



Del Mar Race Track Authority

Refunding of the Revenue Bonds Series 2015

August 2, 2024



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Overview of Revenue Bonds Series 2015

- The 2015 bonds were issued in a total par amount of \$44,435,000
- \$30,690,000 of bonds will be outstanding following the October 1, 2024 payment
- All bonds will be currently callable April 1, 2025
- **Pledged Revenues:** Race Track Net Revenues and the Concession Net Revenues
- **Main covenants in addition to debt service repayment:**

Revenue Bonds Series 2015

Maturity	Rate	Par Amount	Call Date	Call Price
10/1/2025	5.00%	\$1,665,000	4/1/2025	100
10/1/2026	5.00%	1,745,000	4/1/2025	100
10/1/2027	5.00%	1,835,000	4/1/2025	100
10/1/2028	5.00%	1,925,000	4/1/2025	100
10/1/2029	5.00%	2,020,000	4/1/2025	100
10/1/2030	5.00%	2,125,000	4/1/2025	100
10/1/2031	5.00%	2,230,000	4/1/2025	100
10/1/2032	5.00%	2,340,000	4/1/2025	100
10/1/2033	5.00%	2,460,000	4/1/2025	100
10/1/2034	5.00%	2,580,000	4/1/2025	100
10/1/2035	5.00%	2,710,000	4/1/2025	100
10/1/2036	5.00%	2,845,000	4/1/2025	100
10/1/2037	5.00%	2,990,000	4/1/2025	100
10/1/2038	5.00%	1,220,000	4/1/2025	100
		\$30,690,000		

- Maintenance of a debt service reserve fund until final maturity (\$3,238,928 as of 7/24/24)
- Maintenance of a surplus account for turbo redemptions (\$2,828,164 as of 7/24/24)
 - Funded and used annually for Turbo Repayments
- While bonds are outstanding, the DAA covenants to maintain funds on account for the bond repayment in an amount equal to at least Maximum Annual Debt Service (\$3,218,625)

Pro Forma Turbo Payments*

- Assumes 2015 bonds are not called or restructured and holding 2023 pledged revenues constant, approximately \$9.7 million of turbo payments projected that could otherwise be utilized for projects
- Final repayment shortened from 10/1/2038 to 4/1/2035

Turbo Payment Analysis

Coverage Test Date (On or Before 1/15) ⁽¹⁾	Outstanding Balance (1/1)	Preceding Year Pledge Revenues	Preceding Year Annual Debt Service	Coverage Test	Transfer to Coverage Calculation Redemption Account ⁽²⁾	Bond Call Date (On 4/1)	Par Amount of Bonds Called	Maturities Called (10/1)
2024	\$33,070,000	\$9,184,000	\$3,267,000	2.8x	\$795,000	2024	\$795,000	2038
2025	30,690,000	9,184,000	3,218,625	2.9x	820,000	2025	820,000	2038
2026	28,205,000	9,184,000	3,179,000	2.9x	845,000	2026	845,000	2037, 2038
2027	25,615,000	9,184,000	3,134,125	2.9x	870,000	2027	870,000	2037
2028	22,910,000	9,184,000	3,094,000	3.0x	895,000	2028	895,000	2037
2029	20,090,000	9,184,000	3,048,125	3.0x	925,000	2029	925,000	2036, 2037
2030	17,145,000	9,184,000	3,001,375	3.1x	955,000	2030	955,000	2036
2031	14,065,000	9,184,000	2,958,375	3.1x	980,000	2031	980,000	2036
2032	10,855,000	9,184,000	2,908,750	3.2x	1,005,000	2032	1,005,000	2035, 2036
2033	7,510,000	9,184,000	2,857,625	3.2x	1,040,000	2033	1,040,000	2035
2034	4,010,000	9,184,000	2,809,500	3.3x	1,070,000	2034	1,070,000	2035
2035	360,000	9,184,000	2,753,750	3.3x	360,000	2035	360,000	2035
2036								
2037								
2038								
Total					\$9,765,000		\$9,765,000	

(1) Coverage test based on preceding Bond Year's Pledged Revenues vs. scheduled debt service

(2) Turbo = 30% of the amount by which Pledged Revenues were greater than 200% of Annual Debt Service for the preceding Bond Year

*Preliminary and subject to change.

