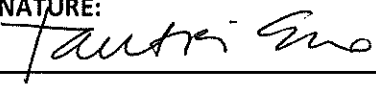



SUBJECT: An Ordinance supplementing the Master Ordinance relating to the issuance of the City of Houston, Texas Airport System Subordinate Lien Revenue Bonds, and/or Revenue Refunding Bonds in one or more series;		Category #	Page 1 of 1	Agenda Item #
FROM (Department or other point of origin): Finance Department and Office of City Controller		Origination Date: June 5, 2018	Agenda Date	
DIRECTOR'S SIGNATURE: 		Council District Affected: All		
For additional information contact: Melissa Dubowski  Phone: 832-393-9101 Charisse Mosely Phone: 832-393-3529		Date and identification of prior authorizing Council action: 11/9/2016 - 2016-846		
RECOMMENDATION: Approve an Ordinance supplementing the Master Ordinance relating to the issuance of the City of Houston, Texas Airport System Subordinate Lien Revenue Bonds and/or Revenue Refunding Bonds in one or more series; providing for the payment thereof; authorizing the Mayor, the City Controller and other designated City officials to approve the amount, interest rates, prices, redemption provisions and terms thereof;				
Amount of Funding: Not Applicable			Finance Dept Budget:	
Source of Funding: <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input checked="" type="checkbox"/> Enterprise Fund <input type="checkbox"/> Other (Specify)				
SPECIFIC EXPLANATION:				
<p>The Finance Working Group (the "FWG") is recommending issuing bonds to refinance certain auction rate securities (ARS), certain outstanding airport system bonds and to finance all related costs of issuance.</p> <p>The authorized bonds (the "HAS Bonds") will be issued to refinance approximately \$242 million of auction rate securities into long-term fixed rate debt.</p> <p>As a standard course of business, in conjunction with this transaction, the FWG will review possibilities to refinance existing debt if prudent opportunities to achieve present value savings exists. The total potential size of the 2018CD Bonds (approximately up to \$652 million) includes approximately \$410 million for this purpose, which will result in present value savings currently estimated at \$60 million, subject to market conditions and further due diligence.</p> <p>The Finance Working Group recommends the HAS Bonds be issued through a negotiated financing with Siebert Cisneros Shank & Co serving as book running manager along with J.P. Morgan Securities LLC and Raymond James as co-senior managers. Hutchinson, Shockey, Erley & Co., Mesirov Financial and SAMCO Capital Markets, Inc. are recommended as co-managers. Bracewell LLP and West & Associates, LLP are recommended as co-bond counsel along with Norton Rose Fulbright, LLP as disclosure counsel.</p> <p>This transaction was presented to the Budget and Fiscal Affairs Committee on April 24th 2018.</p> <p>Recommendation</p> <p>The Finance Working Group recommends approval of this transaction.</p>				
REQUIRED AUTHORIZATION				
Finance Director:		Other Authorization:		Other Authorization: