



Legislation Details (With Text)

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**Title:** Actions pertaining to Fresno Yosemite International Airport’s Parking Garage financing (Council District 4):

1.        \*\*\*RESOLUTION - 51th Amendment to the Annual Appropriations Resolution (AAR) No. 2019 -133 to Appropriate an Additional \$525,000 to the State of California Infrastructure Bank Bond Debt Service Fund for the Airport Parking Garage Debt Service Payment Funded with FY 2020 Airport Revenues (Requires 5 affirmative votes) (Subject to Mayor’s veto)

**Sponsors:** Airports Department

**Indexes:**

**Code sections:**

**Attachments:** 1. 06-18-20\_51st Amend AAR\_Reso.pdf

Date	Ver.	Action By	Action	Result
6/18/2020	1	City Council	adopted	

**REPORT TO THE CITY COUNCIL**

**June 18, 2020**

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

**SUBJECT**

Actions pertaining to Fresno Yosemite International Airport’s Parking Garage financing (Council District 4):

1. \*\*\*RESOLUTION - 51<sup>th</sup> Amendment to the Annual Appropriations Resolution (AAR) No. 2019-133 to Appropriate an Additional \$525,000 to the State of California Infrastructure Bank Bond Debt Service Fund for the Airport Parking Garage Debt Service Payment Funded with FY 2020 Airport Revenues (Requires 5 affirmative votes) (Subject to Mayor’s veto)

**RECOMMENDATION**

Staff recommends that Council adopt the 51<sup>th</sup> Amendment to AAR No 2019-133 appropriating an additional \$525,000 to the Airports’ State of California Infrastructure Bank (IBank) Bond Debt Service

Fund to allow for payment of the debt service from FY 2020 revenues.

## **EXECUTIVE SUMMARY**

The Airports FY 2020 budgeted IBank bond debt service was an estimate because at the time of budget submission the financing had not been finalized. The Airports FY 2020 appropriation needs to increase by \$525,000 to reflect the actual debt service payments that are due from FY 2020 revenues. This is not an increase in payment amount, but a shift of a portion of the payment from the proposed FY 2021 budget so that payment is made in the proper fiscal period. This AAR Amendment will increase the FY 2020 appropriation to allow Debt Service payment in the proper fiscal period by the end of June 2020. This action is required to be completed by June 30, 2020 per the Bond Supplemental Indenture.

## **BACKGROUND**

Airports secured bond financing from the IBank in May 2019 for the construction of a parking structure at Fresno Yosemite International Airport (FAT). The project remains on schedule and on budget for a late 2021 completion, within the required terms of the Bond financing. The preliminary FY 2020 debt service estimate was \$1,620,200. Actual debt service is \$2,145,200, a difference of \$525,000.

The aviation industry is on a positive recovery path and most markets, including FAT's, are projected to be near 2019 activity levels by summer 2021 - well above the previously demonstrated need for additional parking FAT. The COVID-19 incident has created positive short-term conditions related to executing the project, such as favorable pricing, work force availability and minimal impact the traveling public. In essence, a perfect time to execute the work, notwithstanding the ongoing debt service obligation and Bond requirement to complete the project on time.

## **ENVIRONMENTAL FINDINGS**

This is not a "project" for the purpose of CEQA pursuant to CEQA Guidelines Section 15378.

## **LOCAL PREFERENCE**

Local preference is not applicable to this action pursuant to Fresno Municipal Code 4-109(b)(3).

## **FISCAL IMPACT**

FAT's existing debt service associated with the parking structure has been and will continue to be programmed into Airports long-term financial plan, which addresses this pandemic and future recessions. Airports has the funding available for this budget appropriation and can proceed to make the necessary payments and account for project costs in the appropriate Fund without any short or long term negative financial impact. There is no impact to the General Fund or to the ratepayers of the City of Fresno from this action.

Attachment:

- Resolution Adopting the 51<sup>st</sup> Amendment to Resolution No. 2019-133

