

Cabrera Successfully Navigates a Challenging Market as Senior Manager on \$185.25 Million Aldine ISD Unlimited Tax School Bldg & Refunding Bonds



\$185,255,000 Unlimited Tax School Building and Refunding Bonds, Series 2024B
Aldine Independent School District
Cabrera's Role: Senior Manager
Sale Date: 10/9/2024 (40 Day Delivery)
Rating: Aa2/AA- :: Aaa/AAA (M/S&P) (PSF Insured)

Transaction Highlights

- With **nonfarm payroll numbers strongly exceeding expectations, the municipal market weakened and saw rates surge significantly across the curve.** Compared to the prior week, MMD had increased by 12 to 15 basis points rates from 1-5 years and 16 to 18 basis points from 10-30 years.
- The week of pricing however, the **Aldine ISD transaction stood out as the largest deal overall of the week** amid a relatively light negotiated Texas calendar.
- During the order period **Cabrera secured \$698.06 million in total priority orders from 58 different investors for the \$185.25 million transaction**, of which nearly all were non-current publicly reported investors of the District.
- The **4% spreads on the 2049 and 2054 terms ended up at +55 and +50 respectively, some of the tightest levels seen in any Texas ISD in some time**, quite a feat in a difficult market
- After the order period Cabrera **underwrote just under \$6 million in balances, tightened spreads in a very challenged market and managed to maintain regular delivery spreads in a 40-day delayed delivery transaction.**
- **Students from Aldine ISD**, District officials, and bankers from Cabrera and Post Oak **were present during the pricing** which made the transaction a unique interactive and immersive teaching experience for the students.

Transaction Results

- The refunding component provided the District **\$14.98 million in present value savings, or 9.21% PV Savings as a % of par**
- The True Interest Cost (TIC) was 3.56% and the final maturity was a term in 2054.