

THE BOND BUYER

Iowa county board Oks GO bond referendum for Des Moines airport

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Published

September 20, 2013, 11:44 a.m. EDT

Voters will determine if Polk County, Iowa, will issue up to \$350 million of general obligation bonds to help fund a terminal project at the Des Moines International Airport.

The county board of supervisors on Tuesday unanimously approved placing a bond referendum on the Nov. 7 ballot.

The [Des Moines Airport Authority](#), which can issue debt on its own but has no bonds outstanding, wants to take advantage of the county's triple-A ratings to lower borrowing costs. Its [previous issuance](#) in 2012 of revenue refunding capital loan notes, which were redeemed last year, were rated A2 by Moody's Investors Service.



The Des Moines Airport Authority wants to take advantage of Polk County's triple-A ratings to lower borrowing costs for a terminal project. *Federal Aviation Administration*

"To grow and remain an economic engine for the region, we need the new terminal funded as economically as possible, and the referendum is the best pathway to do that," Kevin Foley, the authority's executive director, [said in a statement](#).

Leveraging the county's top-notch rating would result in potential savings of about \$70 million over the life of a loan the authority would repay to the county using airport revenue, according to the statement.

The first phase of the terminal project, which will increase gate capacity, is estimated to cost \$445 million, with additional funding coming from federal, state, and local grants, airport authority reserves, and passenger facility charges.

If approved by voters, the first \$100 million of GO bonds could be sold next summer, an authority official told the county board during a presentation last month.