

San Diego County Regional Airport Authority

Debt Update Presentation



Presented by:
Vernon Evans, CPA
Vice President, Finance/Treasurer

August 27, 2012



Outstanding Debt Profile



- ▶ SDCRAA has \$626 million of outstanding debt:

Series	Lien	Outstanding Par (\$M)	Maturities	Coupons	Tax Status
2005	Senior	\$34.530	2013-2020	4.25-5.25%	AMT
2010A	Subordinate	\$313.150	2014-2040	4.00-5.00%	Non-AMT
2010B	Subordinate	\$42.360	2013-2040	3.00-5.00%	Non-AMT
2010C	Subordinate	\$215.360	2031-2040	6.628%*	TX BABs
CP	Subordinate	\$20.729	2013-2030	Variable	AMT
TOTAL		\$626.129			

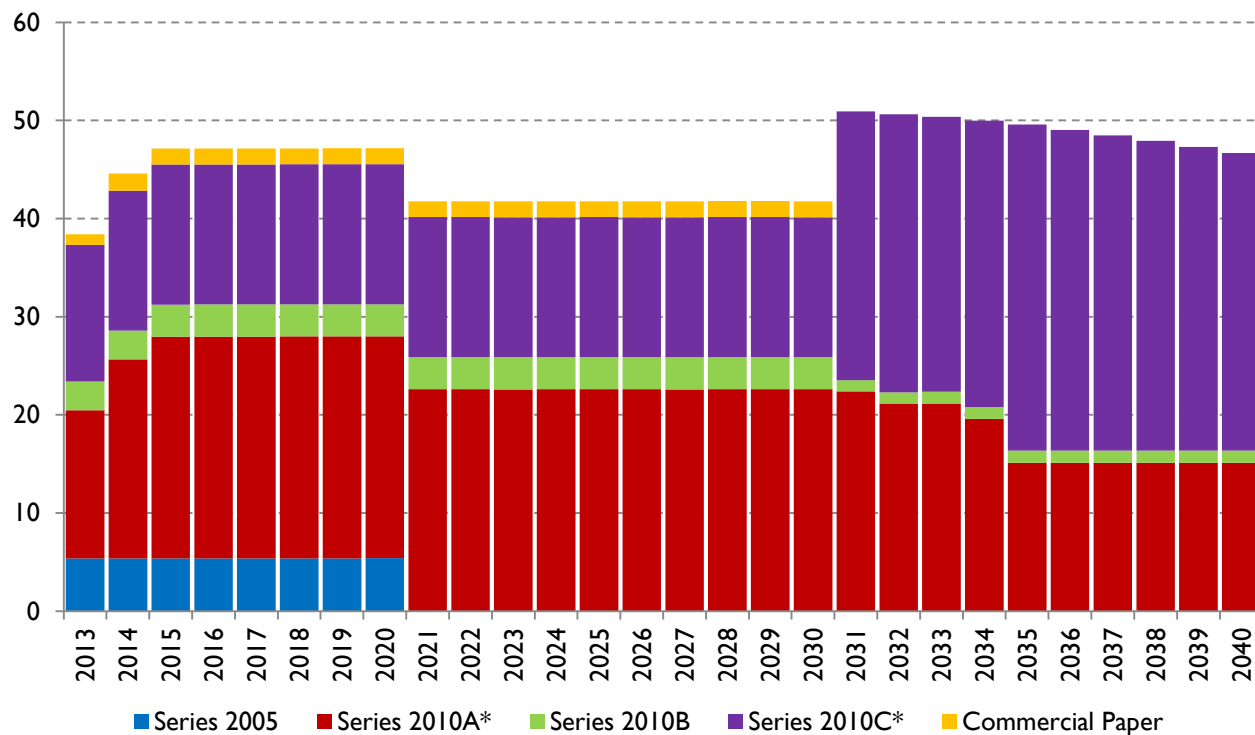
* 4.308% net of the federal BABs subsidy



Outstanding Debt Profile (continued)



► Aggregate debt service by Fiscal Year (in \$millions)



