

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: September 22, 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 1992F and 1992G Airport System Supplemental Bond Ordinances, No. 643 and 644, for the purposes of: extending the bond maturity of the Series 1992F-G bonds, deferring principal on the 1992F-G bonds, and grants the Manager of Finance the authority to enter into a renewal/replacement structure for the 1992F-G 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(s) are being undertaken to authorize amendments to the 1992F and G bond ordinances. The amendments include: 1) granting the Manger of Finance the authority to enter into a replacement direct purchase structure on the 1992F-G bonds with Bank of America, selected via a competitive process. 2) Extending the maturity on the 1992F-G bonds by six years, from November 15, 2025 to November 15, 2031. And, 3) deferring approximately \$14 million in principal of the 1992F-G bonds. This request is the first of several ordinances aimed at strategically reducing costs for DIA’s airline partners by restructuring 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: 1992 credit replacement will be valid through September 25, 2017; Bond maturity date will be extended from November 15, 2025 to 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 the 1992F-G Airport System Supplemental Bond Ordinances, No. 643 & 644.

The proposed ordinance authorizes amendments to the 1992F and 1992G Airport System Supplemental Bond Ordinances (No. 643 and 644) to fulfill obligations under the United Lease Amendment approved by Council in August 2014. The amendments allow for the restructuring of the 1992F-G 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 1992 ordinances include:

- Change in maturity dates for Series 1992F-G Bonds- will extend maturity by six years, from November 15, 2025 to November 15, 2031
- Changes to mandatory sinking fund payments- defers approximately \$14 million of principal on the 1992F-G bonds in order to reduce debt service payments for the next 10-years
- Allows the Manager of Finance to enter into a replacement direct placement structure with Bank of America (selected via a competitive RFP process) on 1992F-G Bonds

As required by the master bond ordinance (#626, Series 1984), the amendments to the Series 1992F-G Airport System Supplemental Bond Ordinances have been consented to by the owners of the outstanding bonds.

The restructuring will affect nine series of outstanding bonds and approximately \$295 million of principal. This ordinance is the first of several aimed at achieving a total of \$25 million in annual debt service reductions. Actual reductions are subject to market conditions. Below is a summary affected bonds:

Series	Approximate par amount deferred	Current / prospective holder	Implementation	Timing
1992F	\$8.1 mm	Bank of America	Negotiate with holder	Oct 2014
1992G	\$6.2 mm	Bank of America	Negotiate with holder	Oct 2014
2002C	\$13.5 mm	Bank of America	Negotiate with holder	Nov 2014
2007G1-G2	\$59.4 mm	Bank of Montreal	Negotiate with holder	Nov 2014
2008B	\$11.3 mm	Wells Fargo	Negotiate with holder	Nov 2014
2008C1	\$47.6 mm	Wells Fargo	Negotiate with holder	Nov 2014
2008C2-C3	\$33.5 mm	RBC	Negotiate with holder	Nov 2014
2009C	\$31.3 mm	US Bank	Negotiate with holder	Nov 2014
2007F1-F2	\$84.1 mm	Undetermined	Negotiate with holder	By year end
<b>Total</b>	<b>\$295.0 mm</b>			

The bond restructuring plan developed provides the lowest cost means of extending existing debt service to better match the life of assets with the life of the debt (asset liability match).

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: \_\_\_\_\_