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Title: Actions related to approval and execution of financing documents to finalize a \$35 million low-interest loan from the California Infrastructure and Economic Development Bank to partly fund a parking garage at Fresno Yosemite International Airport (Council District 4)

1. Adopt a finding of Class 32 Categorical Exemption pursuant to the California Environmental Quality Act Guidelines
2. ***RESOLUTION - Authorizing the issuance, sale and delivery of City of Fresno Airport Revenue Bonds, Series 2019 Bonds to the California Infrastructure and Economic Development Bank, Authorizing the execution and delivery of a Third Supplemental Indenture, Continuing Covenant Agreement and related documents, and Authorizing certain other actions and the execution of certain other documents in connection therewith (Subject to Mayor's Veto)

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. 04-25-19 IBank Financing_Resolution.pdf, 2. 04-25-19_IBank Attachment_Continuing Covenant Agreement_2019 4150-6972-5211 3.pdf, 3. 04-25-19_IBank Attachment_3rd Supplemental Indenture_4165-9118-7227.pdf, 4. 04-25-19 IBank Financing_Attachment_Environ Assmt_Categorical Exemption No P19-01537 -.pdf, 5. 04-25-19 IBank Financing_Good_Faith_Estimates.pdf

Date	Ver.	Action By	Action	Result
4/25/2019	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

April 25, 2019

FROM: KEVIN R. MEIKLE, Director of Aviation
Airports Department

SUBJECT

Actions related to approval and execution of financing documents to finalize a \$35 million low-interest loan from the California Infrastructure and Economic Development Bank to partly fund a parking garage at Fresno Yosemite International Airport (Council District 4)

1. Adopt a finding of Class 32 Categorical Exemption pursuant to the California Environmental Quality Act Guidelines
2. ***RESOLUTION - Authorizing the issuance, sale and delivery of City of Fresno Airport Revenue Bonds, Series 2019 Bonds to the California Infrastructure and Economic Development Bank, Authorizing the execution and delivery of a Third Supplemental Indenture, Continuing

Covenant Agreement and related documents, and Authorizing certain other actions and the execution of certain other documents in connection therewith (Subject to Mayor's Veto)

RECOMMENDATIONS

Staff recommends Council adopt a finding of Class 32 Categorical Exemption pursuant to the California Environmental Quality Act (CEQA) Guidelines, approve a Resolution authorizing the issuance, sale and delivery of City of Fresno Airport Revenue Bonds, Series 2019 bonds to the California Infrastructure and Economic Development Bank (IBank), authorize the execution and delivery of a Third Supplemental Indenture, Continuing Covenant Agreement and related documents, and authorize certain other actions and the execution of certain other documents in connection therewith.

EXECUTIVE SUMMARY

The purpose of the Resolution is to express Council's intent to authorize the execution of the loan. It defines the maximum interest rate and specifies the maturity date. The Continuing Covenant Agreement details obligations the City agrees to meet as a borrower as long as the loan is outstanding, such as the timely annual submittal of audited financial statements to the IBank. The Supplemental Indenture creates the legal structure for the security of the loan, such as the pledge of revenues and the priority for uses of pledged revenues (flow of funds). It is not anticipated that these documents will be materially modified prior to closing.

Senate Bill 450 (Government Code Section 5852.1) requires that prior to the issuance of debt a city council obtain from its underwriter or municipal advisor good faith estimates of specified information. The good faith estimate for the Series 2019 Bonds, based on information provided by KNN Public Finance, the City's municipal advisor, is attached.

BACKGROUND

On February 14, 2019, Council approved the submission of a loan application to the IBank for a parking garage at Fresno Yosemite International Airport (FAT), the first of the FATforward projects. On February 27, 2019, the IBank Board of Directors approved the \$35 million loan. The next step is for Council to approve and authorize the execution of the financing documents prior to closing, scheduled for May 3, 2019. At or after closing, \$35 million will be transferred to a construction account held by the City's Trustee. Once the Trustee's construction account is funded, invoices for costs related to the parking garage may be submitted to the Trustee and the IBank for reimbursement.

The Resolution and related documents have been reviewed and approved as to form by the City Attorney's Office.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in 15322 which exempts project characterized as in-fill development because: a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;

(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (c) The project has no value as habitat for endangered, rare or threatened species; (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; (e) The site can be adequately served by all required utilities and public services. Furthermore, Staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.”

LOCAL PREFERENCE

Local preference was not considered because the Resolution and related documents do not include a bid or award of a construction or services contract.

FISCAL IMPACT

There is no impact to the General Fund from this action. Approval of the Resolution will allow the Airports Department to move forward with the design and ultimately construction of FAT’s parking garage project.

Attachments:

- IBank Resolution
- Continuing Covenant Agreement
- Third Supplemental Indenture
- Environmental Assessment
- Good Faith Estimates