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City Manager's Office

Memorandum

TO: HONORABLE MAYOR AND
AND CITY COUNCIL

FROM: Julia H. Cooper

**SUBJECT: RESULTS OF AIRPORT REVENUE
BOND SALE**

DATE: November 30, 2012

Approved

Date

11/30/12

INFORMATION

On November 8, 2012 the City of San José issued \$49,140,000 of Airport Revenue Bonds, Series 2012A (Non-AMT) (the "Bonds"). The bond proceeds were used to refund \$49,140,000 of City of San José Airport Revenue Refunding Bonds, Series 2002A (the "2002A Bonds"). Cost of issuance and accrued interest were paid from Airport funds.

Sale Summary

On November 6, 2012, the City Council approved the issuance of the Bonds, and on November 8, 2012 the transaction was closed. The Bonds were issued on a parity with the Airport's other outstanding Airport revenue bonds, which are supported by a pledge of general airport revenues, after payment of maintenance and operations expenses. The General Fund of the City is not liable, and the credit or taxing power of the City is not pledged for payment of principal, premium, or interest on the Bonds.

The Bonds were privately placed with Banc of America Public Capital Corp as a sole purchaser in the amount of \$49.14 million. As a result of the transaction, the Airport will be able to achieve a net present value savings of \$5.4 million or 11.0% of the refunded 2002A Bonds over the next six years. The Bonds were issued with an all-in true interest cost ("TIC") of 1.53% and a final maturity of March 2018.

/s/

JULIA H. COOPER
Acting Director of Finance

For questions, or additional information, please contact Arn Andrews, Acting Assistant Director of Finance, at (408) 535-7041, or Julia H. Cooper, Acting Director of Finance, at (408) 535-7011.