

# Memorandum



CITY OF DALLAS

DATE October 9, 2020

TO The Honorable Mayor and Members of the City Council

SUBJECT **Airport System Revenue Refunding Bonds, Series 2020 Update**

On September 21, 2020, the Transportation and Infrastructure Committee voted to move forward with the preparations of a parameters ordinance to issue Love Field Airport Modernization Corporation (LFAMC) Airport System Revenue Refunding Bonds, Series 2020, guaranteed by Southwest Airlines Co. (Southwest), to be included for consideration on the October 13 Council Agenda with the bond sale to take place on October 26, pending City Council approval. Currently, the City's co-financial advisors, Hilltop Securities Inc. (Hilltop), recommend issuing up to \$310 million in bonds for the purpose of refunding eligible outstanding LFAMC Special Facilities Revenue Bonds, Series 2010, to leverage market savings.

Following extensive discussions, Southwest decided to not proceed with the transaction at this time, citing pricing rate concerns, but will revisit the bond refunding after the first of the year. The City anticipates continued discussions with Southwest and bond stakeholders to achieve a prudent and feasible consensus for the bond refunding. Southwest Airlines Co. is a highlight of the Dallas-Fort Worth region and the City looks forward to maintaining a supportive and collaborative relationship with Southwest.

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

cc: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors