

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: **April 25, 2011**

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, 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 the Department of Aviation, Airport Revenue Refunding Bonds, Series 2011B in an amount not to exceed \$170,000,000 for the purpose of refunding outstanding 2008B and 2008C1 Airport Revenue 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 Series 2011B bonds will be issued as tax-exempt variable rate bonds priced off of a variable rate index rate such as SIFMA or LIBOR. The bond proceeds will be used to refund outstanding variable 2008B and 2008C1 bonds. The refunding is necessary to address the expiring credit facilities that support the bonds that are being refunded. No new money will be obtained for projects, including the South Terminal as part of this 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.)*

- a. **Contract Control Number:** N/A
- b. **Duration:** Term of the 2011B Refunding Bonds will not exceed 14 years (not extending the original final maturity date of 2025)
- c. **Location:** N/A- Bond proceeds will be used to refund DIA 2008B and 2008C1 bonds
- d. **Affected Council District:** N/A
- e. **Benefits:** Addresses expiring credit facilities with a comparable and competitively priced alternative.
- f. **Costs:** Costs associated with the transaction will be paid from the proceeds of the bond refunding

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

201 W. COLFAX AVE.
DENVER, COLORADO 80202
PHONE: (720) 913-5500

Executive Summary

An Ordinance to Authorize the Manager of Finance to Issue up to \$170 million Airport System Revenue Refunding Bonds, Series 2011B.

The proposed ordinance authorizes the Manager of Finance to issue up to \$170 million Airport System Revenue Refunding Bonds, Series 2011B, to refund variable rate bonds issued by the City, for and on behalf of the Department of Aviation, in 2008. The Series 2011B bonds will be issued as tax-exempt, variable rate obligations and will not extend beyond the final maturity of the bonds being refunded.

In 2008, the City issued approximately \$174 million of Series 2008B and 2008C1 variable bonds for the purpose of refunding previously issued airport system revenue bonds. \$76 million of the 2008B bonds are currently outstanding and \$93 million of 2008C1 bonds. The 2008B and 2008C1 bonds are each secured by letters of credit provided by Wells Fargo Bank (formerly Wachovia NA) and KBC Bank, respectively. Both of the letters of credit expire in 2011; therefore, this refunding is necessary to address the expiring credit facilities.

The 2011B bonds will be issued as variable rate indexed bonds, priced off a fixed spread to a variable rate index (SIFMA or LIBOR). This structure does not require a new letter of credit however it is expected that Wells Fargo will continue to support the bonds through a direct purchase of the 2011B Bonds.

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. The Series 2011A 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 the Series 2011A Bonds.

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Revised 08/16/10