

Memorandum



CITY OF DALLAS

DATE October 14, 2016

TO Honorable Members of the Budget, Finance, & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Dallas Love Field Parking Garage C Update

On Monday, October 17, 2016, Aviation will brief the Budget, Finance, & Audit Committee on the Dallas Love Field Parking Garage C Update. We have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council



DALLAS LOVE FIELD

PARKING GARAGE C UPDATE

BUDGET, FINANCE & AUDIT COMMITTEE

October 17, 2016

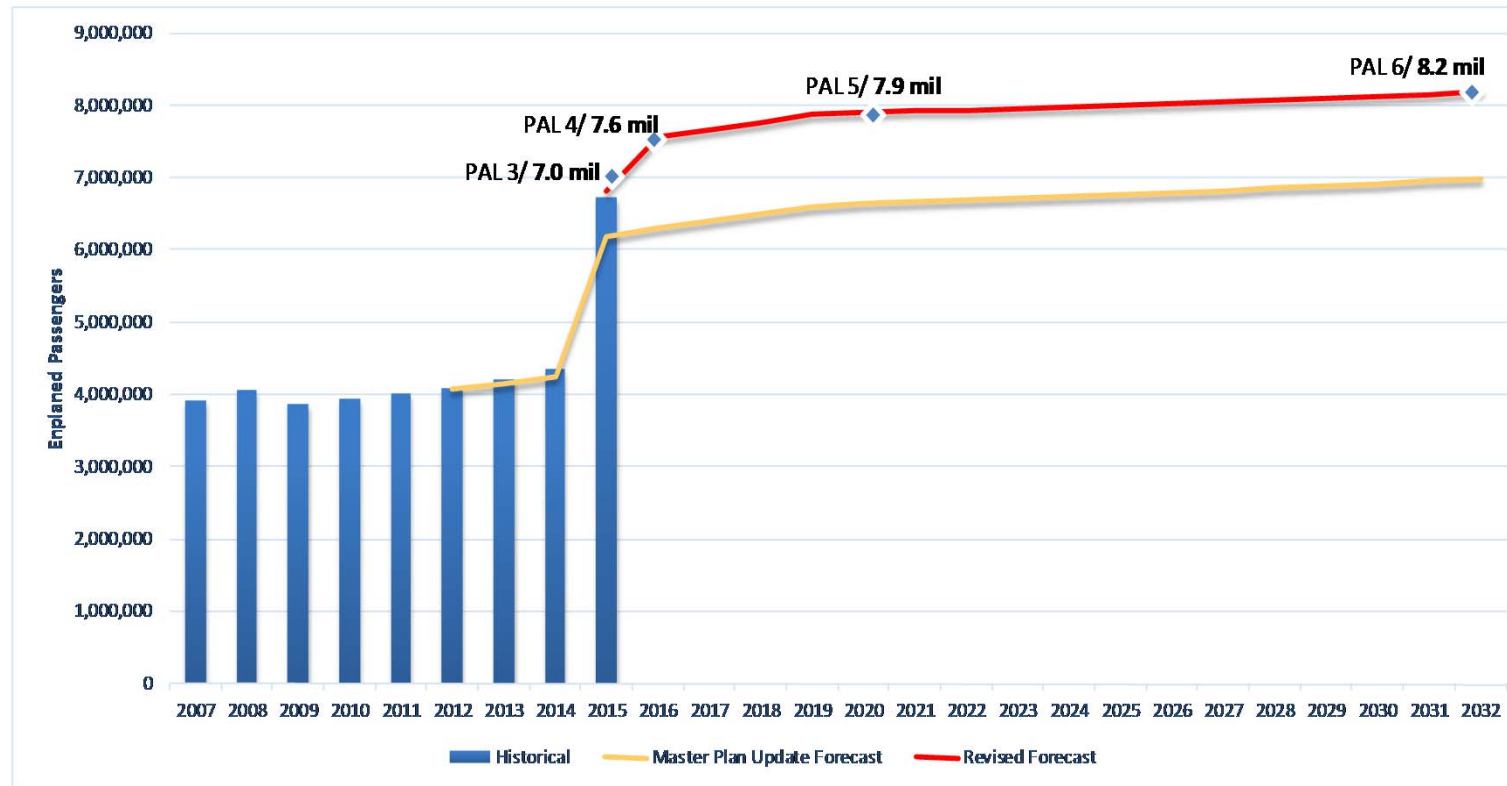


Dallas Love Field

BACKGROUND

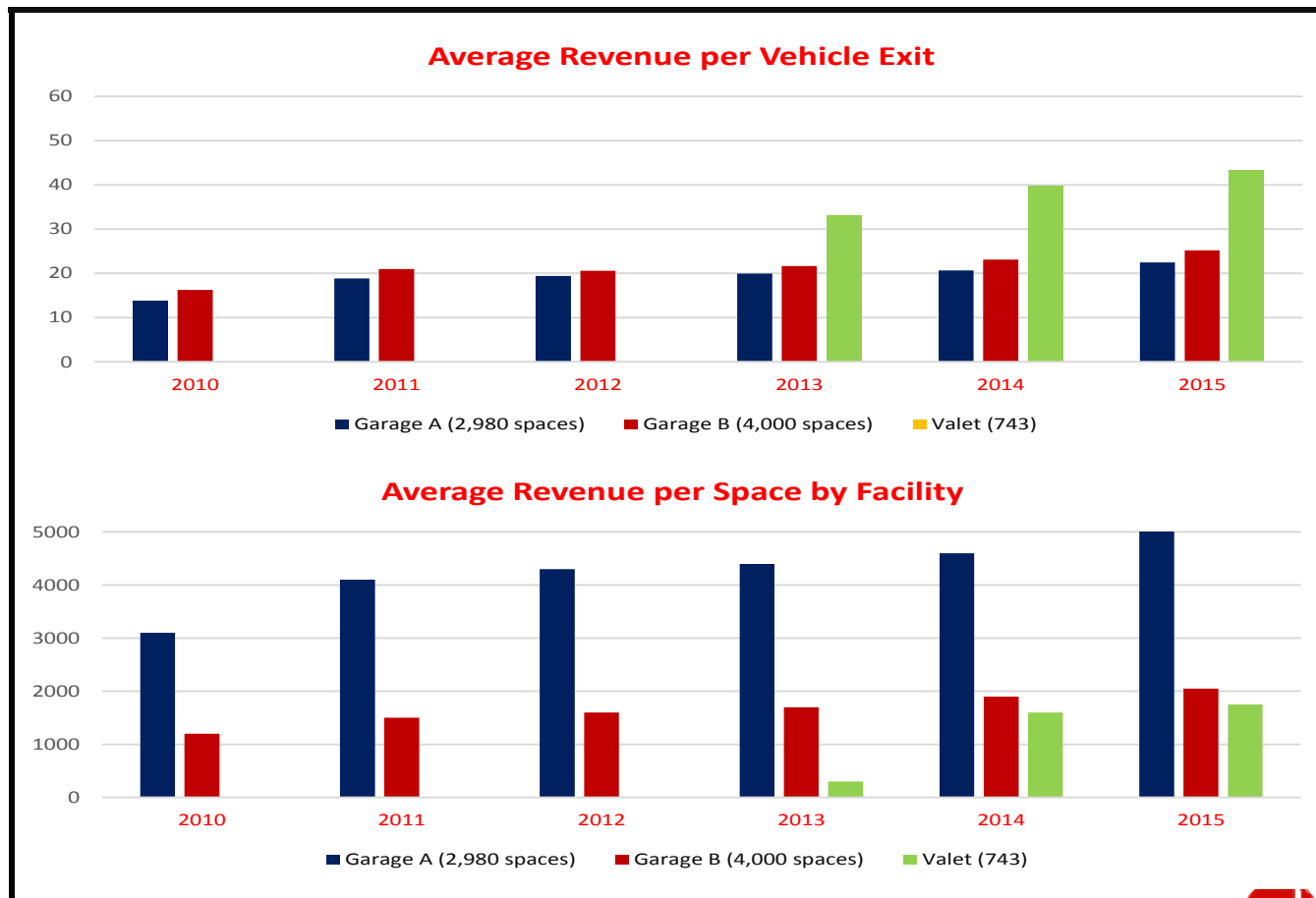
- **Briefed Council June 2015 that parking demands increased due to faster than anticipated growth in passenger activity post Wright Amendment**
- **In August 2015 parking requirements increased further due to additional routes added by airlines**
- **Briefed Economic Development Committee in August 2016 regarding increased costs and plans for second bond issuance**

