



Agenda Item:

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 01/26/04

Communication

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Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Merrill Stanley, Finance Director
Robert Hagener, Aviation Director

SUBJECT—

Setting the date for a public hearing (Feb. 23, 2004) on the proposal to reallocate \$1,500,000 of unspent proceeds of the Aviation System Revenue Bonds, Series 1998, and providing for publication of notice.

SYNOPSIS—

The bond funds may only be used on eligible projects listed under the 1998 bond resolution. A public hearing is necessary to provide interested parties the opportunity to comment on proposed uses of the bond proceeds not included in the original public hearing.

FISCAL IMPACT—

None. There will be no change to the amount of outstanding bonds or scheduled debt service payments.

RECOMMENDATION—

Approval.

BACKGROUND—

The projects originally included in the Aviation System Revenue Bonds Series 1998 included replacement of existing facilities and the addition of new facilities at the airport. More specifically, these funds enabled the City/Airport to acquire land and build infrastructure for the future development and demand-driven expansion of the airport. Much of the original development work is completed.

Several projects included in the Capital Improvement Program, approved by the Airport Board in November 2003 anticipated the repayment from the proceeds of a recent litigation settlement. Accordingly, there is no need to amend the CIP for these projects. However, if other projects are added to the Aviation System Revenue Bond Series 1998 that were funded by other means or not included in the CIP, it may be necessary to amend the CIP as these projects are brought to the Airport Board for consideration and approval.

The Des Moines International Airport Board recommends the following addition to the project description for the Aviation System Revenue Bonds, Series 1998, which will expand the list of eligible projects for which the bond proceeds, can be used.

The eligible projects authorized for use of Series 1998 Aviation System Revenue Bonds include the acquisition of land and the construction of infrastructure for the future development and demand-driven expansion of the airport. As the airport has proceeded with this development, several ancillary albeit related projects have surfaced, providing complementary enhancement of the original development work. The scope of this work can best be described as “Airport Development Enhancements” and include such work as redundant utility feeds to existing and new critical airport-function facilities, certain aesthetic site improvements adjacent to the passenger terminal area, south cargo area, Fleur Drive and northeast general aviation area. Such work may include addition or relocation of utilities feeding new or existing facilities, and landscape or other aesthetic site improvements.