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# DFW International Airport FY 2021 Debt Financing Summary

City of Dallas

Government Performance and Financial  
Management Committee

April 26, 2021

# Supplemental Bond Ordinances Summary

## 59<sup>th</sup> Supplemental Bond Ordinance

- Amends master bond ordinance to change definition of “eligible security” for escrow accounts to include US Agencies (in addition to US Treasuries)

## 60<sup>th</sup> Supplemental Bond Ordinance

- Permits the Authorized Officers to issue refunding and new money bonds for the Airport
- Establishes parameters for issuances

## 61<sup>st</sup> Supplemental Bond Ordinance

- Annual request to authorize the refunding of entire commercial paper program through bonds

## 62<sup>nd</sup> Supplemental Bond Ordinance

- Allows DFW to enter into a new interim financing credit facility with Wells Fargo Bank to provide short-term capital project financing

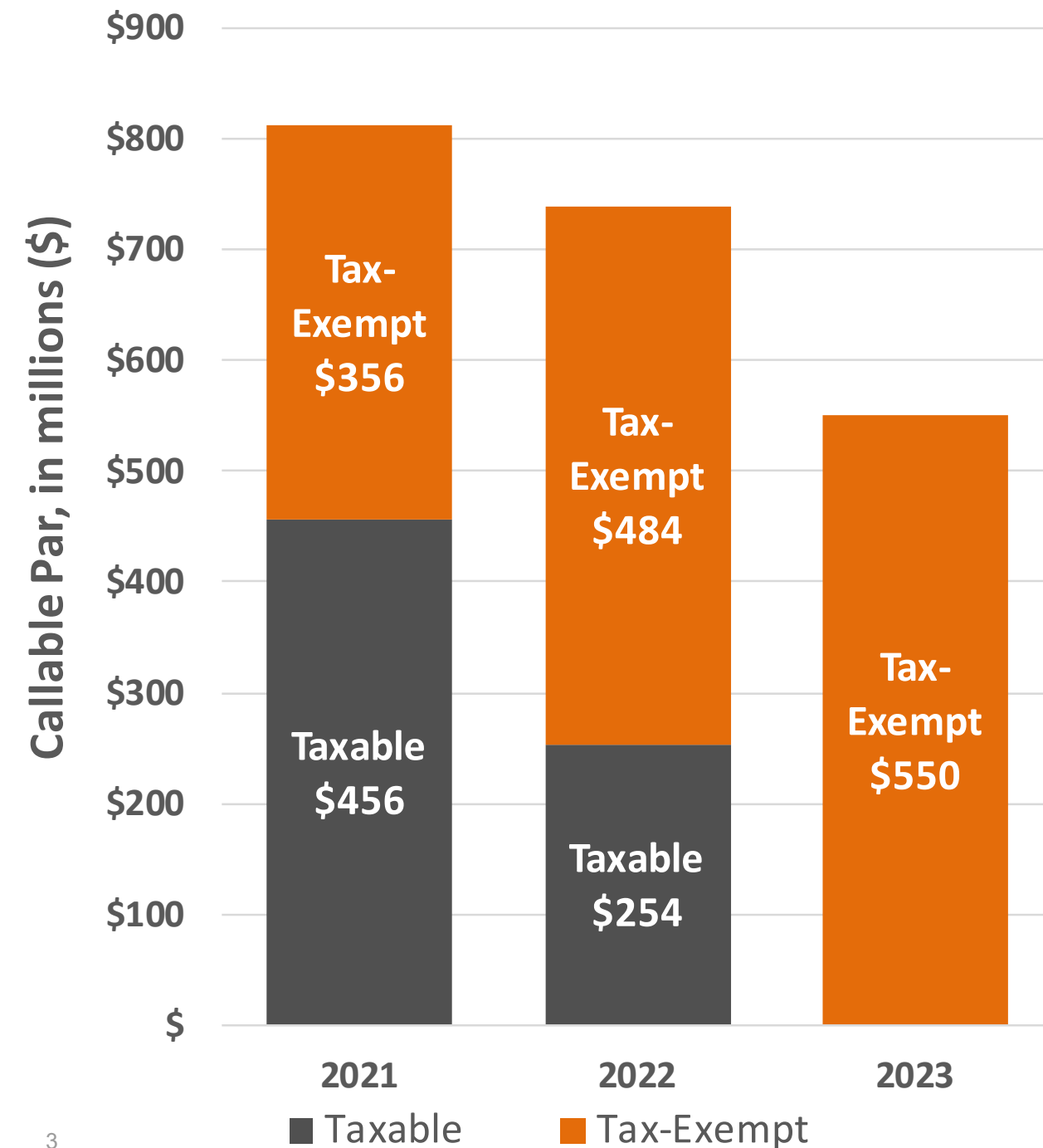


# Refunding Opportunities

## FY 2021 Plans

- Advance refund \$456 million of Alternative Minimum Tax debt callable on 11/1/2022
  - Estimated gross savings over \$70M million
- Refund approximately \$356 million of tax-exempt debt
  - Estimated gross savings over \$100 million

Additional refundings are currently planned for 2022 and 2023



Series	Tax Status	Purpose	Approximate Par Amount
2021A	Taxable	Advance refunding of AMT bonds callable 2022 and commercial paper	\$640MM
2021B	Tax-Exempt	Refunding of bonds callable 2021 and commercial paper	\$415MM
2021C	Tax-Exempt	New Money proceeds and refunding commercial paper	\$200MM

## 60<sup>th</sup> Supplemental Bond Ordinance

- Not to exceed \$2.4 billion over 12 months
  - 3 transactions
  - Approximately \$1.3 billion to refund existing bonds and commercial paper, plus \$150 million of new money bonds (table to left)
  - Plus, up to \$254 million to advance refund bonds if financially advantageous
  - Plus, up to \$850 million for new money proceeds if financially advantageous
- Interest rates - not to exceed maximum allowed under state law
- Final maturity - not to exceed 11/1/2051





# Financing Team

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## **Co-Financial Advisors**

Hilltop Securities

Estrada Hinojosa

## **Bond Counsel**

McCall, Parkhurst & Horton, LLP

West and Associates, LLP

## **Co-Disclosure Counsel**

Bracewell, LLP

Hardwick Law Firm, LLC

## **Co-Underwriters' Counsel**

Kelly Hart & Hallman LLP

Escamilla Poneck, LLP

# Underwriter Syndicates

	2021A Taxable	2021B Tax-Exempt	2021C Tax-Exempt
Anticipated Issue Size (Par)	\$640MM	\$415MM	\$200MM
<b>Sr. Manager</b>	Banc of America Securities	RBC Capital Markets	<b>Academy Securities*</b>
Co-Senior	Citibank	<b>Stern Brothers*</b>	Jefferies
Co-Senior	JP Morgan		
Co-Manager	UBS	Raymond James	Wells Fargo
Co-Manager	<b>Cabrera*</b>	Piper Sandler	<b>Loop Capital Markets*</b>

## \*MWDVBE Firm

- Firms were selected from the pool approved by the Board in January 2018
- Anticipated MWBE participation will exceed 25% across the three transactions





# 62nd Supplemental Bond Ordinance

## New Interim Financing Credit Facility

- Credit facility for drawdown bonds to finance certain capital projects
- For \$225 million facility with Wells Fargo
- Similar to a commercial paper program
- DFW will take-out the interim financing with long-term bonds upon completion of projects (2023)