REVISED PASSENGER ENPLANEMENT FORECAST



AVERAGE PARKING REVENUE

Facility	2010	2011	2012	2013	2014	2015
Garage A (2,980 spaces)	\$13.86	\$18.81	\$19.44	\$19.95	\$20.63	\$22.49
Garage B (4,000 spaces)	\$16.24	\$20.97	\$20.57	\$21.64	\$23.09	\$25.17
Valet (743)				\$33.08	\$39.73	\$43.31
Average of All Facilities	\$14.58	\$19.45	\$19.78	\$20.56	\$21.93	\$23.90



PARKING GARAGE C CONCEPTUAL DRAWINGS







PARKING GARAGE C BRIDGE



AERIAL PROGRESS PHOTO



AERIAL PROGRESS PHOTO



AERIAL PROGRESS PHOTO

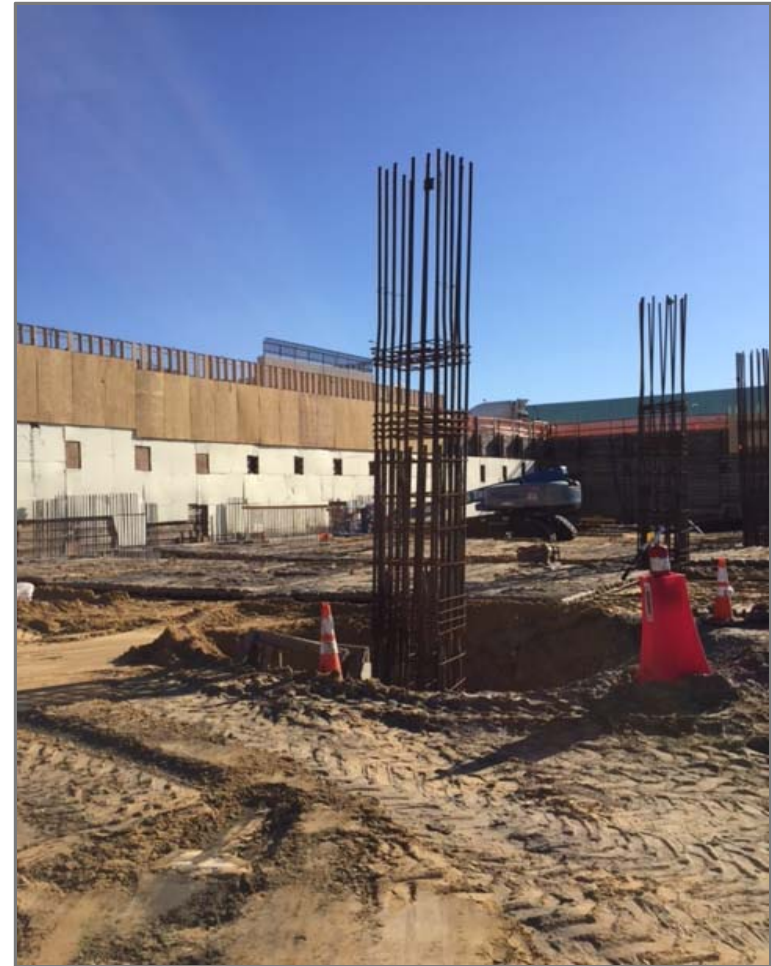


PROGRESS PHOTOS

Finished Interior Wall



Column ready for forms and concrete



PROGRESS PHOTOS

Level 1 deck concrete placement



PROGRESS PHOTOS

Spirit of Flight Sculpture and Fountain Relocation



Fountain



Center basin of fountain with pedestal for *Spirit of Flight* sculpture

PROGRESS PHOTO

Building A



15

Exterior looking Northwest

PROGRESS PHOTO

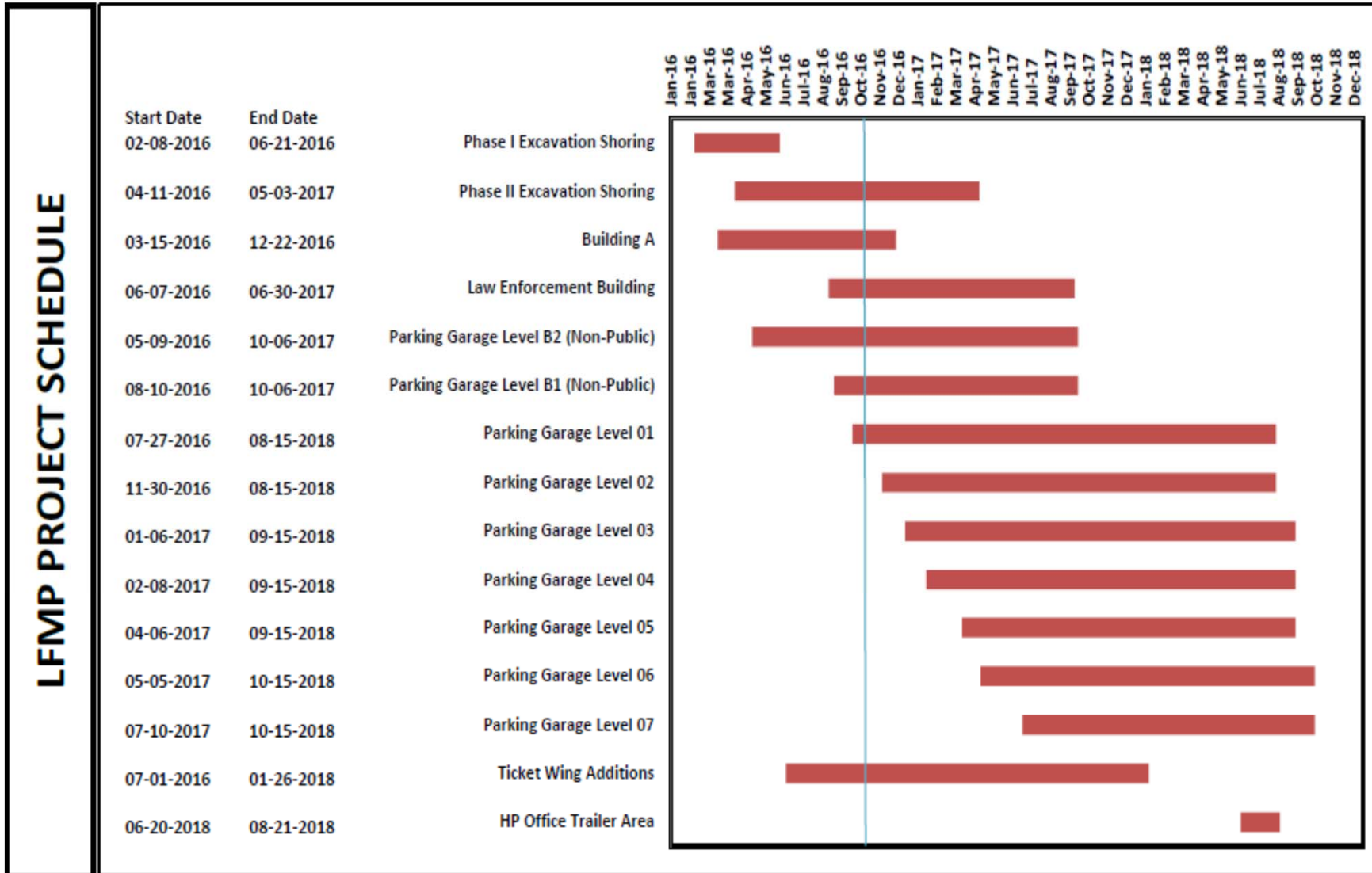


Building A - Level Two

GARAGE C CONSTRUCTION PHASING



PROJECT SCHEDULE



PARKING GARAGE PRICING EVOLVES

- **June 2015: Initial Estimate = \$181.8M**
 - Rough Order of Magnitude Estimate briefed
- **July 2015: Series 2015 Issued = \$100M**
- **March 2016 : Final Guarantee Max Price (FGMP) = \$208.7M**
 - Developed schematics, pre-construction design documents and construction drawings through a series of design workshops

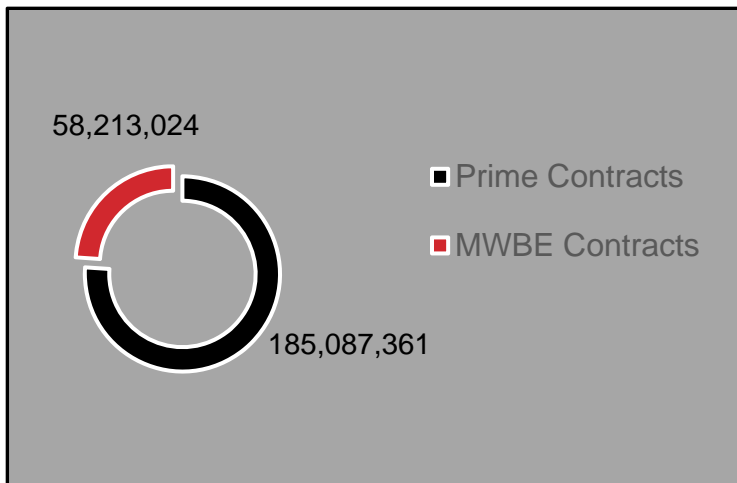
PROJECT COST BREAKOUT

Element	Current Budget	Current Commitment	Cost to Date	Estimate at Completion	Budget Variance
LFMP Parking Garage	208,767,792	185,515,423	53,068,087	208,767,792	-
Design	12,997,891	11,924,657	8,359,058	12,874,451	(123,440)
Construction	141,643,372	129,047,361	29,863,368	140,108,536	(1,534,836)
Construction Indirects	29,072,598	32,903,164	12,133,856	30,712,489	1,639,891
CMR Contingency	5,254,236	4,005,835	-	4,005,835	(1,248,401)
Project Management	10,086,885	7,634,405	2,711,806	10,350,359	263,474
Contingency	9,712,810	-	-	10,716,122	1,003,312

- Current program budget is \$208,767,792
- Trending \$1million under budget reflected as an increase to City's contingency reserve
- The program is 88% bought out and 25.4% complete
 - Design – 64.9% complete
 - Construction – Current Guaranteed Maximum Price \$175,970,206; Estimated Cost at Completion \$174,826,860; 94.3% bought out; 24% complete
 - Other Costs – Program Management, Material Testing, Public Art
 - Current budget - \$10,086,885; Estimated cost at completion \$10,350,358; 26% complete

M/WBE PARTICIPATION TO AUGUST 2016

City of Dallas BID Category	M/WBE Goal	M/WBE % Achieved	M/WBE Contracts Awarded	Total Contracts Awarded
Architecture & Design	25.66%	22.60%	\$2.7M	\$11.9M
Construction	25.00%	31.96%	\$53M	\$166M
Professional Services	36.30%	34.50%	\$2.5M	\$7.2M
Other Services	23.80%	0.00%	\$0	\$0
Goods	18.00%	0.00%	\$0	\$0
Total		31.45%	\$58M	\$185M



- 65 contracts awarded to M/WBE Firms
 - 31.45% - M/WBE participation on contract awards totaling \$58M
 - 42.11% - M/WBE participation on Payments totaling \$22M

