



City of Austin – Department of Aviation

Airport System Revenue Bonds, Series 2022 (AMT)

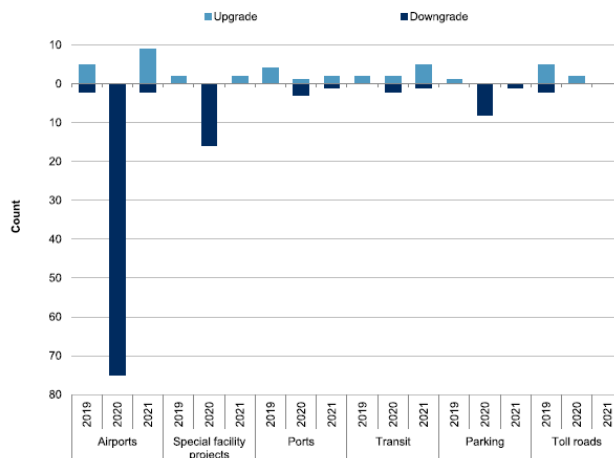
Airport Advisory Committee / May 10



Pre-Pricing Events

- Finance staff spent time educating investors about the growth at AUS prior to the bond sale to ensure maximum participation:
 - 5 in-person investor meetings in 2022
 - 1 one-on-one investor calls leading up to the bond sale
 - 53 views of the investor roadshow leading up to the bond sale
- A strong financial track record coupled with a strong recovery from the Pandemic led to an upgrade of the Airport's credit rating from S&P from A to A+
 - The Airport is one of only 7 airports to be upgraded by S&P in 2022 (after 11 downgrades due to the Pandemic)

Transportation Rating Changes, 2019-2021



#	Firm	Viewed Roadshow	Viewed POS	Submitted Questions	1x1 Call
1	Aetna		Y		
2	American Century	Y	Y		
3	Baird	Y	Y		
4	Barclays		Y		
5	Bessemer Trust	Y	Y		
6	Blackrock	Y	Y		
7	Blue Cross Blue Shield of Michigan		Y		
8	Brown Brothers	Y	Y		
9	Capital Group	Y	Y		Y
10	Catholic United Financial	Y	Y		
11	Citi	Y	Y		
12	Columbia Threadneedle	Y	Y		
13	Conning	Y	Y		
14	Delphi	Y		Y	
15	DWS	Y	Y		
16	Eaton Vance		Y		
17	Erie Insurance	Y	Y		
18	Federated	Y	Y		
19	Fidelity	Y	Y		
20	Foundation Credit	Y	Y	Y	
21	Franklin	Y			
22	GW&K	Y	Y		
23	Hartford Financial	Y	Y		
24	HBK Capital	Y	Y		
25	Hill Country Asset Mgmt	Y			
26	JP Morgan Asset Mgmt	Y	Y		
27	Kemper	Y	Y		
28	Kore Private Wealth	Y			
29	Legal & General		Y		
30	Liberty Mutual	Y	Y		
31	Loomis Sayles		Y		
32	Lord Abbett		Y		
33	Macquarie/Delaware	Y			
34	Manulife	Y	Y		
35	McDonnell Investment Mgmt	Y	Y		
36	MFS	Y	Y		
37	Millennium	Y	Y		
38	Mountainside Securities		Y		
39	Mutual of Omaha		Y		
40	Neuberger Berman		Y		
41	NISA		Y		
42	Northern Trust	Y	Y		
43	Northwestern Mutual	Y	Y		
44	Nuveen/TIAA	Y	Y		
45	Offit Capital		Y		
46	Old Orchard	Y	Y		
47	Performance Trust	Y	Y		
48	PIMCO	Y	Y		
49	Principal Financial	Y	Y		
50	Progressive	Y	Y		
51	Prosperity Life	Y	Y		
52	Prudential	Y	Y		
53	Rockfleet Financial	Y			
54	Sit Investments	Y	Y		
55	Standish Mellon	Y	Y		
56	Sun Life	Y	Y		
57	T Rowe Price	Y	Y		
58	Thornburg	Y	Y		
59	Thrivent	Y	Y		
60	Tower Bay	Y	Y		
61	Vanguard	Y	Y		
62	Victory Capital		Y		
63	Wells Fargo (Allspring)	Y	Y		
64	Wells Fargo Bank	Y	Y		
65	Whitehaven	Y	Y	Y	
66	Wilmington Trust	Y	Y		



Pricing Results

- Investor interest for the Airport's bonds was high and resulted in \$2.5 billion worth of orders for approximately \$400 million of bonds
- This interest allowed the underwriter to lower yields on the bonds up to 9 basis points, despite the tax-exempt index staying flat on the day
- 7 different investors placed orders for over \$100 million of the Airport's bonds

