

# Memorandum



CITY OF DALLAS

Date March 2, 2012

To Honorable Members of the Budget, Finance, & Audit Committee: Jerry R. Allen (Chair), Tennell Atkins (Vice Chair), Monica R. Alonzo, Scott Griggs, Ann Margolin

Subject Dallas/Fort Worth International Airport Approval of the 48<sup>th</sup> Supplemental Bond Ordinance

On March 5, 2012, at the Budget, Finance, and Audit Committee meeting, you will be briefed by Christopher A. Poinsette, Executive Vice President – Chief Financial Officer, of Dallas/Fort Worth International Airport on the 48<sup>th</sup> Supplemental Bond Ordinance. The materials are attached for your review.

Please contact me if need additional information.

A handwritten signature in cursive script that reads "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

Cc: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Thomas P. Perkins, Jr., City Attorney  
Rosa A. Rios, Acting City Secretary  
Craig D. Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge  
A. C. Gonzales, First Assistant City Manager  
Ryan S. Evans, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Frank Libro, Public Information Office  
Theresa O'Donnell, Director, Sustainable Development and Construction  
Stephanie Pegues-Cooper, Assistant to the City Manager  
Jack Ireland, Director, Office of Financial Services  
Edward Scott, Director, City Controller

# **Dallas/Fort Worth International Airport Approval of the 48<sup>th</sup> Supplemental Bond Ordinance**

Dallas City Council  
Budget, Finance and Audit Committee Meeting  
March 5, 2012

## Background

- In May 2011, the Airport Board and Owner Cities approved the 45<sup>th</sup>, 46<sup>th</sup>, and 47<sup>th</sup> Supplemental Bond Ordinances
  - 45<sup>th</sup> Supplemental Bond Ordinance provided for Refunding of Rent-A-Car Bonds
    - FV (Future Value) Savings \$36 million
    - NPV (Net Present Value) Savings \$24 million
  - 46<sup>th</sup> Supplemental Bond Ordinance provided test case for SkyLink to be non-AMT
    - Favorable ruling obtained from IRS
    - \$1 million issued as private placement – Series 2012A
  - 47<sup>th</sup> Supplemental Bond Ordinance provided for issuance of refunding bonds, not to exceed \$1.1 billion
    - Four refunding issues totaling \$914 million
    - FV Savings \$146 million
    - NPV Savings \$133 million

## 47<sup>th</sup> Supplemental Bond Ordinance

- Provided authority for Airport to issue refunding bonds for savings and restructuring purposes, not to exceed \$1.1 billion
- Provided authority to issue bonds, in multiple series, over a one year period
- Provided final maturities not to exceed 2036
- Provided flexibility for Airport to size and time bond issues to meet market conditions

## **Action Requested By City Council: Approval of the 48<sup>th</sup> Supplemental Bond Ordinance**

- Authority for Airport to issue bonds in an amount not to exceed \$2.1 billion.
  - Provides new money for TRIP (AMT) and other Capital Projects (non-AMT)
  - Provides for refunding all or portion of the Series 2000A, 2001 Hotel Revenue Bonds, 2001A, 2002A, 2002B, 2002C, 2003A, and 2004A Bonds
- Provides issuance authority for one year
- Provides authority to issue AMT, non-AMT and Taxable Bonds
- Provides final maturities not to exceed 2035 for refunding bonds and 2045 for new money bonds
- Provides flexibility to size and time issuances to meet market conditions
- Refundings made for savings and potential restructuring

## Summary of Proposed Bonds Sales and Underwriting Teams

Bond Series	Proposed Sale Date	Estimate Amount	Purpose (Tax Status)	Senior Manager Co-Senior	Co-Managers
2012 C	April 2012	\$388 million	TRIP (AMT)	Barclay Siebert*	Citigroup Stifel
2012D	May 2012	\$275 million	Non-TRIP, incl. PFIC Refunding (Grand Hyatt)	Loop Capital* RBC	Jefferies Morgan Keegan
2012E	July 2012	\$313 million	Refunding (non-AMT)	Ramirez* Citigroup	JP Morgan Cabrera*
2013A	March 2013	\$335 million	TRIP (AMT)	Morgan Stanley Merrill Lynch	Barclay M.R. Beal*

Note: Does not include AMT Refundings, which are currently being evaluated. If AMT Refundings are proposed, staff will request Board approval of additional team(s). Companies that are asterisked are M/WBE's.

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