* Debt service is net of capitalized interest



2010 Bond Funds & Future Issuance



- ▶ The Series 2010 bonds funded \$572.6 million of Green Build and CIP projects
- ▶ The Series 2013 bonds will fund approximately \$456 million of projects

	Series 2010	Series 2013 (Preliminary)
Green Build	\$ 376,999,974	\$ 304,976,173
CIP	100,564,561	151,511,934
Refund Prior CP	28,093,200	--
Reserve Fund	50,928,986	42,571,888
Capitalized Interest	37,670,391	5,836,875
Cost of Issuance	4,462,232	4,518,129
Total	\$ 598,719,344	\$509,415,000



Projected 2013 GARB Sources



Sources	Non-AMT	AMT	Total
Par	\$191,040,000	\$318,375,000	\$509,415,000



- ▶ Assumes Senior Lien GARBs issued in January 2013
- ▶ 5.00% (non-AMT) and 5.50% (AMT) tax exempt interest rates
- ▶ First principal payment on 07/01/15
- ▶ Final principal payment on 07/01/43
- ▶ Capitalized interest (Cap I) on AMT projects through 05/01/13 and no Cap I for non-AMT projects





Projected 2013 GARB Uses



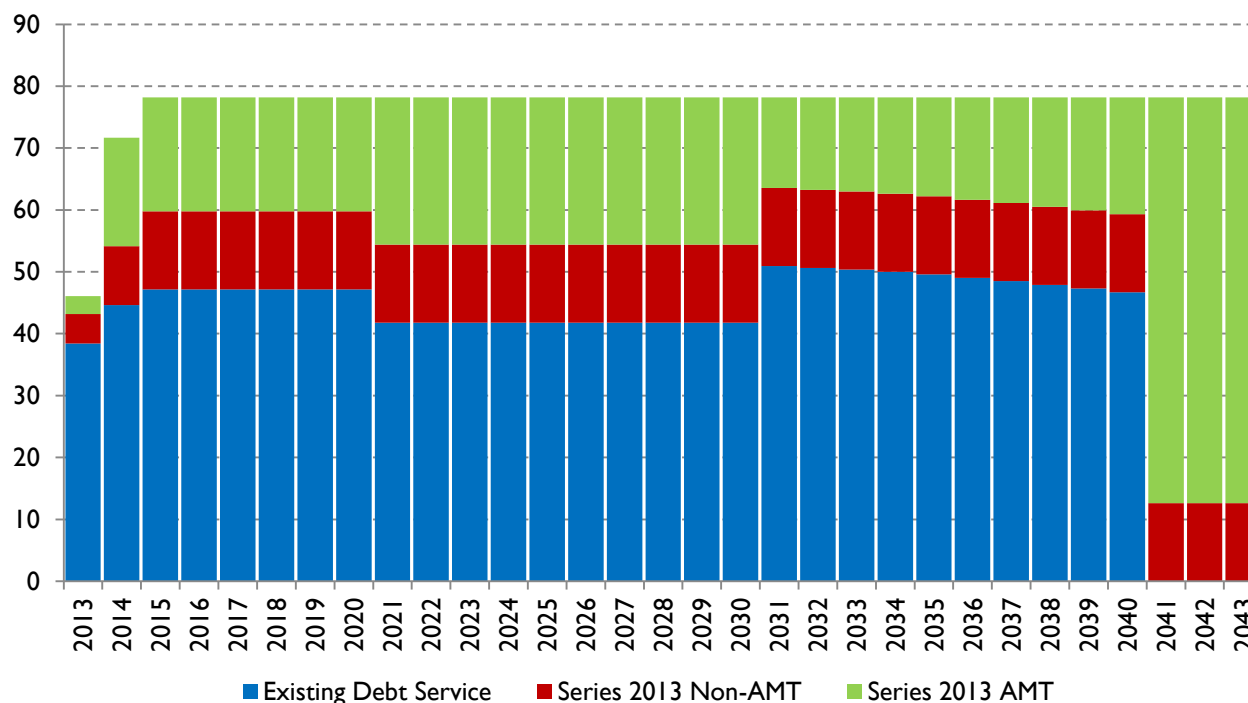
Uses	Non-AMT	AMT	Total
Project Fund	\$176,707,885	\$279,780,222	\$456,488,108
Reserve Fund	12,617,335	29,954,553	42,571,888
Capitalized Interest	0	5,836,875	5,836,875
Cost of Issuance	1,714,779	2,803,350	4,518,129
Total	\$191,040,000	\$318,375,000	\$509,415,000



