

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	37783	Agenda Number	135.
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Meeting Date:	11/20/2014	Department:	Treasury
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## Subject

Approve an ordinance authorizing the issuance and sale of City of Austin, Texas, Airport System Revenue Bonds, in one or more series, in a total par amount not to exceed \$350,000,000 by May 31, 2015 in accordance with the parameters set out in the ordinance, authorizing related documents, and approving related fees.

## Amount and Source of Funding

\$4,747,000 in anticipated first year debt service requirements will be paid from capitalized interest and was included in the 2014-15 Approved Operating Budget of the Airport Revenue Bond Redemption Fund. An estimated annual administration fee of \$1,000 for the paying agent/registrar for the proposed bond sale(s) was included in the 2014-15 Approved Operating Budget of Aviation.

## Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Art Alfaro, Treasurer, 512-974-7882
Boards and Commission Action:	11/12/14 Austin Airport Advisory Commission
MBE / WBE:	
Related Items:	

## Additional Backup Information

The main projects to be funded by the bonds include:

Terminal East Infill Project - The Terminal East Infill project, now under construction, involves the construction of approximately 55,000 square feet of additional terminal floor space at the baggage claim, apron, and concourse levels. At the baggage claim level, an 18,900-square-foot United States Customs and Border Patrol (CBP) facility will provide for the processing of arriving international passengers and will replace the existing undersized facility. At the concourse level, a 17,000-square-foot area at the east end of the check-in lobby will provide a new checkpoint for the security screening of departing passengers by the United States Transportation Security Administration (TSA). Other new and renovated space will be provided for passenger circulation, concessions, and CBP and TSA support functions. The CBP facility is scheduled to become operational in November 2014 and all other elements of the project are scheduled to be completed in June 2015.

**Airport Terminal/Apron Expansion and Improvement Project-**

The Airport Terminal/Apron Expansion and Improvement Project will include seven or more new passenger gates-three of the new gates will be flexible in design to accommodate both domestic and international flights. The project scope also includes utility and infrastructure upgrades to support the new expansion and renovation work in the ticket lobby to match new technology in order to improve customer service and balance the space needs for passengers and airlines.

The aircraft apron expansion element of the Airport Terminal/Apron Expansion and Improvement Project will include expanding the existing apron by approximately 48 acres. The expanded apron will provide aircraft parking for the new terminal gates and provide dual parallel taxi lanes to better accommodate existing aircraft movements as well as future larger design group aircraft operations and safely accommodate irregular airline operations.

The overall project is scheduled to be completed in the Summer 2018.

**Parking Garage Project Design -** Funding is also proposed for design work for a new, approximately 5,000-space, five-level parking garage at the Lot A site north of the existing parking garage and west of the new rental car facility. The garage is scheduled to be completed in September 2018.

In order to provide the City with the flexibility to respond quickly to changing market conditions, the action proposed to be taken by Council delegates the authority to the City Manager or Chief Financial Officer (the "Pricing Officer") to complete the sale of the bond transaction in accordance with the parameters in the ordinance. In addition, the authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on May 31, 2015.

The transaction will be sold through the following underwriting team:

Senior Manager:  
Citigroup

Co-Managers:  
RBC Capital Markets  
Morgan Stanley  
Piper Jaffray  
Loop Capital Markets  
Estrada Hinojosa

For this transaction, McCall, Parkhurst & Horton L.L.P. will serve as bond counsel, Fulbright & Jaworski L.L.P. will serve as the City's disclosure counsel, and Public Financial Management will serve as the City's financial advisor.