



Harbor Department's Redemption of 2011 A & B Bonds

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POLA Current Debt Profile

- POLA's outstanding debt is currently \$618.48M
 - All in fixed rate long term bonds
- The balance on 2011 Series A & B is \$41.14M
- After the proposed redemption total outstanding debt will be \$577.34M

Series 2011 A & B Bonds Background

- Issued in 2001 to refund (refinance) some of prior outstanding bonds that partially had financed Pier 300, Pier 400, and Fireboat Stations 111 & 112
- 2001 Bonds were refunded (refinanced) on their call date in 2011 for interest savings for total of \$91.7M
- Now callable/refundable in 2021 with remaining balances:
 - **Series A outstanding: \$8.32M**
 - Final Maturity August 2022
 - **Series B Outstanding: \$32.82M**
 - Final Maturity August 2025

Proposed Redemption of Series 2011 A&B

Refunding vs. Redemption Scenarios			
	Existing Series 2011 A&B Bonds	Current Refunding	Cash Redemption
Existing P&I Date / Assumed Settlement Date*	8/1/2021	8/1/2021	8/1/2021
FY 2022 Debt Service	\$1,017,275	\$829,250	None
FY 2023 Debt Service	\$11,347,025	\$9,487,750	None
FY 2024 Debt Service	\$11,343,875	\$9,032,625	None
FY 2025 Debt Service	\$11,335,000	\$9,028,750	None
FY 2026 Debt Service	\$11,315,875	\$9,004,625	None
Adjustment for DSRF Release**	N/A	Included	-\$4,401,980
Aggregate Debt Service through Final Maturity / Redemption Payment	\$46,359,050	\$37,383,000	\$36,743,020
Total Nominal Savings	N/A	\$8,976,050	\$9,616,030
Net Benefit of Redemption vs. Current Refunding ***	N/A	N/A	\$639,980
Series 2021 Principal Amt Outstanding after Refunding	N/A	\$33,170,000	None

*For illustrative purposes only. 8/1 is a Sunday.

**DSRF Release is already included in the Current Refunding analysis.

***The net benefit is the difference between the aggregate debt service for the current refunding and the net redemption payment.

Note: The average coupon rate on the outstanding Series 2011AB bonds is at 4.9%. We estimate the all-in yield on any refunding bonds to be 0.70%. The 4.20% differential is the primary reason for annual and aggregate interest rate savings noted in the table above. A cash redemption provides additional savings by eliminating all future interest costs on the Series 2011AB bonds. All Series 2011AB bonds will be redeemed in September 2021.

Additional Benefits of Redemption

- There are no underwriting fees, no rating agency fees, no printer fees, and less legal and advisory fees
- There are no disclosure documents, no ratings process, and no investor marketing needed

Questions?