

# \$692.035mm Austin ISD – Lead Managed Case Study



**\$692,035,000 Unlimited Tax School Building Bonds, Series 2024**  
**Austin Independent School District**  
Cabrera's Role: Lead Manager  
Sale Date: 3/25/2024  
Aaa (Moody's PSF Insured), Aaa Moody's Underlying

## Transaction Highlights

- The Bonds were originally scheduled to price on Tuesday, March 26th, however, with over \$5 billion calendar slated for Tuesday, **Cabrera proposed accelerating the sale to Monday**, March 25th which ultimately proved to be advantageous for the District as the market was much weaker on Tuesday, March 26th.
- During the order period, **the syndicate secured \$1.3 billion in priority orders from 64 different investors** for the \$692 million transaction, 45 of which were non-current investor of the District.
- After building a robust book of investors with **oversubscription levels that ranged from 1x to 4x**, Cabrera lowered spreads by 1 to 3 bps throughout the curve.
- One of the goals of the transaction was to provide as much diversity in structure as possible. To accomplish this, **the financing team structured 5%, 5.25% & 4% coupons, a bifurcated term bond, in the 2049 maturity, and an 8-year call** to add optionality to the District's outstanding debt structure.
- After pricing bumps (decreases in spreads), **Cabrera used its capital to underwrite unsold balances of just over \$2 million.**

## Transaction Results

- The True Interest Cost (TIC) was 3.92% and the final maturities were the two terms in 2049.
- Proceeds will be used for (1) the design, construction, improvement and equipment of school buildings in the District and the purchase of the necessary sites therefor and the purchase of new school buses, (2) the design, construction, improvement and upgrading of technology systems, infrastructure and equipment, (3) the design, construction, improvement and equipment of stadium facilities in the District, and (4) paying costs of issuing the Bonds.
- The District secured a Aaa underlying rating from Moody's and AAA from Kroll, as well as a PSF Aaa rating from Moody's. AISD is the only school district in Texas with AAA underlying ratings from two different rating agencies.