



Legislation Text

File #: 21-1387, Version: 1

Finance Item/Grant Request Template

Date Submitted: 11-8-21

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance concerning the Airport Facilities of the City and County of Denver; authorizing the issuance of the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2021C" in the maximum aggregate principal amount of \$35,000,000 for the purposes of defraying the costs of the Series 2021C Refunding Project, and providing other details in connection therewith; providing the amount, terms and other details of such bonds; authorizing the execution of certain related agreements; ratifying action previously taken; providing for other related matters; and providing the effective date of this ordinance.

Authorizes 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. The last regularly scheduled Council meeting within the 30-day review period is on 12-20-21. The Committee approved filing this item at its meeting on 11-17-21.

Affected Council District(s) or citywide? Council District 11

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

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.

Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):

Amount:

Budget Year:

Fund and Funding Source (Fund/Org/Grant Number, if applicable):

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: