



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of June 19, 2012  
Action Item for the City Council Meeting of June 26, 2012

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**DATE:** June 26, 2012

**TO:** Ronald L. Olson, City Manager

**FROM:** Constance P. Sanchez, Director of Financial Services  
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<p>Notice of Intention for Airport Certificates of Obligation</p>
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**PURPOSE:**

- A. Motion authorizing the appointment of M. E. Allison, & Co., as Financial Advisor, for the City of Corpus Christi, Texas Combination Tax and Surplus Airport Revenue Certificates of Obligation, Series 2012 (AMT).
- B. Resolution by the City Council of the City of Corpus Christi, Texas authorizing and approving publication of Notice of Intention to issue Certificates of Obligation; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.
- C. Resolution by the City Council of the City of Corpus Christi, Texas approving the City's preliminary official statement pertaining to the sale of obligations designated as "City of Corpus Christi, Texas Combination Tax and Surplus Airport Revenue Certificates of Obligation, Series 2012 (AMT)"; complying with the requirements contained in the United States Securities and Exchange Commission's Rule 15c2-12; and other matters in connection therewith.

**BACKGROUND AND FINDINGS:**

The City of Corpus Christi is planning on issuing up to \$6,000,000 in City of Corpus Christi, Texas Combination Tax and Surplus Airport Revenue Certificates of Obligation, Series 2012 (AMT) in early fall 2012 to fund costs associated with Airport safety improvements on the runway. The Federal Aviation Administration (FAA) has approved the planning, design, and construction of this project, 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 is anticipating issuing 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. Part A of this agenda item authorizes the appointment of M. E. Allison, & Co., as Financial Advisor, for this transaction. See Exhibit A for the Financial Advisor’s fee schedule.

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 30<sup>th</sup> day before the date set tentatively set for passage of the ordinance authorize the issuance of the certificates. Approval Part B of this item would authorize the City to publish the Notice of Intent in the Corpus Christi Caller-Times.

Approval of Part C of this item would delegate the review and approval of the offering documents to certain designated City officials including the Mayor, City Manager, Assistant City Manager, Director of Financial Services, City Secretary, and the City Attorney, or their designees, to effectuate the sale in a timely manner.

**ALTERNATIVES:** n/a

**OTHER CONSIDERATIONS:** n/a

**FINANCIAL IMPACT:**

X Not Applicable     Operating Expense     Revenue     CIP

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget - Debt Payments	-	-		-
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	-	-	-
BALANCE	-	-		-
FUND(S):				

**COMMENTS:**

n/a

**RECOMMENDATION:**

Staff recommends approval of the motion and resolutions as presented.

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:**

- n/a

**DEPARTMENTAL CLEARANCES:**

- Airport
- Bond Counsel
- Legal Department

**LIST OF SUPPORTING DOCUMENTS:**

Exhibit A  
Resolutions

**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