



Legislation Text

File #: 18-0777, Version: 1

Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)

Date Submitted: 7-10-18

Requesting Agency: Finance
Division:

Subject Matter Expert:

Name: Guadalupe Gutierrez-Vasquez
Email: lupe.gutierrez@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 Airport System of the City and County of Denver; amending and restating Ordinance No. 626 of Series 1984, as previously amended, known as the "1984 Airport System General Bond Ordinance"; concerning the Airport Facilities of the City and County of Denver; establishing general provisions relating to Airport System Revenue Bonds to be issued by the City, for and on behalf of its Department of Aviation; providing the forms, terms, and conditions of the Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment, and the security therefor; providing for the collection and disposition of revenues derived from the operation of such Airport Facilities; pledging such revenues to the payment of the Bonds; providing various covenants, agreements, and other details, and making other provisions concerning Airport Facilities, the Bonds, Refunding and Improvement Projects, and Airport Facilities Revenues; ratifying action previously taken and relating to the foregoing matters;

providing other matters relating thereto; declaring an emergency; and providing the effective date hereof.

Amends and restates the City's Airport System General Bond Ordinance 626, Series of 1984, to incorporate previously enacted amendments and certain technical amendments. The last regularly scheduled Council meeting within the 30-day review period is on 8-20-18. The Committee approved filing this item at its meeting on 7-18-18.

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 General Bond Ordinance, which establishes the requirements for the issuance of Senior Bonds by the City, for and on behalf of the Department of Aviation, was adopted by the City in 1984 and has been amended and supplemented numerous times over the years. The General Bond Ordinance has never been formally amended and restated to reflect these previous amendments. The Ordinance will amend and restate the General Bond Ordinance to (i) incorporate into a single ordinance the previously enacted amendments; (ii) enact and incorporate into a single ordinance certain amendments to the General Bond Ordinance which have been consented to by bondholders ("Proposed Amendments"); and (iii) enact certain technical amendments to the General Bond Ordinance which do not require bondholder consent.

Bondholders have consented to the Proposed Amendments since 2000. More than a majority of the owners of the outstanding Senior Bonds as well as owners of the Airport's Subordinate Bonds have consented to the Proposed Amendments. Upon evaluation of the City, DEN, the City's financial advisor and bond counsel, the determination has been made to proceed with this ordinance to enact the Proposed Amendments. The Proposed Amendments include the following:

- (i) amending the definition of "Debt Service Requirements" to address certain balloon maturities and certain short-term/demand obligations;
- (ii) expanding the definition of "Investment Securities";
- (iii) clarifying the treatment of certain hedge facilities;
- (iv) authorizing the potential exclusion of certain released revenues from the definition of "Gross Revenues";
- (v) clarifying the deemed maturity date of certain investments required to be discharged by a third party;
- (vi) authorizing the incurrence of certain "Contract Obligations," such as capital leases and installment purchase agreements, pursuant to a Supplemental Ordinance;
- (vii) authorizing the use of a loan or financing agreement in connection with the issuance of Special Facility Bonds;
- (viii) expanding the definition of defeasance securities to include other investments that the rating agencies have determined are permitted defeasance securities;
- (ix) providing that the rating agencies shall receive a copy of each notice given to owners of Bonds; and
- (x) clarifying that for purposes of consents, directions and notices, the "owner" of Bonds that are insured by a bond insurance policy shall mean the issuer of such policy.

In addition to the Proposed Amendment and the previously enacted amendments, there are certain technical changes that are being implemented as part of this request. For example, provisions to notice requirements for redemption of bonds is outdated and more modern methods of communication are currently used in the municipal bond market. There is no change in the delegation authorities of Council, the City's Manager of Finance or the Manager of Aviation.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?