



Legislation Text

File #: 18-0736, Version: 1

Finance Item/Grant Request Template

Date Submitted: 7-3-18

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name: Michelle Johnson
Email: michelle.johnson2@denvergov.org

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 approval of Facilities Lease No. 2018A (Colorado Convention Center Expansion Project) between the City and County of Denver, as lessor, and the Denver Public Facilities Leasing Trust 2018A, as lessee, of certain real property constituting a portion of the existing Colorado Convention Center and an annually renewable Lease Purchase Agreement No. 2018A (Colorado Convention Center Expansion Project) between the Denver Public Facilities Leasing Trust 2018A, as lessor, and the City and County of Denver, as lessee, for such property; authorizing the execution of such documents and other agreements and 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; creating certain funds and accounts and making certain related appropriations; and providing other matters relating thereto.

Authorizes the City to enter into a Lease Purchase Agreement to deliver Series 2018A Certificates of Participation in a par amount not to exceed \$129 million

for the purpose of funding the Colorado Convention Center Expansion project in Council District 9. The last regularly scheduled Council meeting within the 30-day review period is on 8-13-18. The Committee approved filing this item at its meeting on 7-10-18.

Affected Council District(s) or citywide?

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 enter into a Lease Purchase Agreement under which the Trustee will execute and deliver up to \$129 million of Certificates of Participation (COPs), Series 2018A for the purpose of funding the Colorado Convention Center Expansion Project.

Financing Structure

The Series 2018A Certificates of Participation will be executed and delivered under a lease purchase structure. The City intends to enter into a Facilities Lease with the Leasing Trust, pledging a portion of the Colorado Convention Center rooftop expansion. The Leasing Trust will then lease back to the City the same property under an annually renewable Lease Purchase Agreement, and the City will continue to occupy and use the facilities without interruption.

The term of the COPs will not exceed 30 years. The par amount and interest rate will be determined on the day of pricing and costs associated with the transaction will be paid for by the proceeds of the COPs. The COPs will be sold in a negotiated process with underwriting firms selected via a competitive RFP process.

The Series 2018A COPs will have an annual lease payment of approximately \$8.5 million, subject to annual appropriation. The expected sources of funds for the annual lease payment are: 1) a portion of the tourism tax revenues generated from the Tourism Improvement District (\$3.8 million/year); 2) Facilities Development Admission tax ("seat tax") collected at the Colorado Convention Center (\$1.2 million/year); and 3) excess revenues generated at the Colorado Convention Center Hotel (\$3.5 million/year).

If the City fails to appropriate the lease payment, the Trust can take possession of the lease of the facilities for the benefit of the Certificate holders. Neither the Lease nor the COPs constitute a multiple year fiscal obligation of the City.

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: