



Port of Houston Authority of Harris County Texas Debt Information As of December 31, 2020

Port of Houston Authority of Harris County, Texas (“Port Houston” or the “Authority”) is pleased to provide the following information as part of its commitment to financial transparency.

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Ad Valorem Tax Bonds

At December 31, 2020, the Authority had total debt outstanding of \$587.2 million (net of premiums/discounts), consisting of Unlimited Tax Port Improvement Bonds and Unlimited Tax Refunding Bonds (collectively, the “Ad Valorem Tax Bonds”).

Debt service on the Ad Valorem Tax Bonds is funded entirely from ad valorem taxes approved by Harris County voters at duly held bond elections, plus any interest earnings on such debt service tax funds. Property taxes are levied annually by the Harris County Commissioners Court on behalf of Port Houston and collected by the Harris County Tax Assessor-Collector. Port Houston has no obligation to use any of its operating revenues or general funds to repay any of the Ad Valorem Tax Bonds.

The proceeds of Ad Valorem Tax Bonds have been used solely to fund the Authority’s infrastructure investments and capital projects, as well as to refund prior bond issuances. During 2020, the Authority issued no new tax-supported debt, and made total debt service payments of \$49.2 million on the Ad Valorem Tax Bonds, including funds that were escrowed to refund series of tax bonds, as described in the Bond Refunding section below.

Bond Refunding

On April 28, 2020, the Port Commission, as governing body of the Authority, adopted a “Resolution Finding Necessity for the Issuance of Bonds and Providing for Certification to Commissioners Court.” The resolution authorized the issuance of refunding bonds to purchase or refund and defease all or a portion of the following outstanding bonds of the Authority:

- (a) \$ 7,445,000 par value of the Unlimited Tax Refunding Bonds, Series 2010B (Non-AMT), and
- (b) \$ 26,555,000 par value of the Unlimited Tax Refunding Bonds, Series 2010C (Non-AMT), and
- (c) \$147,940,000 par value of the Unlimited Tax Refunding Bonds, Series 2010D-1 (Non-AMT), and
- (d) \$ 85,665,000 par value of the Unlimited Tax Refunding Bonds, Series 2010D-2 (Non-AMT), and
- (e) \$ 20,220,000 par value of the Unlimited Tax Refunding Bonds, Series 2010E (Non-AMT), and
- (f) \$ 19,535,000 par value of the Unlimited Tax Refunding Bonds, Series 2011A (AMT).

Declaring that the best interests of the taxpayers of the Authority would be served by such a refunding, the resolution called for the Commissioners Court of Harris County, Texas to be petitioned to authorize the issuance of such bonds on behalf of the Authority. In addition, Bracewell LLP and the Hardwick Law Firm LLC was appointed as co-bond counsel and co-disclosure counsel, Masterson Advisors LLC. as financial advisor, and Jefferies (senior manager), BofA Securities, Citigroup, Goldman Sachs & Co. LLC, Stern Brothers, and UBS as underwriters, to assist in the bond issuances.

On May 20, 2020, the Port Commission approved an order authorizing the sale of Port of Houston Authority Unlimited Tax Refunding Bonds, Series 2020A-1 (Non-AMT), Series 2020A-2 (Non-AMT), and Series 2020B (Taxable) in an aggregate principal amount not to exceed \$309,345,000, to purchase or refund and defease all or a portion of various outstanding bonds of the Port Authority. On June 30, 2020, a similar order was approved by the Harris County Commissioners Court.

The new Series 2020A-1 (Non-AMT), Series 2020A-2 (Non-AMT), and Series 2020B (Taxable) refunding bonds were priced on July 21, 2020, and issued at a premium on August 12, 2020 for a par value of \$248,965,000. The official statement for the Series 2020A-1 (Non-AMT), Series 2020A-2 (Non-AMT), and Series 2020B (Taxable) is available on the Authority’s website (<http://porthouston.com>) and the EMMA system (emma.msrb.org).

The bond refunding transaction achieved net present value debt service savings of \$98.1 million for the Authority’s taxpayers. The Series 2011A Series bonds were redeemed on October 1, 2021.

Credit Ratings

A summary of Port Houston’s credit ratings relating to its Ad Valorem Tax Bonds, as of December 31, 2020, is provided in the table below:

<u>Moody's</u>	<u>S & P</u>	<u>Fitch</u>
Aaa	AAA	AA

Copies of the credit reports are available on the Authority’s website (<http://porthouston.com>).

Note Purchase Program

On December 4, 2018, Port Houston executed a new five-year, \$100 million note purchase program (the “Senior Lien Variable Rate Revolving Note Program”) with Regions Commercial Equipment Finance, LLC (as taxable note lender) and Regions Capital Advantage, Inc. (as tax-exempt note lender) to provide additional liquidity for business opportunities, emergencies that may arise, or other unforeseen events. Drawings are secured from Port Houston’s net revenues, and not from ad valorem taxes. No borrowings under the Senior Lien Variable Rate Revolving Note Program have occurred to date.

For More Information

Contact the Authority’s Treasury Department at 713-670-2405 or Treasury@porthouston.com. General questions may also be directed to Questions@porthouston.com.

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