

# AAPA Finance Seminar

Capital Markets Update Session, Part 2

April 8, 2014

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Case Study:

1. Port Freeport Series 2013 Revenue Bonds

# Proposed “2013 Series Revenue Bonds”

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**Purpose:** Provide all necessary funds to refinance the outstanding balance of the 2008 Series Port Revenue Bonds as well as to reimburse the Port for funds expended to make repairs necessary in order to place Berth 7 into service.

## Transaction Outcomes

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Restructured Master Resolution that offers expanded access to different types of financing options

Restoration of Balance Sheet liquidity with likely no net cost due to resumption of Federal agency investment position

Projected net savings on refinancing of 2008 series revenue bonds of approximately **\$5.9 million**

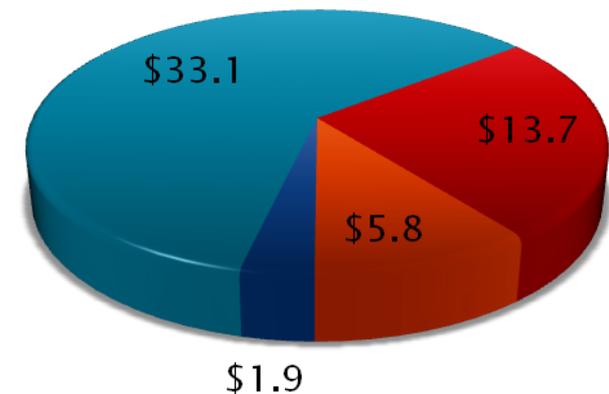
**Berth 7, Velasco Terminal  
Port Freeport, Texas USA**

# Proposed “2013 Series Revenue Bonds”

## Transaction Structure:

- ▶ Revenue Bond
  - collateralized and payable solely from Port operating
  - Senior revenue pledge
  - Tax Levy can not be used to pay debt service
- ▶ Total Issuance of \$52,610,000
- ▶ Issued in 3 separate series
  - Series A – Fixed tax exempt
  - Series B – Variable non-tax AMT
  - Series C – Variable taxable

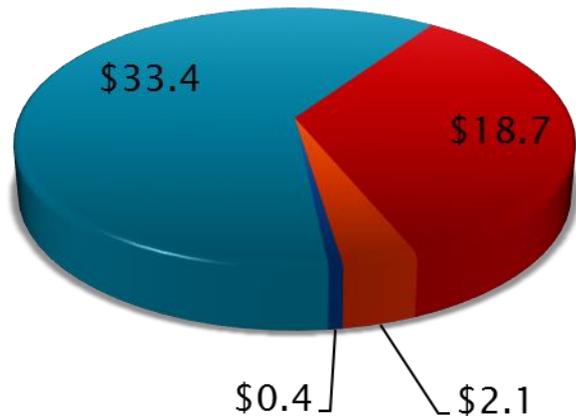
## Source of Funds



- Fixed Rate
- Variable Tax Exempt AMT
- Variable Taxable
- 2008 DSRF

# Proposed “2013 Series Revenue Bonds”

## Use of Funds



- 2008 Series Retirement
- Reimbursement of Berth 7 repairs
- Fund DSRF
- Cost of Issuance

## Transaction Structure (continued):

### ▶ Private Placement as opposed to Public Sale

- Bank of America proposal
- Based on First Southwest’s review of proposal offers approx \$850,000 savings over public sale

### ▶ Terms & Rates

- All-In TIC (true interest cost) – 3.17%
- Weight Average Maturity – 9.675 years
- Series A – 15 years
- Series B – 3 years
- Series C – 3 years

# Questions or Comments

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Sources: First Southwest