

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: November 8, 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 Subordinate Revenue Bonds, Series 2021C in an amount not to exceed \$35 million for the purpose of refunding airport bonds and paying and paying costs of issuance expenses.

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 supports the debt management objective which include refunding of existing Series 2011A bonds to realize interest cost savings. The 2021C bonds will be refunded as fixed rate obligations and the current rate is expected to be less than one percent. The final par-amount, and rate of interest will be finalized upon Council authorization of the transaction and will not exceed authorized amounts, and saving based on current rate is expected to be \$1M just over 3% of par.

The proposed 2021C Bonds are not considered new money financing 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

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

Key Contract Terms

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: BR21 1387

Date Entered: _____

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

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 refunding will not exceed original bond term, 2022

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? Direct Purchaser of the bonds, Bank of America was selected via a competitive process

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 X N/A

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

Who are the subcontractors to this contract? N/A

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: BR21 1387

Date Entered: _____

CITY AND COUNTY OF DENVER

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 2021C Airport System (Subordinate) Revenue Bonds

The proposed ordinance authorizes the Manager of Finance to issue a par-amount not to exceed \$35 million Airport System Subordinate Revenue Bonds, Series 2021C, for the purpose of addressing the debt management objective, which includes: refunding of bonds to achieve interest cost savings and paying the costs associated with the issuance of the Series 2021C bonds.

The proposed 2021C 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.

Use of Series 2021C Bond Proceeds

Refunding for Savings- As part of the ordinary course of debt administration, The Series 2011A DEN bonds are being refunded to take advantage of low market interest rates in order to achieve interest cost savings. The expected rate on the refunding bonds is less than 1% and is expected to generate \$1 million, or just over 3% present value savings for DEN.

The final par amount and interest rate of the 2021C Bonds will be determined at the time the rate is locked, which will occur after City Council approval. The Series 2021C bonds will be issued as fixed rate obligations with a term not to exceed the original term of the 2011A bonds, 2022.

The Series 2021 C Bonds are being sold via a direct placement with Bank of America, who was selected via competitive process. Given the private placement structure the 2021C bonds will not require a bond rating of any rating agency.

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.

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: BR21 1387

Date Entered: _____

Revised 03/02/18