



City of San Antonio

Agenda Memorandum

File Number: 16-3458

Agenda Item Number: 23.

Agenda Date: 6/9/2016

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Reimbursement Resolution for the proposed Capital Improvement Program at the San Antonio International Airport

SUMMARY:

This Resolution expresses the City's official intent to reimburse costs associated with certain capital improvements to the San Antonio International Airport with tax-exempt or taxable obligation proceeds.

BACKGROUND INFORMATION:

The City is developing a financing plan to fund the proposed Capital Improvement Program at the San Antonio International Airport through various funding sources including the issuance of tax-exempt or taxable obligations. Approval of this Reimbursement Resolution will enable the City to reimburse itself for project expenditures to be funded by the issuance of tax-exempt or taxable obligations but expended prior to the sale and delivery of such tax-exempt or taxable obligations' proceeds.

ISSUE:

This Reimbursement Resolution will allow the City to get reimbursement for expenditures in connection with the proposed Capital Improvement Program at the San Antonio International Airport, in an amount not to exceed \$35,000,000, prior to the issuance of the tax-exempt or taxable obligations. The approval of this Reimbursement Resolution is consistent with the City's policy and previous actions to allow large capital

projects to commence prior to the actual issuance of debt.

ALTERNATIVES:

The City could opt to not get approval of a Reimbursement Resolution; however, any costs incurred for the proposed Capital Improvement Program at the San Antonio International Airport prior to the issuance of the tax-exempt or taxable obligations could not be reimbursed by proceeds of such tax-exempt or taxable obligations. The cost of the proposed Capital Improvement Program at the Airport could be absorbed into the Airport's operating budget; however, this cost is not budgeted and would negatively impact funding for other services and improvements.

FISCAL IMPACT:

Any costs pertaining to the issuance of the tax-exempt or taxable obligations will be paid from the proceeds derived from the issuance and sale of such tax-exempt or taxable obligations. Therefore, there is no impact on the Airport's operating budget.

RECOMMENDATION:

Staff recommends approval of this Reimbursement Resolution which establishes the City's intent to reimburse costs incurred for the proposed Capital Improvement Program at the Airport through the issuance of one or more series of tax-exempt obligations.