



News Release

Wayne County Airport Authority successfully issues new bonds and saves millions

-- Bond proceeds will fund construction and expansion at DTW

DETROIT (Jan. 3, 2019) –The Wayne County Airport Authority (WCAA), which operates Detroit Metropolitan Airport (DTW) and Willow Run Airport (YIP), successfully closed a \$231.9 million public bond offering in 2018. WCAA went to market with approximately \$153.4 million of new airport revenue bonds and \$78.5 million of airport refunding bonds, leading to savings and making way for new construction at DTW.

WCAA refinanced its Series 2008A Bonds, capturing a net present value savings of approximately \$12 million or annual cash flow savings of approximately \$1.2 million per year on average for the next 14 years.

“These savings will immediately reduce WCAA’s debt service cost and provide budget flexibility,” said WCAA CEO Chad Newton. “We are positioning ourselves to be one of the most cost-effective airports in the nation. Also, we’re focusing on infrastructure upgrades that will improve the customer experience, while enhancing safety and security at DTW.”

A large portion of the proceeds from the new bonds is allocated to the reconstruction of DTW’s Runway 3L, two associated taxiways and a deice pad. This is expected to be one of the largest construction projects in Michigan for the next two years. The remaining funds will be used for a combination of projects, including the demolition of the former L.C. Smith Terminal and construction of three new gates for the growing traffic needs of the North Terminal. This allocation of expenditures represents the first phase of the total approved capital projects of \$331 million.

The second phase of approximately \$181 million in estimated capital costs will be covered by a future bond issuance. It will include costs for the remaining Runway 3L projects, and the rehabilitation/reconstruction of airfield pavement, parking decks, bridges and roads. The remaining funds will cover fire training facility restoration and burn pit replacement, as well as baggage handling and tram control systems upgrades.

“We’re committed to progress at DTW and we’re pleased Wall Street has faith in us,” Newton said.

Wall Street reaffirmed WCAA’s strong ratings for the 2018 issuance (Fitch Ratings: A, Moody’s rating: A2, and Standard & Poor’s rating: A) noting financial stability, descending debt profile and limited future debt needs as factors for the high ratings.

Despite the volatile market conditions, WCAA sold its new bonds with market yields between 2.28 percent and 4.08 percent. WCAA received more orders to buy bonds than it could accept, resulting in the bonds being two-and-a-half times over-subscribed. This allowed WCAA to reduce yields resulting in significant savings in interest costs.

“This over-subscription reflects the confidence the market has in the WCAA’s operation and management,” Newton said. “By working as a team—our employees, WCAA Board members, airline partners and tenants—we’re able to achieve our goals.”

*Detroit Metropolitan Wayne County Airport (DTW) welcomed nearly 35 million passengers in 2017 and is one of the world’s leading air transportation hubs. With service from 17 scheduled passenger airlines, Michigan’s largest airport offers approximately 1,100 flights per day to and from more than 140 non-stop destinations on four continents. With two award-winning passenger terminals, six jet runways, and an onsite AAA Four-Diamond Westin Hotel, DTW is among the world’s most efficient, customer friendly and operationally capable airports in North America. DTW is operated by the **Wayne County Airport Authority**, which also operates nearby **Willow Run Airport** – an important corporate, cargo and general aviation facility. **The Airport Authority is entirely self-sustaining and does not receive tax dollars to support airport operations.** Visit www.metroairport.com for more information.*

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