



AGENDA MEMORANDUM

Future Item for the City Council Meeting of July 24, 2012
Action Item for the City Council Meeting of July 31, 2012

DATE: July 31, 2012

TO: Ronald L. Olson, City Manager

FROM: Constance P. Sanchez, Director of Financial Services
ConstanceP@cctexas.com
(361) 826-3227

Fred Segundo, Director of Aviation
FredS@cctexas.com
(361) 289-0171 x1213

Issuance of Airport Certificates of Obligation
--

CAPTION:

Ordinance authorizing the issuance of "City of Corpus Christi, Texas Combination Tax and Surplus Airport Revenue Certificates of Obligation, Series 2012 (AMT)" in an amount not to exceed \$6,000,000 for the purpose of financing costs associated with making permanent public improvements to the City's Airport System; providing for the payment of said Certificates by the levy of an ad valorem tax upon all taxable property within the City and further securing said Certificates by a lien on and pledge of the pledged revenues of the Airport System; providing the terms and conditions of said Certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said Certificates, including the approval and distribution of an Official Statement; authorizing the execution of a paying agent/registrar agreement and a purchase contract; complying with the requirements of the letter of representations with the depository trust company; delegating the authority to the Mayor and certain members of the City staff to execute certain documents relating to the sale of the Certificates; enacting other provisions incident and related to the subject and purpose of this ordinance; and providing an effective date.

PURPOSE:

The City of Corpus Christi would like to issue up to \$6,000,000 in certificates of obligation to fund costs associated with the City’s portion of safety improvements on the runway at the Airport.

BACKGROUND AND FINDINGS:

The Federal Aviation Administration (FAA) has approved the planning, design, and construction of a runway safety project at the Airport, which includes displacement of thresholds and reconfiguration of our runway and taxiway system. The total cost of the project is estimated to be \$55,000,000 – with 90% as FAA’s share and 10% as the local share. The City of Corpus Christi would like to issue certificates of obligation in an amount not to exceed \$6,000,000 to fund the local share of this project and \$500,000 in contingencies that are not tied to the grant. The debt service payments, although backed by the full faith and credit of the City, would be transferred from the Airport’s operating fund to the City’s debt service fund.

According to the Local Government Code, Section 271.049, prior to the issuance of the certificates of obligation, the City is required to publish notice of its intention to issue the certificates once a week for two consecutive weeks in a newspaper of general circulation, with the date of the first publication to be before the 30th day before the date set tentatively set for passage of the ordinance authorize the issuance of the certificates. The notices were in the Corpus Christi Caller-Times on June 30th and July 7th. Thirty days after the date of the first publication is July 30th, and so City Council action to approve this ordinance is scheduled for July 31st to be in compliance with the Local Government Code.

ALTERNATIVES: n/a

OTHER CONSIDERATIONS: n/a

FINANCIAL IMPACT:

Not Applicable Operating Expense Revenue CIP

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	-	\$ -	\$ -
Encumbered/Expended amount of (date)	-	-	-	-
This item-Bond Proceeds	-		\$ 6,000,000	\$ 6,000,000
BALANCE	-	-	\$ 6,000,000	\$ 6,000,000
FUND(S): Airport Capital Improvement Fund				

COMMENTS:

n/a

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

Issuance of municipal obligations are exempted from the City's charter provision regarding dual reading and/or emergency adoption provisions pursuant to the provisions of Section 1201.028, as amended, Texas Government Code.

DEPARTMENTAL CLEARANCES:

- Bond Counsel
- Legal Department

LIST OF SUPPORTING DOCUMENTS:

Ordinance

cc: Lisa Aguilar, Assistant City Attorney
Eddie Houlihan, Assistant Director of Management and Budget
Margie C. Rose, Assistant City Manager
Wesley S. Pierson, Assistant City Manager