

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 10, 2016

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.)

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 Refunding Bonds, Series 2016A in a par amount not to exceed \$308.5 million for the purpose of refunding outstanding Airport Revenue bonds, and paying costs of issuance expenses.

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 debt objective of reducing debt service payments of the Airport by refunding up to \$308.5 million of Series 2006A, 2007B and 2007E DIA bonds. The Series 2016A refunding bonds will be issued as senior fixed rate obligations and are expected to generate over \$50 million or 15% of present value savings for the Airport (well above the 3%-5% savings threshold outlined in the City’s debt policy). The final rate and par amount will be determined on the day of pricing. No new money/debt will be added as part of this refunding transaction.

**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 2016A bonds will not exceed the original term of the bonds being refunded, which have a final maturity date of 2033
c. Location: n/a
d. Affected Council District: DIA is located in Council District 11
e. Benefits: Refunding anticipates debt service savings of \$50 million or 15% (as of Oct. 2016 rates)
f. Costs: Costs associated with the transaction will be paid from the proceeds of the bond transaction

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

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

BRENDAN J. HANLON
CHIEF FINANCIAL OFFICER

DENVER
THE MILE HIGH CITY

MICHAEL B. HANCOCK
Mayor

Executive Summary

An Ordinance to Refund Series 2006A, 2007B and 2007E Airport System Revenue Bonds

The proposed ordinance authorizes the Manager of Finance to issue a par amount not to exceed \$308.5 million Airport System Senior Revenue Refunding Bonds, Series 2016A, for the purpose of refunding existing Airport bonds, and paying the costs associated with the issuance of the refunding bonds.

Refunding

There is approximately \$308 million of outstanding Series 2006A, 2007B and 2007E DIA bonds that may be refunded to produce present value savings as well as lower debt service costs for the Airport given the current low interest rate environment. Based on current rates, a refunding of these obligations produce over \$50 million or 15% of present value savings for the Enterprise. The final maturity on the Series 2016A Refunding Bonds will not exceed the final maturity on the bonds being refunded, which is 2032.

The final par amount and interest rate of the Refunding Bonds will be determined at the time of the bond pricing (to occur after City Council approval), and will be in line with refunding saving threshold outlined in the City's debt policy.

It is important to note that no new money for capital projects will be included as part of this transaction. This transaction is being done to provide interest cost savings to the Airport by refunding of existing bonds.

The Airport's current underlying Senior bond ratings are A1/A+/A+ respectively by Moody's, Standard and Poor's, and Fitch. 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 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.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____