

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. For any questions please contact Skye Stuart.

***\*All fields must be completed.\****  
*Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 1/9/2017

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, contract amendment, municipal code change, supplemental request, etc.**)

Authorizes the Manger of Finance, on behalf of the Denver Botanic Gardens, to amend the Lease Purchase Agreement where the Trustee will enter into a refunding Certificates of Participation transaction, Series 2017A, in a principal amount not to exceed \$17.6 million, to advance refund the outstanding Series 2008B Certificates of Participation lease purchase to generate interest cost savings and to pay costs of issuance.

3. **Requesting Agency:** Department of Finance

4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Beth Strauss
- **Phone:** (720) 913-5208
- **Email:** beth.strauss@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:** Beth Strauss
- **Phone:** (720) 913-5208
- **Email:** beth.strauss@denvergov.org

6. **General description/background of proposed ordinance including contract scope of work if applicable:**

In November 2008, the City executed a Lease Purchase Agreement (Lease) under which the Trustee entered into a certificates of participation (COPs) transaction for proceeds used at the Denver Botanic Gardens to provide funding for the construction of the parking garage at the Denver Botanic Gardens at York Street. The City can reduce the Lease interest costs by amending the Lease and permitting the refinancing of the Series 2008B COPs at a lower interest rate. The refunding will not raise additional proceeds or extend the original repayment term, and is expected to generate about 13.1% (approximately \$2.1 million) of interest cost savings for the Denver Botanic Gardens. The parking structure at the Denver Botanic Gardens will continue to serve as collateral and annual lease payments are expected to be continued to be paid in full by revenues of the Denver Botanic Gardens.

**\*\*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. **Contract Term:** Term of the Series interest2017A Refunding COPs will be approximately 12 years (there will be no extension to the original maturity date of December 1, 2028, of the Series 2008B COPs).

c. **Location:** Denver Botanic Gardens at York Street

d. **Affected Council District:** District 10

e. **Benefits:** 13.1% present value savings anticipated, which translates into approximately \$2.1 million of interest cost savings

f. **Contract Amount (indicate amended amount and new contract total):** Transaction principal amount not to exceed \$17.6 million; costs associated with the transaction will be paid from the proceeds of the Series 2017A COPs.

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: \_\_\_\_\_



# CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

CASH RISK AND CAPITAL FUNDING  
201 WEST COLFAX AVE.  
DENVER, COLORADO 80202  
PHONE: (720) 913-5500

## Executive Summary

### **Ordinance to Authorize an Advance Refunding Certificate of Participation, Series 2008B Lease Purchase Transaction**

The proposed ordinance authorizes the Manager of Finance to amend its Lease Purchase and permit the Trustee to undertake an advance refunding certificate of participation (COPs) transaction (the "Series 2017A COPs") to provide savings for the Denver Botanic Gardens, and to advance refund all of the outstanding Series 2008B COPs which provided funding for the construction of the parking garage at the Denver Botanic Gardens at York Street. The principal amount of the refunding transaction will not exceed \$17.6 million and is expected to generate 13.1% (approximately \$2.1 million) of interest cost savings for the Denver Botanic Gardens. The average interest rate on the outstanding Series 2008B COPs is 5.25%. The 2017A COPs will bear a fixed interest rate not to exceed 2.5% and will be callable at any time without prepayment penalties. The Series 2017A COPs will be sold in a private placement transaction to UMB Financial Corporation, which was selected through a competitive bid process. The refunding transaction will not raise additional proceeds or extend the original final maturity date of December 1, 2028, of the Series 2008B COPs.

The structure of the refunding transaction consists of an annually renewable Lease/Purchase agreement between the Denver Botanic Gardens Parking Facility Leasing Trust 2017 ("Trust") and the City and County of Denver. The Trust will execute and deliver Series 2017A Refunding COPs in an amount sufficient to defease the Series 2008B COPs. The Series 2008B COPs are callable on December 1, 2018, and proceeds from the Series 2017A transaction will be used to pay off the Series 2008B COPs on that date. This advance refunding structure is similar to a number of transactions completed by the City over the years to reduce costs of financing capital improvements.

The parking structure at the Denver Botanic Gardens will continue to serve as collateral on the refunded COPs. As agreed under a Cooperative Agreement between the City and County of Denver and the Denver Botanic Gardens, the Denver Botanic Gardens currently pays the annual lease payments under the Series 2008B COPs and revenues of the Denver Botanic Gardens are expected to continue to pay the new annual lease payments in full. No General Fund moneys have been used to pay the lease payments on the outstanding Series 2008B COPs and this is expected to remain the same on the proposed Series 2017A Refunding COPs.

The Lease payments used to pay the Series 2017A Refunding COPs will be subject to annual appropriation by the City Council and neither the Lease nor the COPs constitute a multiple year fiscal obligation of the City. On an annual basis, the City may elect to terminate the lease by not appropriating funds to make the lease payments. If that occurs, the Trust can take possession of the lease of the facility for the benefit of the Certificate holders.

Costs associated with the transaction will be paid from the proceeds of the refunding.

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