

# **Potential 2015A Senior and Subordinate Sales Tax Revenue Refunding Bond Opportunity in 2021**



# UTA DEBT MANAGEMENT

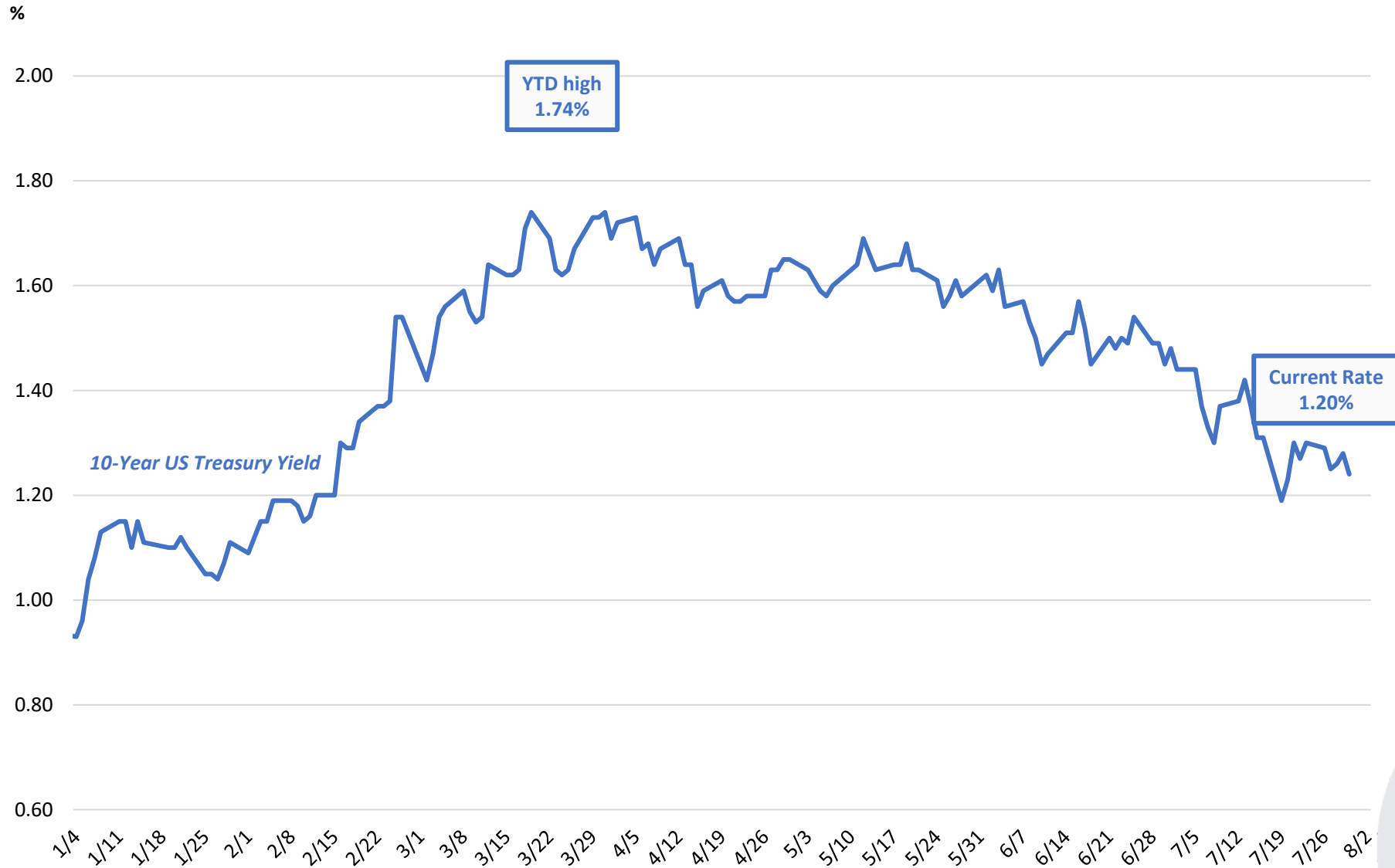
## Bond Refunding and Restructuring Considerations

	Refunding Bonds	Restructuring Bonds
Net Present Value Savings 5% or more	X	
Consider options to lower maximum annual debt service	X	X
Move principal payments from June 15 to December 15	X	X
High refunding efficiency	X	
Minimize use of refunding savings reserve	X	X
Consider change from subordinate to senior debt	X	X