BOND SOURCES AND USES

Sources:	Series 2015	Series 2016	Total
Bond Proceeds:			
Par Amount	109,235,000.00	115,005,000.00	224,240,000.00
Premium	13,636,921.25	15,871,601.70	29,508,522.95
	<u>122,871,921.25</u>	<u>130,876,601.70</u>	<u>253,748,522.95</u>
Uses:			
Project Fund Deposits:			
Project Fund	100,000,000.00	108,767,791.00	208,767,791.00
Other Fund Deposits:			
Debt Service Reserve Fund	9,346,750.00	9,840,000.00	19,186,750.00
Capitalized Interest Fund	12,031,021.53	10,717,827.08	22,748,848.61
	<u>21,377,771.53</u>	<u>20,557,827.08</u>	<u>41,935,598.61</u>
Delivery Date Expenses:			
Cost of Issuance	866,297.41	880,000.00	1,746,297.41
Underwriter's Discount	627,852.31	670,501.25	1,298,353.56
	<u>1,494,149.72</u>	<u>1,550,501.25</u>	<u>3,044,650.97</u>
Other Uses of Funds:			
Additional Proceeds		482.37	482.37
	<u>122,871,921.25</u>	<u>130,876,601.70</u>	<u>253,748,522.95</u>

NEXT STEPS

- **Council approval of Final Guarantee Maximum Price (FGMP)**
- **Issue Series 2016 Bond – November 9, 2016**
- **Continue Garage C construction with goal to open all levels by October 2018**

BOND ISSUANCE

BOND SALE OVERVIEW

Total size of bond sale will not exceed \$131 million

- Issued by the Love Field Airport Modernization Corporation (LFAMC) as a component of the Love Field Modernization Program

Proposed bond sale will complete funding for the construction of a public parking garage and related improvements

- Issuance costs not to exceed \$560,000 to be paid from bond proceeds

Sale will be negotiated

SYNDICATE SELECTION

In April 2010, City Council approved two underwriting syndicate teams for negotiated sales. Council approval provided that:

- Bookrunning senior manager position would rotate between national and M/WBE firms
- Co-senior manager would be the highest ranking national or regional firm if the bookrunning senior manager position is assigned to the M/WBE firm on a rotating basis
- Alternate firms would assume the place on a team of a firm that could no longer serve

Since April 2010, Team A has underwritten four negotiated sales, and Team B has underwritten five negotiated sales

SYNDICATE TEAM A

It is proposed that Team A underwrite the Series 2016 LFAMC General Aviation Revenue Bond sale:

Senior Managers

Siebert Cisneros Shank & Co., L.L.C. (Bookrunning Senior Manager)

RBC Capital Markets (Co-Senior Manager)

Co-Managers

JP Morgan

Bank of America Merrill Lynch

Morgan Stanley

Raymond James & Assoc.

Stephens, Inc.

Cabrera Capital Markets

Duncan-Williams

TIMELINE FOR BOND SALE

- October 17 Budget, Finance and Audit Committee
- October 26 City Council Appoints New LFAMC Board Members
- November 3 (tentative) LFAMC board meets to request City Council approval to issue bonds
- November 9 City Council approval of LFAMC bond issuance
- December 8 Pricing of the bonds
- January 18 Deliver bonds and receive proceeds

RECOMMENDATION

Authorize appointment of new Love Field Airport Modernization Corporation board members on the October 26th Council Agenda

Authorize the Love Field Airport Modernization Corporation to issue General Airport Revenue Bonds, Series 2016, in an amount up to \$131 million on the November 9th Council Agenda

ISSUANCE COSTS SCHEDULE

Estimated Issuance Costs

Co-Bond Counsel	\$108,000
Disclosure Counsel	35,000
Co-Financial Advisors	124,000
Debt Analysis/Structuring	40,000
Official Statement Printing	10,000
Rating Agencies	225,000
Auditor – Grant Thornton	8,500
Attorney General Filing Fee	9,500

Total **\$560,000**