Restructuring of the Credit

- Refunding allows the DAA to restructure the revenue pledge to enhance the credit
 - In addition to the existing revenue pledge of Race Track Net Revenues and the Concession Net Revenues, the DAA may consider pledging revenues currently pledged to its I-Bank loans but on a subordinate basis

Credit Restructuring

FYE Dec-31	DAA Net Op. Rev less Deprec.	Net out concession 2015 Pledge	Net out 2018 I-Bank	Net out 2019 I-Bank	Net Available Revenues
2021	17,670,080	3,293,658	645,886	883,912	12,846,624
2022	26,104,299	3,866,478	644,758	882,971	20,710,092

FYE Dec-31	DMTC Racetrack Net Revenue	DAA concession 2015 Pledge	2015 DS	Coverage	Add on DAA Net Avail. Rev	Enhanced Coverage
2021	8,848,000	3,293,658	3,291,950	3.69	12,846,624	7.59
2022	4,775,000	3,866,478	3,291,750	2.63	20,710,092	8.92

- Removal of surplus account and turbo redemptions
 - Frees up funds for current projects that would otherwise be required to pay down debt
- Potential for rating upgrade to investment grade (“BBB-”) for lower borrowing costs
 - Fitch rating is currently “BB-”
 - Investment grade of “BBB-” improves (i.e., reduces) credit spreads by 75 bps

Summary of Financing Results	BBB-	BB-
True Interest Cost (TIC)	3.84%	4.57%
Gross Savings	\$2,458,902	\$1,008,302
Net Present Value (PV) Savings	\$1,941,883	\$765,680
% Net PV savings of Refunded Bonds	6.33%	2.49%

Refunding Analysis (BBB-)*

Sources and Uses	
Par Amount	\$28,530,000
Premium	2,168,678
Reserve Fund (7/24/24)	3,238,928
Total Sources	\$33,937,606
Refunding Deposit	\$30,690,000
New Reserve	2,853,000
Cost of Issuance	250,000
Underwriter's Discount	142,650
Rounding Proceeds	1,956
Total Uses	\$33,937,606

- Annual savings of approximately \$195,000, totaling \$2,459,000
- Net present value savings of approximately \$1,941,000 or 6.33% of the refunded bonds

Preliminary Saving Schedule

Date	2015 Debt Service	Prior DSRF (1)	2015 Net Debt Service	Refunding Debt Service	New DSRF (1)	Refunding Net Debt Service	Savings	PV Savings
10/1/2025	\$2,432,250	\$61,522	\$2,370,728	\$2,328,250	\$53,044	\$2,275,206	\$95,521	\$93,778
10/1/2026	3,196,250	123,045	3,073,205	2,980,750	106,088	2,874,662	198,543	188,647
10/1/2027	3,199,000	123,045	3,075,955	2,984,000	106,088	2,877,912	198,043	181,321
10/1/2028	3,197,250	123,045	3,074,205	2,983,000	106,088	2,876,912	197,293	174,056
10/1/2029	3,196,000	123,045	3,072,955	2,982,750	106,088	2,876,662	196,293	166,865
10/1/2030	3,200,000	123,045	3,076,955	2,988,000	106,088	2,881,912	195,043	159,761
10/1/2031	3,198,750	123,045	3,075,705	2,983,250	106,088	2,877,162	198,543	156,689
10/1/2032	3,197,250	123,045	3,074,205	2,983,750	106,088	2,877,662	196,543	149,455
10/1/2033	3,200,250	123,045	3,077,205	2,989,000	106,088	2,882,912	194,293	142,354
10/1/2034	3,197,250	123,045	3,074,205	2,983,500	106,088	2,877,412	196,793	138,917
10/1/2035	3,198,250	123,045	3,075,205	2,982,500	106,088	2,876,412	198,793	135,200
10/1/2036	3,197,750	123,045	3,074,705	2,985,500	106,088	2,879,412	195,293	127,967
10/1/2037	3,200,500	123,045	3,077,455	2,987,000	106,088	2,880,912	196,543	124,075
10/1/2038	1,281,000	3,361,973	-2,080,973	876,750	2,959,088	-2,082,338	1,365	843
Total	\$42,091,750	\$4,900,030	\$37,191,720	\$39,018,000	\$4,285,182	\$34,732,818	\$2,458,902	\$1,939,927
							Plus: Rounding Proceeds	1,956
							Net PV Savings	\$1,941,883