# The 10-Year US Treasury Has Moved Sharply Lower From 2021 Highs

10-year UST Yield Movement 2021YTD



Source: US Department of Treasury from 1/4/2021 – 8/2/2021



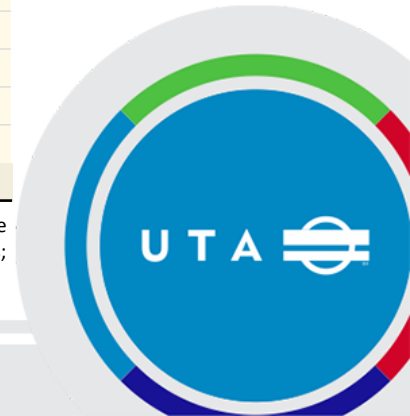
# Series 2015A Taxable Advance Refunding Results (Structured Savings)

Summary of Bonds Refunded				
Series	Par Amt.	Coupons	Maturities	Call Date
2015A	\$383,130,000	4.00% - 5.00%	2026-2029; 2032-2036	June 15, 2025
Sub. 2015A	22,140,000	5.00%	2026 & 2037	June 15, 2025
<b>Total</b>	<b>\$405,270,000</b>			

Refunding Results   2015A Bonds	
<b>Refunded Bonds</b>	
Refunded Par	\$405,270,000
<b>Refunding Bonds</b>	
Par Amount	\$473,230,000
Amortization	2021-2037
Average Life	9.5 years
All-in True Interest Cost (TIC)	1.92%
Gross Savings	\$29,758,426
<b>NPV Savings (\$)</b>	<b>\$28,125,327</b>
<b>NPV Savings (%)</b>	<b>6.94%</b>

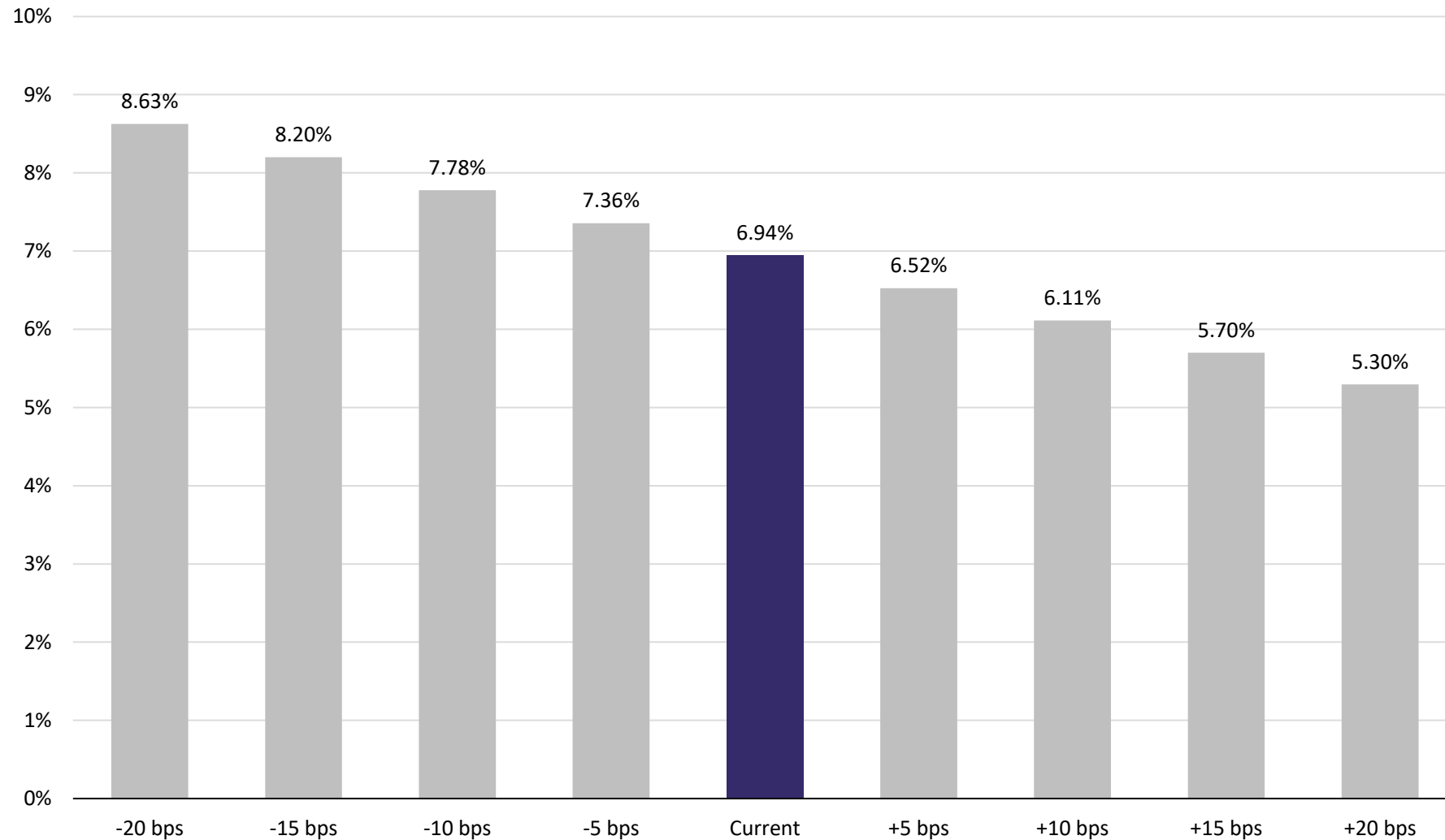
Gross Cashflow Savings (Refunded Bonds Only)			
Year (12/31)	Prior D/S	Refunding D/S	D/S Savings
2021	\$9,039,525	\$9,032,583	\$6,942
2022	18,079,050	18,075,211	3,839
2023	18,079,050	18,075,972	3,079
2024	18,079,050	18,076,104	2,946
2025	18,079,050	18,073,894	5,156
2026	63,055,800	63,052,132	3,668
2027	54,860,300	51,561,471	3,298,830
2028	54,859,425	51,560,016	3,299,409
2029	54,867,925	51,566,458	3,301,468
2030	9,445,050	6,144,503	3,300,548
2031	9,445,050	6,139,333	3,305,718
2032	48,816,550	45,512,680	3,303,870
2033	48,806,950	45,500,670	3,306,280
2034	48,786,050	45,477,830	3,308,220
2035	49,075,050	45,771,695	3,303,355
2036	49,070,550	49,067,400	3,150
2037	14,498,625	14,496,675	1,950
<b>Total</b>	<b>\$586,943,050</b>	<b>\$557,184,624</b>	<b>\$29,758,426</b>

