

Honolulu Authority for Rapid Transportation

Issuance of Tax Exempt
Commercial Paper
FY2017

PURPOSE

- Board resolution authorizing the Executive Director and CEO of HART to execute and request a draw on the \$350 million of the tax exempt commercial paper authorized by the City Council.

HISTORY

- Revised Charter of the City & County of Honolulu, Section 17-109. Bond Sales –

All bond sales shall be subject to council approval. At the request of the authority, the council may, by resolution, approve and director of budget and fiscal services, when so directed by the board, shall sell such bonds for the acquisition, construction of the fixed guideway system in accordance with the procedures prescribed by law for such sales.

- RESO 15-7, FD1 authorized the director of Budget & Fiscal Services to enter into a Memorandum of Understanding (MOU) with HART regarding General Obligation Bonds.

- ORD 15-46 allows the issuance and sale of City & County general obligation commercial paper for the purpose of applying the proceeds to include public improvement to the Honolulu Rail Transit Project.
- HART RESOLUTION NO. 2015-85 requested approval by City Council of the issuance and sale of Commercial Paper

- City Council Resolution 15-314 authorized the sale of HHCTCP Commercial Paper not to exceed \$350 million.
- Proposed HART Board of Directors' Resolution authorizing HART's Executive Director & CEO to sign the commercial paper draw requests totaling no more than \$350 million.

Current Cash Projections

- Current Cash Balance @6/8/16 \$104,600,000
- Est. Expenditures to 6/30/16 (55,600,000)
- Est. Expenditures July 29, 2016 (62,000,000)
- Est. grant revenues June & July 38,700,000
- Est. cash balance @7/29/16 25,800,000
- Min. cash bal. required per MOU 25,000,000

- July TECP Draw Request -
2 weeks notice required 20,000,000