R2024-04-03 - Resolution Authorizing the Issuance and Sale of the Authority's Sales Tax Revenue Refunding Bonds; and Related Matters

Potential Financing Opportunity – Favorable Objectives

Current financial market conditions present a unique opportunity for the Authority to potentially achieve various favorable objectives with Bond Refinancing

Key Benefits

- ✓ ***Risk Reduction:*** Refinancing of all $461.45 million of Build America Bonds (BABs) will eliminate UTA's exposure to the risk of further subsidy reductions as the result of Federal Government actions
    - ✓ Total subsidy at risk is $65 million for the 2009B BABs and $62 million for the 2010 Subordinated BABs
- ✓ ***Market Conditions:*** Current market conditions, unique on a historical basis, may allow UTA to refinance its BABs with the issuance of tax-exempt bonds and potentially achieve overall debt service savings
- ✓ ***Future Optionality:*** In 10 years, UTA will likely have the option to refinance the bonds issued today at a lower interest rate and achieve savings
- ✓ ***Lower Debt***: By refinancing we would be reducing UTA's overall debt

Parameters

Amount: Not to Exceed $650,000,000
Interest: Not to Exceed 5.0% per annum
Length: No more than 19 years

Recommended Action
(by roll call)

Motion to approve R2024-04-03 - Resolution Authorizing the Issuance and Sale of the Authority's Sales Tax Revenue Refunding Bonds; and Related Matters, as presented