



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/12/2023

Item Creation Date:

FIN - HAS FBPA

Agenda Item#: 22.

Summary:

ORDINANCE extending Delegated Authority pertaining to Airport System Inferior Lien Revenue Bonds; ratifying and confirming related Agreements; making certain findings and other declarations necessary and incidental to such matter; declaring and emergency

Background:

RECOMMENDATION:

Ordinance ratifying, confirming, and extending delegated authority under ordinance No. 2020-0075 pertaining to certain proposed Airport System Inferior Lien Revenue Bonds; ratifying and confirming related agreements; making certain findings and other declarations necessary and incidental to such matter; and declaring an emergency

SPECIFIC EXPLANATION:

Over the next five years, the Airport System's capital improvement plan expects to fund approximately \$2.8 billion in capital projects, which necessitates appropriation capacity. The subject Forward Bond Purchase Agreement will facilitate access of \$450 million of appropriation capacity; however, it is not currently expected that the City will issue the bonds. These capital projects are projected to be funded with existing airport funds, grants, passenger facility charges, and airport revenue bonds. The Airport System anticipates continued appropriation needs related to the Domestic Redevelopment Program (DRP), taxiway improvements, a gate expansion at Hobby Airport and other capital improvements which will require additional appropriation and interim financing capacity.

On January 29, 2020, City Council approved Ordinance No. 2020-0075 which authorized an Amended and Restated Forward Bond Purchase Agreement with RBC Capital Markets in an amount not to exceed \$450 million. The structure allows the City the flexibility to use the facility similarly to a commercial paper program, but at a reduced cost for undrawn purposes. The agreement with RBC has 3 years remaining and expires February 5, 2027. Under State law, City Council is annually required to ratify the delegation of authority to the authorized representatives of the City to approve the terms of the bonds; however, it is not currently expected that the City will issue such bonds. The City last ratified the delegation of authority and related documents when it approved Ordinance No. 2023-26 on January 11, 2023. This RCA pertains to the annual extension of delegated authority provided by Ordinance 2020-0075 and the ratification of the related agreements.

DocuSigned by:

William Jones

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William Jones, Chief Business Officer/Director of Finance

Chris Brown

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Chris B. Brown, Houston City Controller

Prior Council Action:

Ordinance 2020-0075; 2021-18; 2022-0001; 2023-26

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MD
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ATTACHMENTS:

Description

Caption

Type

Other