

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: X 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 amendments to the Series 2007G1-G2 Airport System Supplemental Bond Ordinance, for the purposes of: extending the maturity and deferring principal on the corresponding bonds.

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 is being undertaken to authorize amendments to an existing bond ordinance. The amendments include: 1) Extending the maturity on the effected bonds by six years, from November 15, 2025 to November 15, 2031. And, 2) deferring approximately \$59.4 million in principal on the bonds. This ordinance 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.

**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

(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

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

CARY KENNEDY

CHIEF FINANCIAL OFFICER

DENVER
THE MILE HIGH CITY

MICHAEL B. HANCOCK
Mayor

Executive Summary

An Ordinance to Amend Airport System Supplemental Bond Ordinance #722 for Series 2007G1-G2 DIA Bonds

This request authorizes amendments to an Airport System Supplemental Bond Ordinance (**listed below in blue**), in order to fulfill obligations made under the United Lease Amendment approved by Council in August 2014. The amendments allow for the restructuring of the bonds in order to provide temporary cost reductions in debt service payments, one of the strategic actions aimed at increasing DIA's cost competitiveness with its airline partners.

The key amendments to the ordinances' include:

- Change in maturity dates for the bonds- will extend maturity by six years, from November 15, 2025 to November 15, 2031
- Changes to mandatory sinking fund payments- defers approximately \$197 million of principal on the bonds in order to reduce debt service payments for the next 10-years

As required by the master bond ordinance (#626, Series 1984), the amendments to each of the affected Airport System Supplemental Bond Ordinances have been consented to by the owners of the outstanding bonds.

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.

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

*Actual reductions are subject to market conditions.

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.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____