



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/17/2024

Item Creation Date:

FIN - HAS FBPA

Agenda Item#: 17.

Summary:

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

Background:

RECOMMENDATION:

Ordinance authorizing the extension of delegated authority under ordinance No. 2020-0075 (and prior ordinances), pursuant to Airport System Inferior Lien Revenue Bonds; ratifying and confirming related ordinances and agreements; making certain findings and other declarations necessary and incidental to such matter; and declaring an emergency

SPECIFIC EXPLANATION:

The Airport System's five-year capital improvement plan expects to fund approximately \$2.8 billion in capital projects, requiring appropriation capacity to manage various capital projects. 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 adopted Ordinance No. 2020-0075, which authorized an Amended and Restated Forward Bond Purchase Agreement with RBC Capital Markets. Such agreement facilitates access to \$450 million of appropriation capacity. The structure allows the city the flexibility to use the facility similarly to a commercial paper program, but at a reduced cost. The agreement with RBC has 2 years remaining and expires February 5, 2027. Under applicable Texas law, City Council is annually required to authorize and ratify the delegation of authority to the authorized representatives of the City to approve the terms of the bonds; however, currently there are no bonds outstanding and it is not expected that the City will issue bonds authorized by the program. The City last ratified the delegation of authority and related documents when it approved Ordinance No. 2023-1091 on December 13, 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:

Melissa Dubowski, Chief Business Officer/Director of Finance

Signed by:

Chris Hollins, Houston City Controller

Prior Council Action:

Ordinance 2020-0075; 2021-18; 2022-0001; 2023-26; and 2023-1091

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ATTACHMENTS:

Description
Caption

Type
Other