

# Memorandum



CITY OF DALLAS

DATE August 9, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **August 14, 2024, Upcoming Agenda Item – 24-2278 – Love Field Airport Modernization Corporation Airport System Commercial Paper Notes Tax Exemption**

The August 14, 2024, City Council Agenda includes a resolution authorizing notes issued pursuant to a commercial paper program to finance improvements at Dallas Love Field, an annual requirement of the Tax Equity and Fiscal Responsibility Act (TEFRA) to maintain tax-exempt status of the commercial paper notes.

On December 9, 2020, the City Council authorized the Love Field Airport Modernization Corporation (LFAMC) to establish the Love Field Airport Modernization Corporation Airport System Commercial Paper Notes, AMT Series (the “Notes”), in an aggregate principal amount not to exceed \$150,000,000. Commercial paper provides interim financing for capital projects. The use of commercial paper permits more cost-efficient use of funds as short-term debt minimizes borrowing costs and allows the for greater flexibility to manage the award of capital project contracts and ongoing cash needs.

Pursuant to the provisions of section 147(f) of the Internal Revenue Code of 1986 (the “Code”), it is necessary for City Council, on a periodic basis, to approve the Notes and the projects to be financed and refinanced with the proceeds thereof, in order to enable the Notes to qualify as tax-exempt obligations under the Code. On July 24, 2024, a designated hearing officer of the LFAMC conducted a precursory public hearing with respect to the Notes and the Eligible Projects, in compliance with the provisions of section 147(f) of the Code. The City’s bond counsel with respect to the LFAMC, McCall, Parkhurst & Horton LLP, recommend annual City Council approval by Resolution to ensure compliance as it relates to the Code and the tax-exempt status of the Notes.

Please let me know if you need any additional information.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland  
Chief Financial Officer

c: Kimberly Bizzor Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors