

Port Refunds Bonds

In February, the Galveston City Council approved a request by the Board of Trustees of the Port of Galveston to refinance two 1998 bond issues.

The refunding, which includes both Series A tax exempt bonds and Series B taxable bonds, amounts to \$8,905,000. The refinanced payments continue through 2010.

“We are very appreciative of the efforts of the Galveston City Council to support the Port in the refunding of these bonds,” stated Benny Holland, Jr, Chairman of the Board. “We were in a position to take advantage of current low interest rates. The resulting savings frees up funds to make additional improvements throughout the Port and we continue to do everything we can to redevelop our port facilities in a cost effective manner.”

Additionally, the following positive objectives were attained by the refinancing:

- 1) Reduced the annual debt service payment by approximately \$103,000 a year.
- 2) The savings to the port for the five years of the refunding will be \$517,000.
- 3) Reduced interest rates on all of the Series A & Series B bonds.

These refunding bonds do not provide new funds or add to the total indebtedness of the Port of Galveston; these bonds reduce the debt service payments made annually by the Port.

The City of Galveston has no obligation to make any bond payments. All bond payments are payable solely from the general revenues of the Galveston Wharves.

Consultants for the bond refinancing were Piper Jaffray Inc. of Houston and Estrada Hinojosa & Co., Inc. of Dallas, underwriters; Vinson & Elkins, L.L.P., Bond Counsel; Robert Randolph, Special Counsel; and First Southwest Company of Houston and Louis Pauls & Co., of Galveston, Co-Financial Advisors.