

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 9

DATE: November 21, 2006

STAFF: Chuck Seest

SUBJECT

Postponement of Second Reading of Ordinance No. 182, 2006, Authorizing and Approving the Issuance and Sale of Not to Exceed \$20,000,000 Pollution Control Refunding Revenue Bonds (Anheuser-Busch Project) Series 2006 of the City of Fort Collins, Colorado, to Refund Certain Bonds of the City of Fort Collins, Colorado, Issued to Refinance Certain Water Pollution Control Facilities, Sewage Facilities and Solid Waste Disposal Facilities; the Execution and Delivery of an Indenture of Trust to Secure Said Bonds; the Execution and Delivery of a Loan Agreement Between Anheuser-Busch Companies, Inc. and the City of Fort Collins, Colorado Providing for the Repayment of the Loan of the Proceeds of Said Bonds; the Execution and Delivery of a Tax Regulatory Agreement, Bond Purchase Agreement, Official Statement and Said Bonds in Connection Therewith; and Providing for Certain Other Matters in Connection with the Delivery of the Bonds to December 5, 2006.

RECOMMENDATION

Staff recommends postponement of the Second Reading of Ordinance No. 182, 2006 to December 5, 2006.

EXECUTIVE SUMMARY

In 1984, the City issued \$35,000,000 of pollution control revenue bonds for the Anheuser-Busch Companies, Inc. (the "Company"). In 1986, the bonds were reissued in the amount of \$20,000,000. The first call date for the 1986 bonds was September 4, 1996. The bonds were used to finance the costs of acquiring, constructing, installing and equipping pollution control facilities, sewage facilities, and solid waste disposal facilities to be owned by the Company or one of its subsidiary companies. Because of the change in interest rates, the Company would like to refinance the outstanding bonds to attain debt service savings. The 1986 bonds carry an interest rate of 7.375%. The refinanced rate of interest is expected to be around 6.5%. The proposed refinancing will extend the maturity of the bonds from 2014 to 2036. Ordinance No. 182, 2006, authorizing and approving the issuance and sale of the bonds, was unanimously adopted on First Reading on November 7, 2006. Bond counsel for Anheuser-Busch has requested this postponement in order to have additional time to finalize the documents associated with this refinancing and to schedule closing dates.