

**ROCHELLE CITY COUNCIL  
AGENDA ITEM MEMO  
REGULAR MEETING**

**SUBJECT:** AN ORDINANCE authorizing the issuance of General Obligation Bonds (Alternate Revenue Source), Series 2026, of the City of Rochelle, Ogle and Lee Counties, Illinois, in an aggregate principal amount not to exceed \$3,500,000 for the purpose of financing various Rochelle Municipal Airport and related improvements and paying for costs related thereto.

**Staff Contact:** Tim Isley

**Summary:** Over the past year, City staff have been working on plans to build a new 8-unit airplane t-hangar at Rochelle's Airport. Staff discussed this project with City Manager Fiegenschuh explaining the need for additional hangar space at Rochelle's Airport and the funding necessary to complete this project. City Manager Fiegenschuh reached out to Raymond James, a public finance and debt investment banking firm, to explore alternate revenue bond options and run scenarios to fund a new airport hangar.

General Obligation Bonds (Alternate Revenue Source) is a good funding option for Rochelle's Airport because this provides immediate capital for large projects and preserves general funds for essential services, supporting fiscal stability while continuing to invest in infrastructure. Spreading repayment over a decade for large capital expenses like these will reduce stress on the airport operating budget and prevent increased project costs from postponing these projects to a later date.

The cost of constructing a new 8-unit T hangar including engineering fees is \$1,902,697. All upfront costs for these projects must be paid by the city. However, once complete, the city will receive \$1,204,737 in grant funding towards the overall cost of the 8-unit T hangar.

With City Council support and approval, the City of Rochelle plans to issue General Obligation Bonds (Alternate Revenue Source) not exceeding \$3,500, 000. The amount issued to finance the construction of one new 8-unit aircraft hangar is \$2,000,000.

The bonds will be repaid using Pledged Revenues, federal grants, and other city funds. The ordinance will be published in the Rochelle News-Leader.

**Funding Sources:**

Source:	Budgeted Amount:		Proposed Expenditure:

**Strategic Plan Goal Application:** Develop and implement plans to replace/repair infrastructure.

**Recommendation:** Consider approving an ordinance authorizing the issuance of General Obligation Bonds (Alternate Revenue Source), Series 2026, of the City of Rochelle, Ogle and Lee Counties, Illinois, in an aggregate principal amount not to exceed \$3,500,000 for the purpose of financing various Rochelle Municipal Airport and related improvements and paying for costs related thereto.