

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: November 10, 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:

The amended ordinance request reflects the change in Series number to "2012", which was previously "2011" because the transaction will now be closing in 2012. The change is immaterial.

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 to execute and deliver Series 2012A (tax-exempt) and Series 2012B (taxable) refunding certificates of participation in a par amount not to exceed \$14.5 million. The proceeds of which will be used to advance refund the Series 2002A&B lease/purchase for the Denver Cultural Center Parking Garage Project and the Series 2003A lease/purchase for a portion of the Cherry Creek North Parking Garage.

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

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

- **Name:** Guadalupe Gutierrez
- **Phone:** 720-913-9370
- **Email:** guadalupe.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:**

In 2002 and 2003 the City executed certificates of participation transactions to provide financing for portions of the parking garages near the Denver Art Museum and at Cherry Creek North. The City can reduce its interest costs by refinancing the transactions and reduce the collateral requirement resulting in the release of the Cherry Creek North Parking Garage.

****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 2012A and B Refunding COPs will be 10 years, consistent with the original transactions
- c. **Location:** N/A
- d. **Affected Council District:** District 10
- e. **Benefits:** A reduction in interest costs on the remaining life of the transaction and the release of the Cherry Creek North Parking Garage, currently used as collateral for 2003A COP
- f. **Costs:** Costs associated with the transaction will be paid from the proceeds of the refunding

7. **is there any controversy surrounding this ordinance?** (Groups or individuals who may have concerns about it?) **Please explain.** NO

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____



CITY AND COUNTY OF DENVER

DENVER
THE MILE HIGH CITY

DEPARTMENT OF FINANCE
CARY KENNEDY

Department 1004
201 W. COLFAX AVE.
DENVER, COLORADO 80202
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Michael B. Hancock
Mayor

Executive Summary Ordinance to Authorize Advance Refunding Certificates of Participation, Series 2012A (tax-exempt) and 2012B (taxable) Lease Purchase Transactions

Title to be used for SIRE system purposes:

For an ordinance authorizing the exercise of purchase options under certain existing lease purchase agreements, the approval and execution of an annually renewable Lease Purchase Agreement No. 2012A-B (Public Parking Unit/Cultural Center Parking Garage – Tax-Exempt and Taxable) between the Denver Public Facilities Leasing Trust 2012A-B, as lessor, and the City and County of Denver, as lessee, the execution of other documents related thereto; authorizing officials of the City and County of Denver to take all action necessary to carry out the transactions contemplated hereby; ratifying action previously taken; [making an appropriation for the Base Rentals due in 2012 under such Amended and Restated Lease Purchase Agreement No. 2012A-B]; and providing other matters relating thereto

The proposed ordinance authorizes the Manager of Finance to advance refund certain certificates of participation transactions done in 2002 and 2003 that provided the financing for portions of two parking garages. The principal amount of the refunding transaction will not exceed \$14.5 million and will provide interest cost savings, reduce some on-going administrative costs, and allow for the release of the Cherry Creek North parking facility as collateral for the financing.

In 2002, the City obtained \$17 million of certificates of participation proceeds to construct the Cultural Center Parking Garage. Because a portion of the garage is being purchased by a private developer for tenants connected to the facility, a portion of the financing was required to be taxable. The transaction was structured as \$13.5million of Series 2002A tax-exempt, fixed rate COP's and \$3.7 million of Series 2002B taxable, variable rate COP's. As the developer purchases parking spaces, the City receives the full amount of principal and interest it expends on the taxable portion. Currently there is \$9.5 million of the tax exempt and \$2 million of the taxable COP's outstanding.

In 2003, the City obtained \$6 million of certificates of participation proceeds to finance a portion of the Cherry Creek North Parking Garage and parking kiosks. The amount attributable to the parking kiosks is paid off and there is about \$3 million of the Series 2003A COPs outstanding, which the parking facilities serve as collateral.

The refunding will reduce the interest expense the City pays, allows for the release of certain proceeds from the prior transaction, and enable the release of the Cherry Creek North Parking Garage from serving as collateral on the COP's. Certain floors of the Cultural Center Parking Garage will continue to serve as collateral for the 2012A and 2012B COPs. The refinancing will not extend the original term for the COP's to be retired.

An ordinance request for this refunding was originally approved by the General Government and Finance Committee on June 8th. However, as a result of legal and financial provisions that were unacceptable to the City, a replacement underwriting bank was selected causing a delay in the proposed refunding.

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