



Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: April 6, 2020

Re: Resolution approving the proposal contained in a commitment letter from Regions Capital Advantage, Inc. to purchase Special Obligation Bonds (Airport Project), Series 2020A, of the City of Columbia, Missouri, and authorizing certain matters relating thereto.

## Executive Summary

This resolution authorizes the issuance of Special Obligation Bonds (Airport Project), Series 2020A (the "Bonds") to finance the costs of improvements to the City's airport and costs of issuing the Bonds. The maximum principal amount of Bonds to be issued for the Project is \$14,500,000. The resolution also calls for a public hearing, which is required prior to issuance of tax exempt bonds.

## Discussion

Regions Capital Advantage, INC has offered to purchase the bonds for an amount not to exceed \$14,500,000 for the purpose of construction of a new terminal building and other improvements, renovations, upgrades and projects at Columbia Regional Airport, Columbia, Missouri as well as fund costs of issuance.

The "Term Sheet," a copy of which is marked "Exhibit A," is attached with the Resolution. Staff has also provided a copy of a pro forma setting forth the projects costs and assumptions for this financing as supplemental information. If the Council authorizes execution of the term sheet with Regions but fails to move forward with approval of the bonds, the City will be obligated to reimburse Regions for all out of pocket expenses incurred by Regions, including Regions legal expenses.

Prior to issuance of tax exempt bonds, the City is required by the IRS to hold a public hearing allowing the public to comment on the advisability of the tax exempt issuance. This resolution would set that hearing for the April 20<sup>th</sup> Council meeting.

## Fiscal Impact

Short-Term Impact: Approximately \$470,000, plus interest, debt payment will be due in 2021.  
Long-Term Impact: Remaining principal amounts of issuance plus interest matures annually until 2034.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

### Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

## Legislative History

Date	Action
	Not applicable.

## Suggested Council Action

Staff seeks guidance from Council as to whether to move forward with this project and financing at this time.