



CABRERA CAPITAL MARKETS LLC

City of Inglewood Case Study



\$101,620,000

City of Inglewood, California

Taxable Pension Obligation Bonds, Series 2020

Cabrera's Role: Book-Running Senior Manager

Sale Date: 6/2/2020

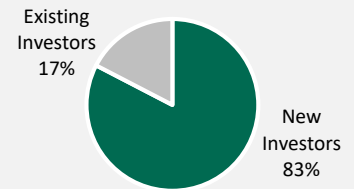
TRANSACTION HIGHLIGHTS

- In June of 2020, Cabrera was the book-running senior manager on a \$101.6 million Taxable Pension Obligation Bond (POB) issuance for the City of Inglewood, California.
- Cabrera supported the City in securing an "AA-" rating with a stable outlook from Standard & Poor's, a particularly strong rating considering the economic stresses caused by the pandemic of 2020.
- Cabrera assisted the City and its financial advisor in determining whether bond insurance provided additional value. In the end, the City chose to use bond insurance, boosting the bond's rating to "AA" which proved to be cost efficient for the City.
- Bonds maturing 2031-2050 are subject to a standard municipal ten-year par call. This is in contrast to the Ontario and Riverside transactions in which a make-whole call was utilized.

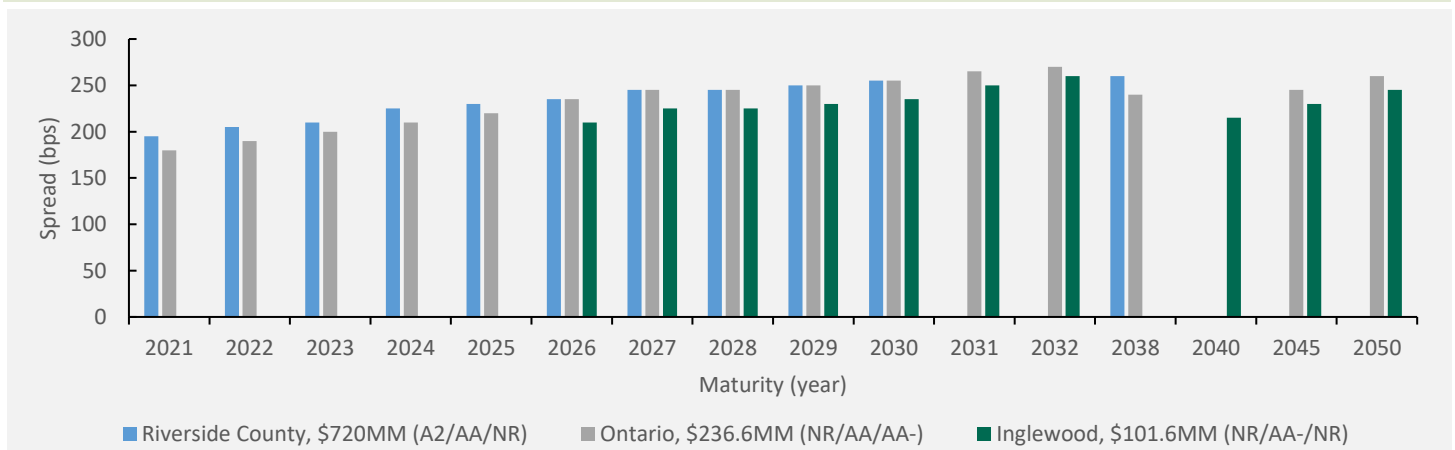
TRANSACTION RESULTS

- The bonds' all-in true interest cost was 3.91% with an average life of 24 years and a final maturity in 2050.
- 23 investors placed orders for the City's bonds and of these at least 19 were new investors, thereby diversifying the investor's investor base.
- Cabrera's aggressive marketing resulted in 2-4x subscribed in the serial bonds maturing from 2026-2032 and 6.3-8.0x subscribed for the 2040, 2045 and 2050 term bonds. This strong order flow allowed price bumps of the serial bonds of 10 +bps and the term bonds 30 +bps.

Profile of Bond Orders Placed



MATURITY-BY-MATURITY BOND SPREAD COMPARISON



- Riverside County POBs sold on 4/22/20 with a make-whole call redemption option.
- City of Ontario POBs sold on 5/12/20 with a make-whole call redemption option.

