



City of Cleveland
Frank G. Jackson, Mayor

Department of Finance
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September 26, 2019

Kevin J. Kelley, Chairman
Cleveland City Council Finance Committee

Patricia Britz, Clerk of Council
Cleveland City Council

I am sending you this letter for your review and distribution to all members of City Council. As required by Section 20 of Ordinance 1364-17 passed on November 20, 2017, this letter is to notify you that the City intends to issue \$301,665,000 Airport System Revenue Bonds, Series 2019A (Taxable), \$34,605,000 Airport System Revenue Bonds, Series 2019B (AMT) and \$5,405,000 Airport System Revenue Bonds, Series 2019C (Non-AMT) effective October 1, 2019. These bonds are being issued to refund certain outstanding Airport System Revenue Bonds for debt service savings and to refund all of the Airport's outstanding variable rate debt with fixed rate bonds. The City will enter into various agreements to accomplish the issuance and sale of the Series 2019A, 2019B and 2019C Bonds and the refunding of those outstanding Bonds, including a supplemental indenture, escrow agreement and a continuing disclosure agreement.

The bonds being refunded as of October 1, 2019 by the 2019A Bonds are the outstanding \$235,150,000 Series 2012A Airport System Revenue Bonds and the outstanding \$52,050,000 Series 2013A Airport System Revenue Bonds. As a result of this refunding, the Airport System will realize \$22.5 million or 7.83% of net present value debt service savings.

The Series 2019B Bonds are being issued to refund the variable rate Series 2009D and 2014A Bonds and the 2008D variable rate bonds are being refunded by the Series 2019C Bonds. Due to the low interest rate environment, all of these variable rate bonds have been refunded with fixed rate bonds at no additional cost to Port Control. This eliminates the risk associated with rising interest rates and provides variable rate capacity for Port Control going forward.

Sincerely,

Sharon Dumas, Director
Department of Finance