MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: October 8, 2019
RE: Resolution 2019-09 – A Resolution Authorizing the Issuance and Sale of Airport Revenue Refunding Bonds, Series 2019A (PFC Supported)

The current Airport Revenue Refunding Bonds Series 2011A are backed by PFC (Passenger Facility Charge) revenue and were used to finance a portion of the terminal renovation completed in 2012. These bonds are callable as of December 1, 2019, and are therefore eligible for refinancing. With the current reduced interest rates, refinancing the 2011A Bonds will save the Airport an estimated $3.4 million NPV over the life of the bonds.

Airport staff has been working with the City Finance Department and bond counsel Dorsey & Whitney LLP, in this process. The new bonds require the approval of the Airport Board as well as the City Council.

**STAFF RECOMMENDATION:** Staff recommends Board approval of Resolution 2019-09 Authorizing the Issuance and Sale of Airport Revenue Refunding Bonds, Series 2019A (PFC Supported), to Refinance the Cost of Improvements to the Rapid City Regional Airport and Defining the Terms and Manner of Payment of the Bonds and the Surety Therefor.
A RESOLUTION AUTHORIZING THE ISSUANCE OF AIRPORT REVENUE REFUNDING BONDS; PLEDGING NET REVENUES OF THE AIRPORT AND PASSENGER FACILITY CHARGES TO THE PAYMENT OF SAID BONDS; AUTHORIZING OFFICERS OF THE AIRPORT TO APPROVE, EXECUTE AND DELIVER CERTAIN AGREEMENTS AND DOCUMENTS RELATING TO THE BONDS

BE IT RESOLVED by the Board of the Rapid City Regional Airport, South Dakota (the “Airport”), as follows:

Section 1. Findings. It is hereby found, determined and declared that:

(A) The City of Rapid City, in the County of Pennington and State of South Dakota (the “City”), is the owner of the Airport, and the Airport’s operations are under the control of the Board pursuant to Chapter 50-7, South Dakota Codified Laws and Rapid City Code of Ordinances, Section 2.72.010 et seq.

(B) Under the laws of the State of South Dakota, the City is possessed of all powers which are necessary, requisite or proper for the government and administration of its local and municipal matters, and all rights and powers that now or hereafter may be granted to municipalities by the laws of the State of South Dakota.

(C) The City is authorized by Chapter 6-8B, South Dakota Codified Laws (the “Act”) to issue airport revenue bonds for the purpose of refunding bonds issued to construct, improve and equip improvements to the Airport.

(D) The City has heretofore issued its Airport Revenue Refunding Bonds, Series 2011A (PFC Supported) (the “Series 2011A Bonds”), dated as of March 1, 2011, in the aggregate principal amount of $11,675,000, payable as to principal, premium, if any, and interest from passenger facility charges (the “Passenger Facility Charges”) and from the revenue or income derived from the operation of the Airport (the “Net Revenues”), pursuant to an Indenture of Trust, dated as of December 1, 2010, as supplemented by a First Supplemental Indenture of Trust, dated as of March 1, 2011, each between the City and The First National Bank in Sioux Falls, in Sioux Falls, South Dakota. The proceeds of the Series 2011A Bonds were used to refund the City’s Airport Revenue Bonds, Series 2010A (PFC Supported), which were issued to finance a portion of the costs of remodeling of and additions to the existing terminal at the Airport, together with related costs (collectively, the “Project”).

(E) As authorized by the Act, the City has determined that it is necessary and desirable to issue airport revenue refunding bonds to be designated “City of Rapid City, South Dakota, Airport Revenue Refunding Bonds, Series 2019A (PFC Supported)” (the “Series 2019A Bonds”), the proceeds of which will be used, together with any additional funds of the City which might be required, to (i) refund in a current refunding all or a portion of the outstanding Series 2011A Bonds (the “Refunded Bonds”), (ii) fund a debt
service reserve, and (iii) pay all or a portion of the costs of issuance of the Series 2019A Bonds. The Series 2019A Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”) to be entered into between the City and U.S. Bank National Association, as trustee (the “Trustee”).

Section 2. Approval of the Series 2019A Bonds. The Board hereby approves the issuance of the Series 2019A Bonds in accordance with the provisions of the Act, the Indenture, this resolution and the resolution of the City Council of the City adopted October 7, 2019.


Section 4. Official Statement. The President and Secretary of the Airport Board are authorized, in cooperation with the Underwriter and officers of the City, to prepare an Official Statement to be distributed to prospective purchasers of the Series 2019A Bonds.

Section 5. Authorization of Documents. In connection with the authorization, issuance and delivery of the Series 2019A Bonds, the President and Secretary of the Board shall enter into, execute and deliver such documents, agreements or instruments as may be necessary to make covenants and recite facts required to demonstrate the validity and enforceability of the Series 2019A Bonds under the laws of the State of South Dakota and to assure the exclusion of the interest thereon from the gross income of the owners of the Series 2019A Bonds under the Internal Revenue Code of 1986, as amended, and to effectuate the terms and intent of this Resolution. The execution and delivery of such documents is hereby authorized and directed, the documents to be in such form and to contain such terms, consistent with this Resolution, as the officers designated hereunder shall determine to be necessary and desirable. In the event of the absence or disability of the President or Secretary, the Vice President of the Airport Board or the acting Secretary are hereby authorized to act in the place and stead of the President and Secretary, respectively, and to take all actions and execute all documents approved hereby.

Section 6. Ratification. All actions heretofore taken by the City or any of its officers in connection with the Series 2019A Bonds are hereby ratified and confirmed.

Section 7. Amendment. This Resolution may be amended at any time prior to the issuance of the Series 2019A Bonds by adoption of an administrative resolution.

ATTEST: Darren Haar, President

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Shawn Gab, Secretary

Adopted: October 8, 2019.
CERTIFICATE OF MINUTES RELATING TO
AIRPORT REVENUE REFUNDING BONDS, SERIES 2019A

Governing Body: Rapid City Regional Airport Board, South Dakota

Kind, date, time and place of meeting: A regular meeting, held October 8, 2019, at 9:00 o’clock a.m., at the offices of the Rapid City Regional Airport Board.

Members present:

Members absent:

Documents attached:
Minutes of said meeting (pages): ___ through ___, including:

A RESOLUTION AUTHORIZING THE ISSUANCE OF AIRPORT REVENUE REFUNDING BONDS; PLEDGING NET REVENUES OF THE AIRPORT AND PASSENGER FACILITY CHARGES TO THE PAYMENT OF SAID BONDS; AUTHORIZING OFFICERS OF THE AIRPORT TO APPROVE, EXECUTE AND DELIVER CERTAIN AGREEMENTS AND DOCUMENTS RELATING TO THE BONDS

I, the undersigned, being the duly qualified and acting recording officer of the political corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of the corporation in my legal custody, from which they have been transcribed; that the documents are a correct and complete transcript of the minutes of a meeting of the governing body of the political corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at the meeting, insofar as they relate to the obligations; and that the meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice given as required by law.

WITNESS my hand officially as such recording officer this ___ day of October, 2019.

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Shawn Gab, Secretary