

This document is a text-only reovery of the original PDF file. Any graphics that were in the original PDF are not included here.
If you need the original document, please contact the Commission Clerk at the Port of Seattle.

Item No. 10a supp
Meeting Date: June 11, 2024
Intermediate Lien Revenue & Refunding Bonds
Series 2024
June 11, 2024

1

Introduction of Resolution No. 3826

- Sale and Issuance of Intermediate Lien Revenue & Refunding Bonds
 - Fund Airport capital investments
 - Refund outstanding debt for savings
- Draft Plan of Finance anticipates the use of new revenue bonds to fund \$3.6 billion of Airport capital investments from 2024-2028
 - 2024 Revenue Bonds to provide partial funding
- 2024 bonds issued in multiple series based on federal tax status:
 - Governmental Bonds – no income tax for investors
 - Private Activity Bonds – no regular tax, but subject to Alternative Minimum Tax (AMT)
 - Taxable Bonds (if needed) – investors subject to regular federal income tax

2

Purpose of the Bonds

Refund for Savings Funding for Capital Projects

~\$272 million (1) ~\$535 million (1)

- Refund outstanding revenue bonds • Partial funding of Airport CIP, as outlined in issued in 2013 and 2015 the Draft Plan of Finance
- Current estimate of NPV savings on the • Revenue bonds are the primary funding refunding is ~\$9.2 million source for Airport capital investments

(1) estimate

3

Fund Airport Capital Investments

Projects include:

- SEA Gateway Project
- C Concourse Expansion
- S Concourse Evolution
- Continuation of Baggage Handling System Optimization and Airfield Pavement Replacement

- A Concourse Expansion
- MT Low Voltage System Upgrade

Some flexibility to redirect bond proceeds to other Airport capital projects, subject to meeting project eligibility requirements (federal tax)

Actual spending on projects is subject to appropriate authorization

4

Resolution No. 3826

- Similar in all material respect to other • Delegation Limits:
 - Intermediate Lien resolutions – Maximum Par Amount: \$850 million
 - Pursuant to Intermediate Lien Master – Maximum Interest Rates:
 - Resolution • 6.0% - Tax Exempt Bonds
 - Provides approval delegation to Executive • 7.0% - Taxable Bonds (if needed)
- Director, Deputy Executive Director or Chief
Financial Officer – Bond sale must occur by June 25, 2025

-
- Exceeding limits requires further authorization
 - Bonds will be sold by Port underwriting team led by Bank of America • Provides funding for
 - Bond issuance costs
 - Capitalized interest during construction
 - Contribution to the debt service reserve

5

Next Steps

- Meetings with credit rating agencies June 24-25th
- Adoption of Resolution No. 3826 scheduled for June 25th
- Bond sale scheduled for August 1st

6