Projected 2013 GARB Debt Service



- ▶ The Series 2013 bonds are structured to wrap around existing debt service to produce aggregate level annual fiscal year debt service



* Preliminary; debt service by fiscal year is net of capitalized interest



Net Annual Debt Service



- ▶ The Authority's annual debt service will be:

Gross Annual Debt Service after the Issuance of the 2013 Bonds (Preliminary)	\$78,206,200
Less: Federal BAB Credit	(4,955,921)
Less: Pledged PFCs	(30,262,050)
Net Annual Debt Service	\$42,988,229



SDCRAA's Financing Team



ROLE	FIRM	PRINCIPAL TASKS
Bond/ Disclosure Counsel	<i>Kutak Rock</i>	<ul style="list-style-type: none"> • Prepares Indentures and Resolutions, and provides Validity and Tax Opinions • Prepares Official Statement and provides 10(b)5 (“no material omission”) opinion
Financial Advisor	<i>Frasca & Associates</i>	<ul style="list-style-type: none"> • Provides financial analysis, prepares Rating Agency materials, negotiates with Underwriters and Insurer
Feasibility Consultant	<i>Unison Consulting</i>	<ul style="list-style-type: none"> • Prepares Report appended to the Official Statement that forecasts traffic and projects net revenues over the next six years in order to satisfy the bond covenants



SDCRAA's Financing Team



ROLE	FIRM	PRINCIPAL TASKS
Underwriters	<i>Pool of Firms</i> <ul style="list-style-type: none"> • Siebert • Loop Capital Markets • JP Morgan • Jefferies & Company • Citi • Cabrera Capital Markets 	<ul style="list-style-type: none"> • Market, price and distribute Bonds to investors
Underwriters' Counsel	TBD	<ul style="list-style-type: none"> • Prepares Bond Purchase Contract and documents related to the underwriters
Trustee Bank	<i>Bank of NY (Senior)</i> <i>Deutsche Bank (Subordinate)</i>	<ul style="list-style-type: none"> • Holds funds that are pledged to Bondholders and takes action on their behalf



Major Milestones for Issuance



Milestone	Date
Kick Off Working Group Meeting	August 2012
Begin Work on Feasibility Study <ul style="list-style-type: none"> • Traffic forecast • Financial projections 	August 2012
Begin Work on Bond Documents <ul style="list-style-type: none"> • Preliminary Official Statement • Official Statement • Supplemental Indenture 	September 2012
Send Documents to the Board	Early November 2012
TEFRA Hearing	Late November 2012
Rating Agency Meetings	Early December 2012
Receive Ratings	Early January 2013
Price Bonds	Mid January 2013
Close Transaction	Early February 2013



Rental Car Center Funding – CFC Bonds



- ▶ The RCC will be paid with Customer Facility Charges (CFC's)
- ▶ SAN has collected a \$10 per contract CFC since May 1, 2009
- ▶ SAN plans to implement:
 - ▶ \$6 per day CFC no later than January 1, 2012
 - ▶ \$7.50 per day on January 1, 2013
 - ▶ \$9.00 per day on January 1, 2017
- ▶ Pending an on-going review of market conditions, Stand-Alone CFC Bonds are recommended to preserve the Authority's debt capacity for other capital needs



RCC Funding – CFC Bonds



- ▶ Prior to issuing CFC Bonds, the rating agencies and investors will expect the following to be completed:

Milestone	Expected Completion
Implementation of \$6/day CFC & Board authorization to implement future CFCs at maximum rate allowed	No Later Than January 2013
Executed leases with the rental car companies	2Q CY 2013
Guaranteed Maximum Price (GMP) for the RCC development	3Q CY 2013

- ▶ Based on the above, we expect to issue CFC Bonds in 4Q CY 2013



RCC Funding – Sources



Sources	Taxable	Tax Exempt	CFC PAYGO	Total
Par	\$209,365,000	\$37,325,000	\$104,392,000	\$351,082,000

- ▶ Assumes \$264M RCC Cost and \$30M for enabling projects
- ▶ Issued 10/01/13
- ▶ 7.00% taxable interest rates and 6.00% tax exempt interest rates
- ▶ First interest payment on 01/01/14
- ▶ First principal payment on 07/01/16
- ▶ Last principal payment on 07/01/43



RCC Funding – Uses



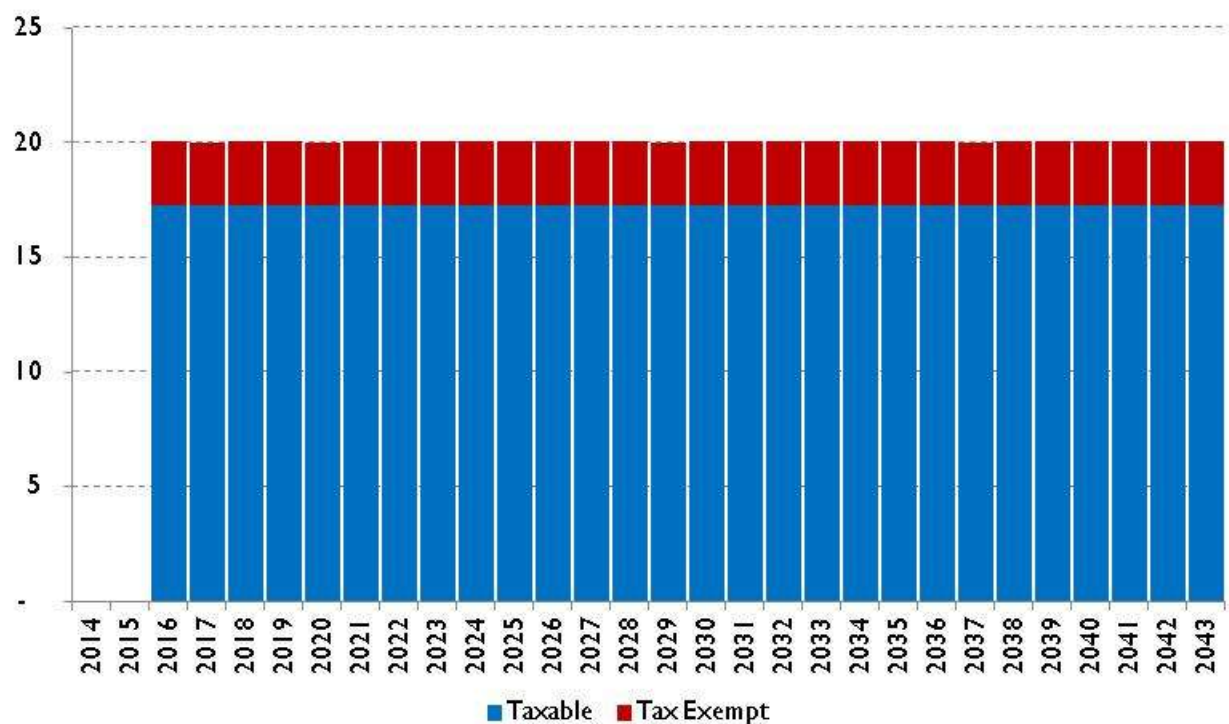
Uses	Taxable	Tax Exempt	CFC PAYGO	Total
Project Fund	\$159,608,000	\$30,000,000	\$104,392,000	\$294,000,000
Reserve Fund	17,006,482	3,031,868		20,038,350
Capitalized Interest	25,647,213	3,919,125		29,566,338
Coverage Fund	5,009,588	0		5,009,588
Cost of Issuance	2,093,718	374,007		2,467,725
Total	\$209,365,000	\$37,325,000	\$104,392,000	\$351,082,000



RCC Funding – Projected Debt Service



- ▶ The CFC bonds are structured to produce level annual debt service





Questions & Answers