(1) Reserves assume interest earnings at arbitrage yields: 3.7989% for the 2015 reserve and 3.7075%* for the 2025 reserve.

Assumes Investment Grade rating of "BBB-".

*Preliminary and subject to change.

Refunding Analysis (BB-)*

Sources and Uses	
Par Amount	\$29,930,000
Premium	918,166
Reserve Fund (7/24/24)	3,238,928
Total Sources	\$34,087,094
Refunding Deposit	\$30,690,000
New Reserve	2,993,000
Cost of Issuance	250,000
Underwriter's Discount	149,650
Rounding Proceeds	4,444
Total Uses	\$34,087,094

- Annual savings of approximately \$80,000, totaling \$1,000,000
- Net present value savings of approximately \$765,000 or 2.49% of the refunded bonds

Preliminary Saving Schedule

Date	2015 Debt Service	Prior DSRF (1)	2015 Net Debt Service	Refunding Debt Service	New DSRF (1)	Refunding Net Debt Service	Savings	PV Savings
10/1/2025	\$2,432,250	\$61,522	\$2,370,728	\$2,398,250	\$66,864	\$2,331,386	\$39,342	\$38,482
10/1/2026	3,196,250	123,045	3,073,205	3,129,000	133,728	2,995,272	77,934	73,437
10/1/2027	3,199,000	123,045	3,075,955	3,128,250	133,728	2,994,522	81,434	73,381
10/1/2028	3,197,250	123,045	3,074,205	3,128,250	133,728	2,994,522	79,684	68,693
10/1/2029	3,196,000	123,045	3,072,955	3,123,750	133,728	2,990,022	82,934	68,372
10/1/2030	3,200,000	123,045	3,076,955	3,129,750	133,728	2,996,022	80,934	63,830
10/1/2031	3,198,750	123,045	3,075,705	3,130,500	133,728	2,996,772	78,934	59,554
10/1/2032	3,197,250	123,045	3,074,205	3,126,000	133,728	2,992,272	81,934	59,117
10/1/2033	3,200,250	123,045	3,077,205	3,131,250	133,728	2,997,522	79,684	54,999
10/1/2034	3,197,250	123,045	3,074,205	3,125,500	133,728	2,991,772	82,434	54,412
10/1/2035	3,198,250	123,045	3,075,205	3,129,000	133,728	2,995,272	79,934	50,471
10/1/2036	3,197,750	123,045	3,074,705	3,126,000	133,728	2,992,272	82,434	49,776
10/1/2037	3,200,500	123,045	3,077,455	3,131,500	133,728	2,997,772	79,684	46,024
10/1/2038	1,281,000	3,361,973	-2,080,973	1,044,750	3,126,728	-2,081,978	1,006	689
Total	\$42,091,750	\$4,900,030	\$37,191,720	\$40,981,750	\$4,798,332	\$36,183,418	\$1,008,302	\$761,236
						Plus: Rounding Proceeds	4,444	
						Net PV Savings		\$765,680

(1) Reserves assume interest earnings at arbitrage yields: 3.7989% for the 2015 reserve and 3.7075%* for the 2025 reserve.

Assumes current rating of "BB-".

*Preliminary and subject to change.