



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 16

Agenda Date: September 1, 2022

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Reimbursement Resolution for the proposed Capital Improvement Program for the Terminal Development Program at the San Antonio International Airport.

SUMMARY:

This Resolution expresses the City's official intent to reimburse costs incurred to plan, design, renovate, construct, expand and equip improvements to the San Antonio International Airport.

BACKGROUND INFORMATION:

The City is developing a financing plan to fund the proposed Capital Improvement Program for the Terminal Development Program at the San Antonio International Airport through various funding sources including the issuance of tax-exempt or taxable obligations. Approval of this Reimbursement Resolution will enable the City to reimburse itself for project expenditures to be funded by the issuance of tax-exempt or taxable obligations but expended prior to the sale and delivery of such tax-exempt or taxable obligations' proceeds.

ISSUE:

This Reimbursement Resolution will allow the City to get reimbursement for expenditures in connection with the proposed Capital Improvement Program for the Terminal Development Program at the San Antonio International Airport, in an amount not to exceed \$200,000,000, prior to the issuance of the tax-exempt or taxable obligations. The Resolution complies with IRS requirements and establishes the timeframe for reimbursement of eligible capital expenditures. The approval of this Reimbursement Resolution is consistent with the City's policy and previous actions to allow large capital projects to commence prior to the actual issuance of debt.

ALTERNATIVES:

The City could opt to not have a Reimbursement Resolution in place for the proposed Capital Improvement Program for the Terminal Development Program at the San Antonio International Airport; however, any costs incurred prior to the issuance of the tax-exempt or taxable obligations could not be reimbursed by proceeds of such tax-exempt or taxable obligations.

FISCAL IMPACT:

Any costs pertaining to the issuance of the tax-exempt or taxable obligations will be paid from the proceeds derived from the issuance and sale of such tax-exempt or taxable obligations. Therefore, there is no impact on the Airport's operating budget.

RECOMMENDATION:

Staff recommends approval of this Reimbursement Resolution which establishes the City's intent to reimburse costs incurred for the proposed Capital Improvement Program at the Airport through the issuance of one or more series of tax-exempt or taxable obligations.