

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor’s Legislative team with questions

Date of Request: May 17, 2021

Please mark one: **Bill Request** or **Resolution Request**

1. Type of Request:

- Contract/Grant Agreement** **Intergovernmental Agreement (IGA)** **Rezoning/Text Amendment**
- Dedication/Vacation** **Appropriation/Supplemental** **DRMC Change**

X Other:

2. Title: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

An ordinance to authorize 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 2021A-B in an amount not to exceed \$29 million for the purpose of activating a change to the Bond Reserve Requirement provision within the Airport’s General Bond Ordinance.

3. Requesting Agency: Department of Finance

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Guadalupe Gutierrez-Vasquez	Name: Guadalupe Gutierrez-Vasquez
Email: lupe.gutierrez@denvergov.org	Email: lupe.gutierrez@denvergov.org

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

The proposed ordinance would authorize a refunding, by means of a bond exchange or redemption, of existing Series 1992F-G Airport Revenue Bonds in order to activate a Bond Reserve Requirement provision change within the Airport’s General Bond Ordinance. The Bond Reserve Requirement provision was authorized by Council in 2018 however, this change can only be implemented when no Bonds issued prior to August 1, 2000 remain outstanding. The refunding of the 1992F-G bonds is necessary to satisfy the condition referenced above.

The change in calculation methodology would allow for a lower Bond Reserve Requirement which would allow for release of approximately \$113.8 million from the Bond Reserve Fund to fund portion of existing CIP needs and would bring in-line the Bond Reserve Requirement with industry standards.

The terms of the 2021A-B bonds will remain the same as the 1992F-G bonds, with the exception of the change in Series designation (1992F-G to 2021A-B).

The proposed 2021A-B Bonds are not considered new money financings that would add to the Airports existing principal portfolio balance. The bonds are and will continue to be paid solely from airport revenues and are not a direct obligation of the City.

6. City Attorney assigned to this request (if applicable): Everett Martinez

7. City Council District: District 11- Stacie Gilmore

To be completed by Mayor’s Legislative Team:

Resolution/Bill Number: BR21 0633

Date Entered: _____

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

Key Contract Terms

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

Vendor/Contractor Name: N/A

Contract control number: N/A

Location: bond projects will be located at DEN, which is located in Council District 11

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

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):
Term of the Bonds will not exceed 10 years

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

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>

Scope of work: N/A

Was this contractor selected by competitive process?

The bonds are being re-negotiated with the existing bond holder (who was originally competitively selected).

If not, why not?

Has this contractor provided these services to the City before? N/A Yes No

Source of funds: Bonds will be repaid solely by revenues/fees of the Airport

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

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

Who are the subcontractors to this contract? N/A

CITY AND COUNTY OF DENVER

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: BR21 0633

Date Entered: _____

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
MANAGER OF FINANCE

201 W. COLFAX AVE.
DEPT. 1010
DENVER, COLORADO 80202

Executive Summary- An Ordinance to Issue Series 2021A-B Airport System (Senior) Revenue Bonds

The proposed ordinance authorizes the Manager of Finance to issue a par-amount not to exceed \$29 million Airport System Senior Revenue Bonds, Series 2021A-B, for the purpose refunding, by means of a bond exchange or redemption, of existing airport bonds in order to activate a change to the Bond Reserve Requirement provision within the Airport's General Bond Ordinance. This change in calculation methodology would allow for release of approximately \$113.8 million from the Bond Reserve Fund to fund a portion of existing CIP needs.

In 2018 Council authorized an amendment to DEN's General Bond Ordinance (the "GBO"), changing the methodology on how the Bond Reserve Fund Requirement for DEN's Senior lien bonds is calculated. The Bond Reserve Requirement changes from maximum annual debt service on the aggregate amount of senior lien bonds to the lesser of: 125% of average annual debt service; or Maximum annual debt service. This change can only be implemented when no Bonds issued prior to August 1, 2000 remain outstanding. \$29 million of Series 1992F-G, issued prior to August 1, 2000, remain outstanding. A refunding/termination of these bonds is necessary to activate the Bond Reserve Fund amendment resulting in a recalculation and release of approximately \$113.8 million.

The proposed 2021A-B Bonds are not considered new money financings that would add to the Airports existing principal portfolio balance. The released funds will be used to fund a portion of existing 2018-2022 CIP needs without issuing new money bonds. The bonds are and will continue to be paid solely from airport revenues and are not a direct obligation of the City.

Series 2021A-B Bond Terms

\$29 million not to exceed par amount

Interest Rate will remain in variable rate mode through the expiration date of the existing facility (2023)

Final maturity date (2031) will not be extended

Bank of America, the existing holder/investor of the Series 1992F-G bonds, will continue to hold the Series 2021A-B

The Airport's current underlying senior bond ratings are A1/A+/AA- respectively by Moody's, Standard and Poor's, and Fitch. The Series 2021A-B Bonds do not require a bond rating given they are privately held by Bank of America.

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. Senior 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 senior lien 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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Date Entered: _____

Revised 03/02/18