

# 2022 General Obligation Refunding Bonds

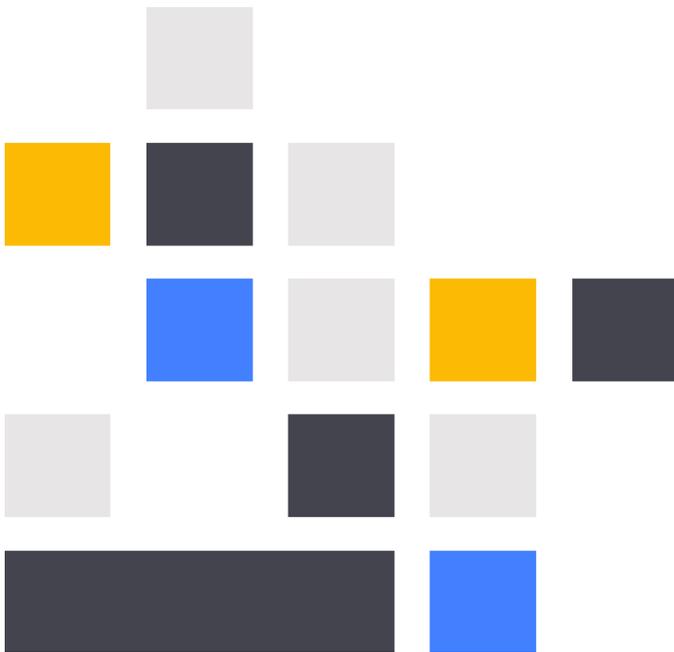
## BUDGET AND FINANCE COMMITTEE

- Resolution (File #220082):

Approves the issuance and sale of General Obligation Refunding Bonds, Series 2022-R1 ("2022 GO Refunding Bonds") - Not to Exceed \$385,000,000

- Appropriation Ordinance (File #220081):

Refunding General Obligation Bond Proceeds - \$385,000,000



March 23, 2022

City and County of San Francisco  
Office of the Controller  
Office of Public Finance

# Proposed GO Refunding Bond Series 2022-R1

## SUMMARY OF THE PROPOSED 2022 GO REFUNDING BONDS

- The following Prior Bonds have been identified by OPF as outstanding bonds which can be currently refunded and are estimated to produce savings based on bond market conditions as of March 21, 2022:

<u>2022 GO Refunding Candidates (Callable on June 15, 2022)</u>	<u>Original Par Amount</u>	<u>Outstanding Par Amount</u>	<u>Callable Par Amount</u>	<u>Final Maturity</u>
Series 2012D (SFGH & Trauma Center Earthquake Safety, 2008)	\$251,100,000	\$130,435,000	\$121,115,000	2032
Series 2014A (SFGH & Trauma Center Earthquake Safety, 2008)	\$209,955,000	\$137,480,000	\$128,575,000	2033
Series 2012E (Earthquake Safety and Emergency Response, 2010)	\$38,265,000	\$25,050,000	\$23,260,000	2032
Series 2014C (Earthquake Safety and Emergency Response, 2010)	\$54,950,000	\$36,160,000	\$34,045,000	2034
Series 2014D (Earthquake Safety and Emergency Response, 2014)	\$100,670,000	\$66,230,000	\$62,355,000	2034
<b>Subtotal 2022 GO Refunding Candidates</b>	<b>\$654,940,000</b>	<b>\$395,355,000</b>	<b>\$369,350,000</b>	

- Estimated gross savings to property taxpayers of approximately **\$37.4 million** based on an estimated total interest cost of 2.45%
- On a net present value (“NPV”) basis, debt service savings are estimated to be **\$32.8 million**, or **8.9%** of the total outstanding principal (\$369.4 million) of the Prior Bonds to be refunded



# Approving Sale of GO Refunding Bonds, Series 2022-R1, not to exceed \$385,000,000

## CURRENT PLAN OF FINANCE

- With the Resolution, OPF is seeking approval of the sales of the fourth (2022-R1) series of GO Refunding Bonds under the 2020 Master Refunding Authorization
- Not to exceed par amount of \$385,000,000
- Final Maturity of June 15, 2034
- Estimated All-In True Interest Cost: 2.45%
- Estimated Closing Date:
  - Series 2022-R1: April 2021

## SOURCES AND USES

<u>Sources:</u>	Series 2022-R1
<u>Refunding Bond Proceeds</u>	
Par Amount	\$320,670,000
Premium	49,979,324
Budgeted Debt Service due 6/15/22	7,767,594
<b>Total Sources</b>	<b>\$378,416,918</b>
<u>Uses:</u>	
Refunding Escrow	\$377,009,139
<u>Delivery Date Expenses</u>	
Cost of Issuance	\$926,774
Underwriter's Discount	\$481,005
<b>Total Uses</b>	<b>\$378,416,918</b>
<i>Reserve for Market Uncertainty</i>	<i>\$6,583,082</i>
<b>Not-to-Exceed Par Amount</b>	<b>\$385,000,000</b>

Source: Wells Fargo Bank, N.A.



# Selection of Underwriters

## COMPETITIVE REQUEST FOR PROPOSALS (RFP)

- For the Series 2022-R1 Bonds, the Controller's Office of Public Finance submitted a competitive RFP solicitation to the City's pre-qualified pool of firms providing Underwriting and Investment Banking Services.
- The City received 11 Senior Manager proposals from and 15 Co-Manager proposals which were reviewed and scored by qualified panelists.
- Per the RFP, the top 2 scoring Senior Manager firms and the top 4 scoring Co-Manager firms were selected as the underwriting syndicate for the Series 2022-R1 Bonds.
- The selected firms were:
  - **Co-Senior Managers:** Wells Fargo Bank, N.A. and Stifel, Nicolaus & Company, Inc.
  - **Co-Managers:** Raymond James & Associates, Inc.; TD Securities (USA) LLC; Ramirez & Co., Inc.; and Siebert Williams Shank & Co., LLC



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# QUESTIONS

