

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	68954	Agenda Number	2.
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Meeting Date:	3/23/2017	Department:	Aviation
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Subject

Approve a resolution declaring the City of Austin’s official intent to reimburse itself from revenue bonds in an amount not to exceed \$40,000,000 for Austin-Bergstrom International Airport improvements.
Related to Item(s): 3, 5, 6, 7

Amount and Source of Funding

\$40,000,000 in Revenue Bonds to be issued.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Prior Council Action:

For More Information: David Arthur, Assistant Director and Chief Financial Officer, (512) 530-6688

Council Committee, Boards and Commission Action: March 14, 2017 – Recommended by the Airport Advisory Commission on a 7-0-0-1 vote with Commissioner Sepulveda absent.

MBE / WBE:

Related Items:

Additional Backup Information

The Aviation Department requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse construction and other related costs of improvements to Austin-Bergstrom International Airport (ABIA) Improvements.

For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, an inducement resolution is required by state and federal law. The resolution must contain certain information and is generally reviewed by bond counsel to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the costs with the proceeds of tax exempt obligations. Reimbursement bonds generally must be issued 18 months after the later of, the date the expenditure was made, or the date that the project, with respect to which the expenditure was made, is placed in service.

This RCA is related to item 68955 to amend the Aviation Department Capital Budget by \$72,000,000. This requests

authorization for the Aviation Department to reimburse itself from future bond funds for the additional appropriation requested for the Hensel Phelps and Gensler contracts and a portion of the additional appropriation requested for the Austin Commercial contract.

The reimbursement resolution includes the amount of \$28,000,000 to correspond with the \$28,000,000 in appropriation requested to move forward with the Hensel Phelps (related item 68879) and Gensler (related item 68860) contract amendments for the increased scope of work for Terminal/Apron Expansion project. The Aviation Department and Airlines have identified additional needs that increases the construction cost limitation contract with Hensel Phelps and also the design contract with Gensler. The additional scope of work includes gate modifications, modifications to the mezzanine level, a centralized operations center, build-out of apron level airline tenant space and the replacement of aging baggage claim devices.

The reimbursement resolution includes \$12,000,000 of the \$44,000,000 in appropriation needed to move forward with the Construction Manager-at-Risk contract with Austin Commercial (related item 68565) for the construction of a parking garage, administration building and other garage entrance roadway improvements. A new 6,000 space public parking garage with highly desirable protected spaces will be constructed near the terminal building. A 70,000 square foot administration office building will be adjacent to the new garage and allow the Airport to free up revenue generating space on the mezzanine level of the terminal (currently occupied by several administrative groups). Improvements to the entrances to the long term and close-in parking lots to improve traffic flows and new overhead signage on Presidential Boulevard are also part of the scope of the parking garage project.

Of the \$44,000,000 of additional appropriation needed for the Austin Commercial contract, \$32,000,000 was included in the 2017 Airport Revenue Bond Issue, therefore, reimbursement resolution authorization is needed only for \$12,000,000 of the additional appropriation.

PARKING GARAGE AND ADMINISTRATION BUILDING PROJECT

Current Project Appropriation \$ 143,000,000

Current Appropriation re-allocated to project

Projects delayed to FY18 & FY19

Baggage Handling System Design \$ 25,000,000

P&E HVAC & Office Space 3,500,000

Consolidated Maintenance Facility 27,000,000

IT Building Remodel Design 7,500,000

Appropriation re-allocated to Project \$ 63,000,000

Total available Project appropriation \$ 206,000,000

Amended Project Budget \$ 250,000,000

Budget Amendment required \$ 44,000,000

Portion of Cost increase previously funded
with 2017 Bond issue \$ 32,000,000

Reimbursement Resolution needed \$ 12,000,000

TERMINAL/APRON EXPANSION PROJECT

Current Project Appropriation \$ 350,000,000

Amended Project Budget \$ 378,000,000

Budget Amendment and
Reimbursement Resolution required \$ 28,000,000

TOTAL REIMBURSEMENT RESOLUTION REQUEST

Garage and Administration Building Project \$ 12,000,000

Airport Terminal Expansion Project \$ 28,000,000

TOTAL REIMBURSEMENT RESOLUTION REQUEST \$ 40,000,000