Quick Statistics

Series Overview

Maturities: 22

Issuance Par: \$418,690

% Subscription: 611.47%

Account Overview

#Accounts 61

Total Priority Orders: 197

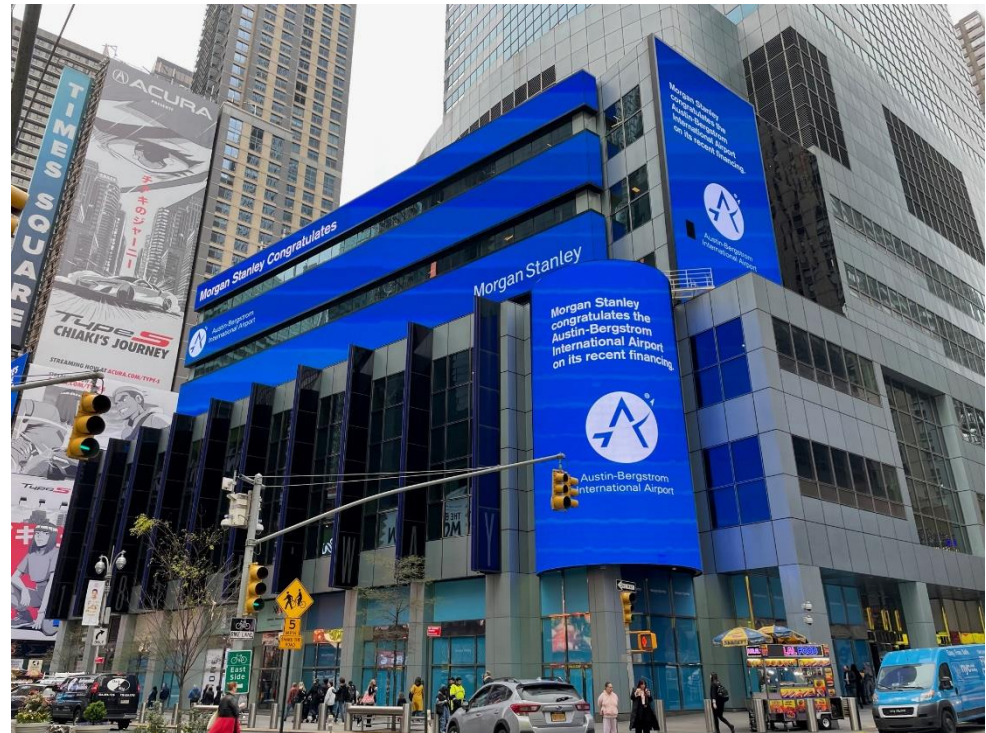
Total Orders: \$2,560M

Full Orders: 72

Order Overview

Order Statistics

Top 10 Investors						
Account	Type	Order Count	Full Orders	Total Orders	%Par	% Total Orders
MIZUHO CAPITAL MARKETS CORPORA	Undisclosed	3	3	\$201,980	48.24%	7.89%
Invesco	MMF	2	2	\$176,980	42.27%	6.91%
JP Morgan Bank	Bank Portfolio	2	0	\$148,000	35.35%	5.78%
Old Orchard Capital Mgmt LP	Prop/Trading	3	1	\$125,000	29.86%	4.88%
Liberty Mutual Insurance Co	Insurance	10	8	\$110,730	26.45%	4.33%
Hartford Life Insurance Company	Insurance	8	6	\$105,640	25.23%	4.13%
PIMCO Advisors L.P.	SMA	9	0	\$102,000	24.36%	3.98%
Bluefin Trading LLC	Prop/Trading	7	4	\$86,940	20.76%	3.40%
T. Rowe Price Associates Funds	Bond Fund	2	1	\$81,640	19.50%	3.19%
Mackay Shields	Bond Fund	1	1	\$78,640	18.78%	3.07%
Top 10 Investors Total:		47	26	\$1,217,550	290.80%	47.56%





Aggregate Pricing Results

- The overall true interest cost of the bonds was 4.30%
- Prior to the sale, interest rates had been increasing due to investor expectations about inflation and future Federal Reserve actions