Assumptions: Interest rates as of 8/2/2021, senior lien ratings of Aa2/AA/AA (Stable, Stable, Negative); subordinate lien ratings of A1/A+/AA (Stable, Stable, Negative); Refunded bonds refunded to the same lien; cost of issuance and underwriter's discount of \$5 per bond; Dated/delivery date of 10/15/2021; SLGS funded escrow; final maturity of the refunding bonds is consistent with refunded bonds; Assumes refunding series issued with 10-year call (1) Savings Efficiency calculated as NPV Savings / (NPV Savings + Negative Arbitrage); PV calculations discounted at TIC

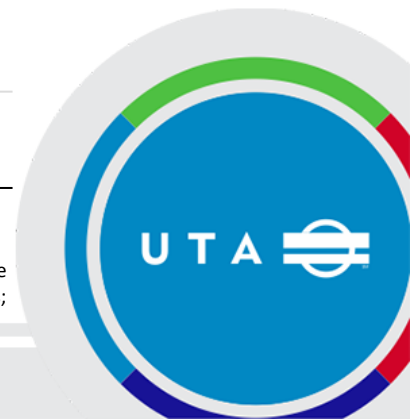


# Series 2015A Taxable Advance Refunding Sensitivity Analysis

NPV Savings Sensitivity – Change in Rates (bps)



Assumptions: Interest rates as of 8/2/2021, senior lien ratings of Aa2/AA/AA (Stable, Stable, Negative); subordinate lien ratings of A1/A+/AA (Stable, Stable, Negative); Refunded bonds refunded to the same lien; cost of issuance and underwriter's discount of \$5 per bond; Dated/delivery date of 10/15/2021; SLGS funded escrow; final maturity of the refunding bonds is consistent with refunded bonds; Assumes refunding series issued with 10-year call (1) Savings Efficiency calculated as NPV Savings / (NPV Savings + Negative Arbitrage); PV calculations discounted at TIC



# Calendar of Events

- August 25- Board discussion, direction to proceed
- Week of September 13- Meeting with State Bonding Commission
- September 15- Presentation to UTA Local Advisory Council
- Week of September 20- meetings with bond rating agencies
- September 22- Board considers resolution authorizing the issuance of refunding bonds
- October 1- Receive bond ratings
- October 12/13- Negotiated bond sale
- October 27- Bond closing
- Bond resolution parameters would be:
  - Not to exceed \$485 million par amount
  - Not to exceed 5% rate
  - Not to exceed 17-year final maturity



# Questions

