



Legislation Text

File #: 20-1581, **Version:** 1

STRATEGIC PRIORITY: Mobility Solutions, Infrastructure, and Sustainability
AGENDA DATE: October 13, 2020
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Aviation
EXECUTIVE: Majed Al-Ghafry

SUBJECT

A resolution to **(1)** clarify the deposit and disbursement of funds from the Department of Aviation to the Love Field Airport Modernization Corporation for payment of General Airport Revenue Bonds (Series 2015 and Series 2017, referred to as GARBs); and **(2)** authorize the creation of two funds to be named General Airport Revenue Bonds (GARBs) Debt Service Fund and GARBs Debt Service Reserve Fund - Financing: No cost consideration to the City

BACKGROUND

The Love Field Airport Modernization Corporation (LFAMC) has issued two series of GARBs (Series 2015 and Series 2017). The bonds were issued in accordance with an Indenture of Trust Between LFAMC and Wells Fargo Bank National Association. The Indenture provides the PLEDGED REVENUES, which consist primarily of: Net Revenues of the Airport System: Other Revenues (which are any monies, other than Net Revenues, deposited to the Pledged Revenue Fund, including any monies from the City to restore the Reserve Fund held by the Trustee, i.e., the City Debt Service Reserve Fund held by the City under the terms of the Project Financing Agreement referred to below); the funds and accounts, and investment earning in the funds and accounts, held by the Trustee; and any future sources declared to be a Pledged Revenue.

The GARBs Debt Service Fund and the GARBs Debt Service Reserve Fund will allow the Department of Aviation (DOA) to update how transfers of monies are made from DOA Net Revenues to the LFAMC Trustee for the payment of principal and interest on the GARBs. This change will better reflect the requirements of Resolution Nos. 15-1051 and 16-1794 approved on June 10, 2015 and November 9, 2016, respectively. Currently, the DOA transfers monies from the Net Revenues of the operating account to the LFAMC Trustee for the payment of principal and interest on the GARBs on a monthly basis. Going forward, the DOA will deposit from Net Revenue monies to the GARBs Debt Service Fund held by the City on a monthly basis to contribute towards the payment of principal and interest on the GARBs. Promptly after the deposit to the GARBs Debt Service Fund, the monies will be transferred by the City to the LFAMC Trustee for the payment of principal and interest on the GARBs with directions that the monies transferred are to be deposited to the Pledged Revenue Fund

held by the Trustee under the GARBs Indenture. A similar update will be made to the process for transferring Net Revenues from the DOA to the LFAMC Trustee to fund the Debt Service Reserve Fund.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 27, 2010, City Council authorized: (1) the issuance, sale and delivery of Love Field Airport Modernization Corporation (LFAMC or Issuer) special facilities revenue bonds in one or more parameters; (2) the LFAMC to enter into all agreements and instruments to which the issuer is a party in connection with the issuance of its bonds, including, but not limited to a special facility agreement, a trust indenture, and a bond purchase agreement; (3) the LFAMC and its consultants to take all other actions deemed necessary in connection with the issuance of the LFAMC special facilities revenue bonds including the engagement of the bond underwriters trustee, co-bond council and co-financial advisor; (4) the City Manager to enter into a special facility agreement and a revenue credit agreement; and (5) other actions by the LFAMC and the City Manager deemed necessary in connection with the foregoing by Resolution No. 10-0360.

On June 10, 2015, City Council authorized the issuance and sale of Love Field Airport Modernization Corporation General Airport Revenue Bonds, Series 2015; in an aggregate principal amount not to exceed \$130,000,000 (2015 Aviation Revenue Bonds); and enacting other provisions in connection therewith by Resolution No. 15-1051.

On November 9, 2016, City Council authorized the issuance and sale of Love Field Airport Modernization Corporation General Airport Revenue Bonds, Series 2017; in an aggregate principal amount not to exceed \$131,000,000 (2017 Aviation Revenue Bonds); and enacting other provisions in connection therewith by Resolution No. 16-1794.

FISCAL INFORMATION

No cost consideration to the City.