

# Memorandum



CITY OF DALLAS

DATE August 16, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Items: Dallas Fort Worth International Airport**

On August 28, 2019 the Dallas City Council will consider two Dallas Fort Worth (DFW) International Airport agenda items. These include authorizing two amendments to the DFW International Airport Master Bond Ordinance — the 55<sup>th</sup> Supplemental Concurrent Bond Ordinance (SBO) and the 56<sup>th</sup> SBO, and the FY 2020 Proposed Budget.

The accompanying memo includes details regarding the 55<sup>th</sup> SBO and the 56<sup>th</sup> SBO.

On August 7, 2019 the City Council was briefed on the DFW FY 2020 Proposed Budget.

If you have any questions or concerns, please contact Brett Wilkinson, Managing Director, Office of Strategic Partnerships and Government Affairs, [brett.wilkinson@dallascityhall.com](mailto:brett.wilkinson@dallascityhall.com).

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
Laila Alequresh, Chief Innovation Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

August 16, 2019

To the Honorable Mayor and Members of the Dallas City Council:

Dallas Fort Worth International Airport is preparing for its next capital program to address the future growth of DFW Airport. The capital program will consist of airfield and landside improvements, future terminal expansions, and other projects.

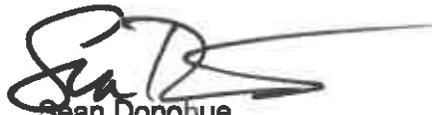
The DFW Airport Board requests the Owner Cities of Dallas and Fort Worth concurrently approve two Supplemental Bond Ordinances (SBO) to facilitate the Airport's financing needs. The Cities of Dallas and Fort Worth will have no financial obligations for the repayment of principal and interest of the bonds. They are repaid solely from the Airport's gross revenue. The two requested ordinances include:

- The 55<sup>th</sup> SBO will authorize the Airport to issue subordinated obligations with a gross revenue coverage requirement of 1.1X debt service instead of the current 1.25X gross revenue requirement. It is the Airport's plan to use obligations issued under the 55<sup>th</sup> SBO for interim financing during construction and to lower interest costs. These obligations will ultimately be refunded with bonds approved by the Owner Cities.
- The 56<sup>th</sup> SBO will authorize an ongoing taxable commercial paper program in an amount not to exceed \$750 million. The commercial paper will be issued under the 55<sup>th</sup> SBO and will be sold as needed, with the proceeds from the commercial paper being used to fund various capital projects.

Additionally, once a year, DFW Airport will return to the Owner City Councils to request a bond issuance to refund the commercial paper issued throughout the year. This item was approved by the DFW Airport Board at its May 30<sup>th</sup> meeting. It is scheduled for approval by the Dallas City Council on Aug. 28, 2019 and by the Fort Worth City Council on Sept. 10, 2019.

Should you have any further questions, please contact Chris Poinsett, Executive Vice President/Chief Financial Officer at 972-973-5210.

Regards,

A handwritten signature in black ink, appearing to read "Sean Donohue", is written over a white rectangular area.

Sean Donohue  
Chief Executive Officer  
Dallas Fort Worth International Airport

C: William Meadows, Chair, Dallas Fort Worth International Airport Board  
T.C. Broadnax, City Manager, City of Dallas