



**City of Dallas
Finance, Audit & Accountability Committee**

**D/FW International Airport
Facility Improvement Corporation
American Airlines, Inc.
Revenue Refunding Bonds, Series 2007**

May 14, 2007



Refunding Bonds Background

- 1992 AA fixed rate Facility Improvement Corporation (FIC) Bonds
- \$127.7M outstanding; average coupon 7.25%
- Final maturity 2030
- Bonds not secured by Airport Revenues
- AA has sole obligation for repayment
- No obligation for repayment of debt by Airport or Owner Cities
- May be sold only to Qualified Investors



Projected Savings

- Present Value Savings \$29M
- Total savings \$52M
- Average Annual Savings \$2.2M
- No extension of final maturity



AA FIC Refunding

Year by year comparison of principal and interest payments

(\$000s)	Bonds to be Refunded AA Inc, 1992 Revenue Bonds			Refunding Bonds 2007 AA Inc, Refunding Bonds			Debt Service Variance Savings/(Deficit)			
	Date	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
	FY 2007		\$ 3,370	3,370		\$ 2,605	\$ 2,605	\$ -	\$ 765	\$ 765
	FY 2008		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2009		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2010		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2011		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2012		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2013		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2014		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2015		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2016		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2017		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2018		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2019		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2020		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2021		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2022		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2023		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2024		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2025		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2026		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2027		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2028		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2029		9,261	9,261		7,158	7,158	-	2,104	2,104
	FY 2030	127,740	9,261	137,001	124,480	7,158	131,638	3,260	2,104	5,364
	Totals	\$ 127,740	\$ 216,376	\$ 344,116	\$ 124,480	\$ 167,229	\$ 291,709	\$ 3,260	\$ 49,147	\$ 52,407

NPV Savings 29,079
NPV % 22.8%



Refunding Bond Parameters

- 2007 fixed rate Facility Improvement Corporation bonds
- Amount not to exceed \$150 million
- Interest Rate not to exceed 6.5%
- Final Maturity not to exceed 2030
- MWBE participation 20%



Transaction Team

Financial Advisors	First Southwest Company Estrada Hinojosa & Company (MWBE)
Co-Bond Counsel	Vinson & Elkins McCall, Parkhurst & Horton Law Office of Rita Utt (MWBE)
Senior Manager	Morgan Stanley
Co-Managers	Siebert Brandford Shanks (MWBE) Merrill Lynch Samuel A. Ramirez (MWBE)



Proposed Schedule

May 3	Airport Board (approved)
May 14	Dallas Finance, Audit and Accountability Committee (briefing)
May 15	Fort Worth City Council (briefing)
May 16	Dallas City Council (briefing)
May 22	Fort Worth City Council (consideration)
May 23	Dallas City Council (consideration)
May 30	Pricing
June 7	Closing