

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: August 21, 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, amendment, municipal code change, supplemental request, etc.)*

An ordinance to authorize the incurrence of a Junior Lien Obligation for the Great Hall Project, pursuant to the Airport System General Junior Lien Bond Ordinance and Great Hall Development Agreement.

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 allows for the incurrence of a Junior Lien Obligation pursuant to the Airport System General Junior Lien Bond Ordinance. This is an administrative task as the Junior Lien Obligation is for the Supplemental Payments payable by the Airport as contemplated in the Great Hall Development Agreement, which was approved by Council on August 14, 2017.

This ordinance is being submitted in conjunction with the General Junior Lien Bond Ordinance, which seeks approval to established the Junior Lien and provisions and parameters for any Junior Lien Obligations.

****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:** Payments will be made from the Project Substantial Completion Date to the Termination Date (est. 34-years)
- c. Location:** Denver International Airport
- d. Affected Council District:** 11
- e. Benefits:** Allows the City to fulfill legal obligation for Supplemental Payments as outline in the Great Hall Development Agreement, approved by Council on August 14, 2017
- f. Costs:** Amount of Supplemental Payment is comprised of capital payments and O&M payment based on method identified in Appendix 10 of the Great Hall Development Agreement

7. Is there any controversy surrounding this ordinance? *(Groups or individuals who may have concerns about it?)* **Please explain.**
None

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____



DENVER
THE MILE HIGH CITY

MICHAEL B. HANCOCK
Mayor

CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
CHIEF FINANCIAL OFFICER

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

Executive Summary

An Ordinance to incur a Junior Lien Obligation for the Supplemental Payments approved under the Great Hall Development Agreement, by the City for and on behalf of the Department of Aviation

The proposed Ordinance is administrative in nature and would authorize the incurrence of a Junior Lien Obligation for the Supplemental Payments authorized under the Great Hall Development Agreement, which was approved by Council on August 14, 2017. This Junior Lien Obligation would be issued in conformance with the provisions and parameters outlined in the General Junior Lien Bond Ordinance. Approval of this ordinance would enable the City, for and on behalf of the Airport to fulfil its legal obligation for payment of the Supplemental Payment to Developer under the Great Hall Development Agreement and is required as a condition to Financial Close.

key provisions of this Junior Lien Obligation:

- The Supplemental Payments authorized under the Great Hall Agreement, would constitute a Junior Lien obligation pursuant to the General Junior Lien Obligation Ordinance.
- Supplemental Payments include capital costs associated with the terminal improvements and O&M services to be provided by the developer; and are calculated based on the methodology set forth in Appendix 10 of the Development Agreement, but shall never exceed the Maximum Annual Supplemental Payment.
- Supplemental Payments are payable monthly from Project Substantial Completion date to the project Termination Date (est. 34-years).
- Supplemental Payments may be adjusted for Performance Failures of the developer.

The proposed Junior Lien Obligation does not affect the position of Senior or Subordinate bond/obligations holders/investors in the Airport's flow of funds, and conforms with the General Junior Lien Bond Ordinance, Subordinate Bond Ordinance, and General Bond Ordinance of the Airport System.

This ordinance is being submitted in conjunction with an ordinance that allows for the creation of the General Junior Lien Bond Ordinance.

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. This Junior Lien Obligation is considered 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 with a lien subordinate to Senior Airport System Bonds and obligations and Subordinate Airport System bonds and obligations. Neither the full faith and credit, nor the taxing power of the City, will be pledged in payment of any Airport System bonds or obligations.

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