wells Fargo	Negotiate with holder	Pending
2008C1	#483	\$47.6 mm	Wells Fargo	Negotiate with holder	Pending
2008C2-C3	#483	\$33.5 mm	RBC	Negotiate with holder	Pending
2009C	#577	\$31.3 mm	US Bank	Negotiate with holder	Pending
2007F1-F4	Pending	\$84.1 mm	Bank of America	Refunding	Pending
1992F	#644	\$8.1 mm	Bank of America	Negotiate with holder	Completed
1992G	#643	\$6.2 mm	Bank of America	Negotiate with holder	Completed

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. Airport System Revenue Bonds are special obligations of the City, for and on behalf of the Department of Aviation, payable solely from and secured by a pledge of the Net Revenues of the Airport System. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of Airport System Revenue Bonds.

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