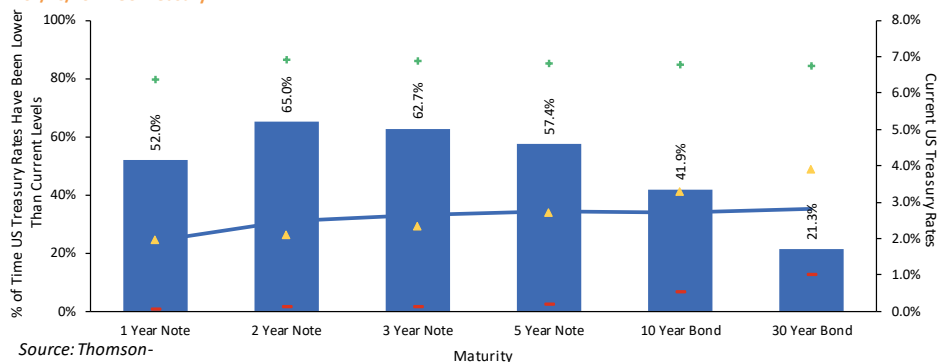
BOND SUMMARY STATISTICS

City of Austin, Texas
Airport Revenue Bonds, Series 2022 (AMT)

Dated Date	05/18/2022
Delivery Date	05/18/2022
Last Maturity	11/15/2052
Arbitrage Yield	3.892949%
True Interest Cost (TIC)	4.303692%
Net Interest Cost (NIC)	4.551276%
All-In TIC	4.324873%
Average Coupon	4.992136%
Average Life (years)	20.171
Duration of Issue (years)	12.799
Par Amount	416,060,000.00
Bond Proceeds	454,518,565.00
Total Interest	418,951,638.34
Net Interest	381,953,680.89
Total Debt Service	835,011,638.34
Maximum Annual Debt Service	27,604,150.00
Average Annual Debt Service	27,384,912.98

% Of Time US Treasury Rates Have Been Lower Since 1999

04/26/2022 US Treasury



Source: Thomson-Reuters

Maturity	1 Year Note	2 Year Note	3 Year Note	5 Year Note	10 Year Bond	30 Year Bond
Current Yield	1.93%	2.48%	2.66%	2.74%	2.72%	2.83%
% Time Less than Current	52.01%	65.02%	62.67%	57.37%	41.91%	21.32%
Maximum Rate	6.38%	6.91%	6.90%	6.81%	6.79%	6.75%
Minimum Rate	0.04%	0.10%	0.11%	0.19%	0.51%	1.00%
Average Rate	1.97%	2.09%	2.33%	2.70%	3.31%	3.92%



Debt Service / Spreads to MMD

- The evening before the sale, results were projected at:
 - True Interest Cost of 4.35%
 - Total debt service of \$840.9 million
- Final sale results were:
 - True Interest Cost of 4.30%
 - Total debt service of \$835.0 million
- Strong investor interest was able to be leveraged into approximately \$5 million of debt service savings for the Airport over the life of the bonds

Maturity	Coupon	Yield	MMD	Spread to MMD
11/15/2025	5.000%	2.900%	2.350%	0.5500%
11/15/2026	5.000%	2.940%	2.370%	0.5700%
11/15/2027	5.000%	3.040%	2.420%	0.6200%
11/15/2028	5.000%	3.160%	2.490%	0.6700%
11/15/2029	5.000%	3.280%	2.560%	0.7200%
11/15/2030	5.000%	3.370%	2.600%	0.7700%
11/15/2031	5.000%	3.490%	2.670%	0.8200%
11/15/2032	5.000%	3.550%	2.700%	0.8500%
11/15/2033	5.000%	3.640%	2.750%	0.8900%
11/15/2034	5.000%	3.690%	2.770%	0.9200%
11/15/2035	5.000%	3.750%	2.800%	0.9500%
11/15/2036	5.000%	3.800%	2.800%	1.0000%
11/15/2037	5.000%	3.820%	2.820%	1.0000%
11/15/2038	5.000%	3.880%	2.840%	1.0400%
11/15/2039	5.000%	3.910%	2.860%	1.0500%
11/15/2040	5.000%	3.920%	2.870%	1.0500%
11/15/2041	5.000%	3.930%	2.880%	1.0500%
11/15/2042	5.000%	3.950%	2.900%	1.0500%
11/15/2043	5.000%	3.970%	2.920%	1.0500%
11/15/2047	5.250%	3.890%	2.980%	0.9100%
11/15/2052	5.000%	4.060%	3.030%	1.0300%
11/15/2052	4.250%	4.270%	3.030%	1.2400%



Use of Proceeds

• Purpose of the Series 2022 Bonds:

- Partially fund the Airport Expansion and Development Program (AEDP) which will:
 - Optimize the Barbara Jordan Terminal by adding new gates and making other improvements
 - Building a new baggage handling system
 - Building a future midfield Concourse B facility, including associated airfield infrastructure
- Make a deposit to the Debt Service Reserve Fund
- Fund capitalized interest during the construction period
- Pay costs of issuance

• Series is tax-exempt but subject to AMT

• Principal repayment period – 2025-2052

