



## Defeasance of Debt

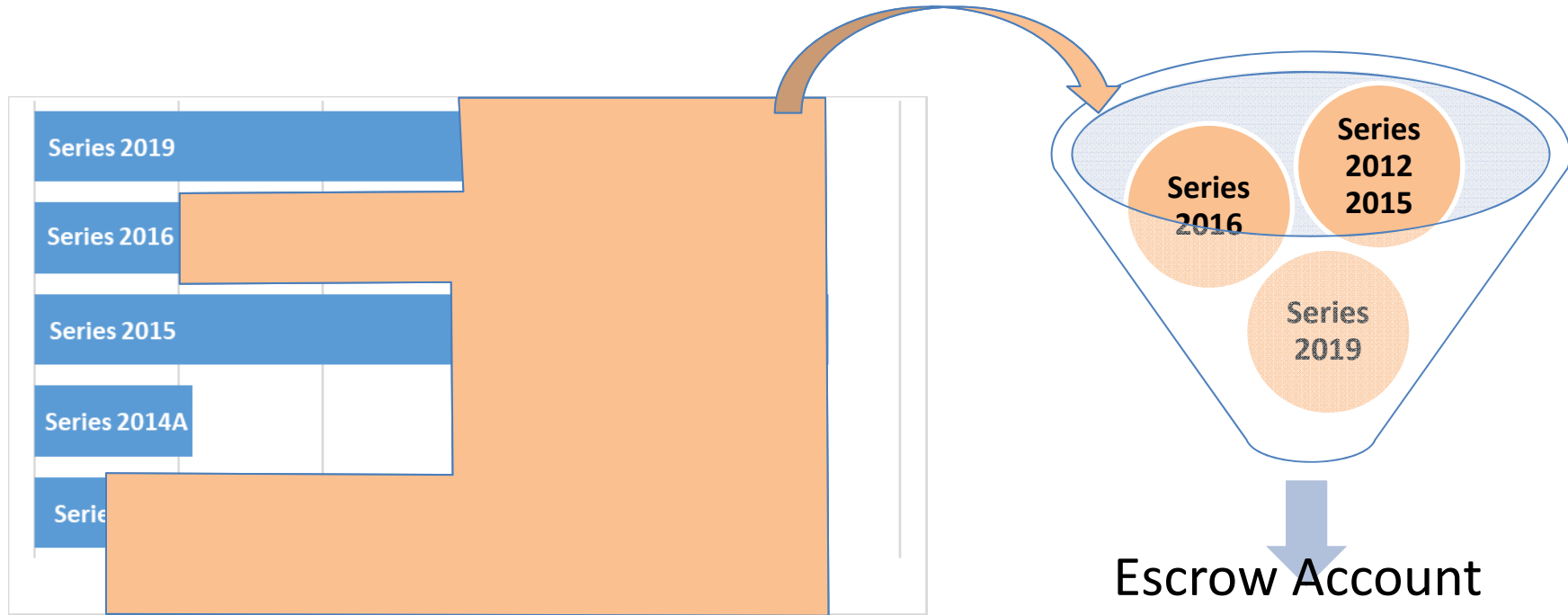
Presented to:

Operational Planning & Infrastructure  
Committee

June 15, 2021

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# Defeasance of Debt



## Current Debt Principal & Interest Outstanding 2021 through 2039

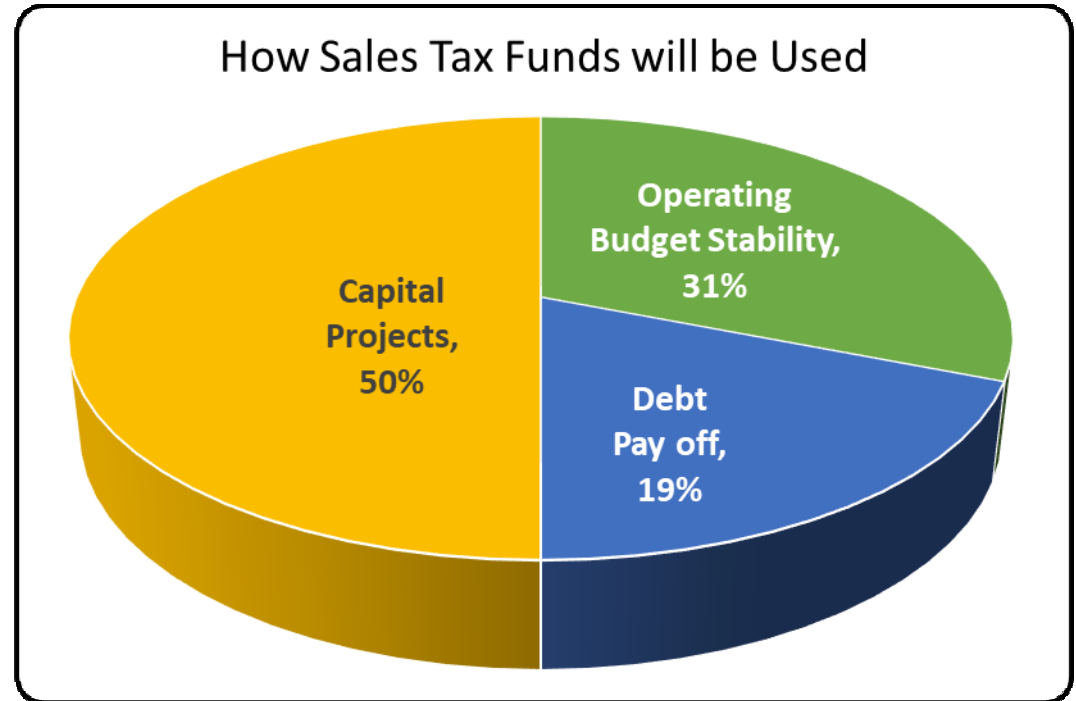
Series	Principal and Interest
Series 2012	\$11,756,750
Series 2014A	11,524,300
Series 2015	54,956,750
Series 2016	20,172,050
Series 2019	45,741,250
<b>Total</b>	<b>\$144,151,100</b>

## Strategic Use of Sales Tax Funds

CARES Act	\$112 m
CRRSAA	67 m
ARP	<u>136 m</u>
<b>Total</b>	<b><u>\$315 m</u></b>

Used for Operating Expenses

Freed up Sales Tax normally  
used for Operations



## Amount of Defeasance Escrow Deposit Required

- Approximately \$60 million
  - Last of Bonds will mature in 2030 (vs. 2039)
    - Debt service savings for 9 years would be approximately \$126 million
    - Reducing remaining debt (at the end of 2021) to \$70.4 million
  - Average savings of \$3.1 million annually (through 2026)
  - Reduce debt service in the future
    - Will result in funds for additional capital and/or operating

## Recommendation

Staff requests that the Operational Planning & Infrastructure Committee recommend the Debt Defeasance to the Full Board for approval.

# QUESTIONS/COMMENTS

**Greater Cleveland Regional Transit Authority**

