

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA – STAFF BRIEFING**

**Item No.** 7a

**Date of Meeting** October 5, 2010

**DATE:** September 23, 2010

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Elizabeth Morrison, Sr. Manager, Corporate Finance

**SUBJECT:** Briefing on the extension of the letter of credit provided by Bank of America in support of \$100,000,000 of the Port's commercial paper program.

**SUMMARY:**

In 1997 the Port initiated a commercial paper (CP) program to provide interim funding for capital projects. CP is typically backed by the letter of credit (LOC) from a bank and the Port entered into an agreement with Bank of America. This agreement is scheduled to expire on November 11, 2010. Per Resolution No. 3456, the authority to negotiate and execute the extension is delegated to the Port's Chief Financial Officer and the Port has negotiated an extension of the letter for an additional five years. Due to the many changes in letter of credit provisions since 1997, the Port and Bank of America will amend and restate the agreement as part of the extension. Staff would like to brief the Commission on these changes.

**ATTACHMENTS:**

LOC Powerpoint presentation