

# Memorandum



CITY OF DALLAS

DATE August 26, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT Love Field Airport Modernization Corp. General Airport Revenue Refunding Bonds, Series 2021 (AMT) – Bond Sale Results

On August 26, 2021, the City held a negotiated sale of Refunding Bonds by the Love Field Airport Modernization Corporation (LFAMC). We structured the transaction with uninsured serial bonds from 2022 – 2031 and insured serial bonds from 2032 – 2040. Assured Guaranty is providing insurance as well as a surety policy to fund the Debt Service Reserve Fund requirement. The market opened with a weak tone and was slow to react to the insured bonds. Nonetheless, the sale generated healthy overall demand and the transaction received a total \$479.5 million in orders. Final pricing resulted in a par amount of \$255.2 million and bond premium of \$56.9 million. The final true interest cost (TIC) was 2.13 percent, down from the recent 2.30 percent estimate and the September 2020 estimate of 3.51 percent. Overall, total savings are \$159.8 million with net present value savings of \$113.2 million.

On June 23, the City Council approved a resolution authorizing the issuance of Refunding Bonds by the Love Field Airport Modernization Corporation (LFAMC) in an aggregate principal amount not to exceed \$350,000,000 to refund eligible outstanding LFAMC Special Facilities Revenue Bonds, Series 2010, to leverage current market savings. Prior to the issuance of the bonds, the City received ratings of 'A (Stable)' from Fitch Ratings and 'A- (Positive)' from S&P Global Ratings. Both ratings reflected upward revisions to the outlooks.

The City of Dallas continues to receive favorable recognition from rating agencies and the market in support of the Dallas Airport System which resulted in a successful bond sale today. Dallas Love Field Airport remains a leader in the aviation industry and a service champion to the greater North Texas region.

Please let me know if you need additional information.

Handwritten signature of M. Elizabeth Reich in blue ink.

M. Elizabeth Reich  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billerae 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 & Neighborhood Services  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors