



# Background – Music Concourse Garage

- The Music Concourse Garage is an 800-space underground parking facility located within Golden Gate Park, serving GGP visitors and institutions, such as the California Academy of Sciences, the De Young Museum, and Gardens of GGP.
- Authorized in June 1988 by Proposition J, where the City set aside land in GGP for the Garage and allowed a ground lease of the land to the Music Concourse Community Partnership (MCCP), a private non-profit, so that the MCCP could construct and operate the garage.
- In November 2022, voters approved Proposition N which authorized the City to use public funds to acquire and operate the Garage.



# Operating Plan

- All revenue generated by the Garage will be directed to the City. SFMTA will be reimbursed for their administrative costs associated with overseeing and managing Garage operations.
- Future legislation will include:
  - Resolution from SFMTA to amend the existing IMCO contract to add operation of the Concourse Garage.
  - Supplemental appropriation ordinance from RPD to appropriate the COP proceeds, garage revenues, and debt service expenditures.



# Financing Structure

- RPD is proposing to issue debt to pay off all existing construction-related debt allowing the Department to assume ownership of the Garage.
- MCCP possesses a debt service reserve of approximately \$1.1M.
- To fund the acquisition of the Garage, the City will issue Certificates of Participation in an amount not to exceed \$29.0M.

## **Reserve & Certificate of Participation Uses:**

- **Outstanding Loan Balance** - The remaining principal balance on MCCP's loan plus accrued interest (\$21.6M) to construct the Garage
- **Subordinated Debt** – Resulting from a 2008 operating shortfall, the DeYoung and Academy have agreed to settle the payment of debt for \$825K each.



# Proposed Financing – Sources and Uses

## Sources:

Not-to-Exceed Par Amount	29,000,000
Prior Reserve Fund	1,100,000
<b>Total Sources</b>	<b>30,100,000</b>

## Uses:

### Project Funds

First Republic Debt Payoff	21,600,000
Museum Loan Payoff	500,000
Capitalized Interest	1,000,000
Debt Service Reserve Fund	2,450,000

### Delivery Date Expenses

Cost of Issuance	1,050,000
Underwriter's Discount	240,000

**Total Projected Uses** 26,840,000

Plus: Reserve for Market Uncertainty 3,260,000

**Total Uses (including Prior Reserve Fund)** 30,100,000



# Current Plan of Finance

## Estimated Financing Terms

- Final Maturity of April 1, 2049\*
- True Interest Cost: 4.67%\*
- Financing Costs:\$1.2M\*
- Proceeds Less Financing Costs: \$22.0M\*
- Total Debt Service: \$42.4M\*
- Average Annual Debt Service: \$1.74M\*

*\*Preliminary estimates, subject to change.*

## Lease-Lease Back Structure

- COPs are structured as a lease-lease back agreement, in which the City leases City-owned property to a Trustee and then pays to lease back the property
- It is anticipated that the Music Concourse Garage will serve as the leased property securing the payments on the Certificates.
- Assets can be substituted as needed.



# Anticipated Financing Timeline

Milestones	Dates*
● Introduction of the COP Ordinance to the Board of Supervisors	June 25, 2024
● Capital Planning Committee Hearing	July 22, 2024
● Introduction of Supplemental Appropriation Ordinance and MTA Contract Resolution	July 30, 2024
● Budget and Finance Committee Hearing for COP Ordinance	July 31, 2024
● Board Consideration of the COP Ordinance (1 <sup>st</sup> Reading)	September 3, 2024
● Budget and Finance Committee Hearing for Supplemental Appropriation Ordinance and MTA Contract Amendment Resolution	September 4, 2024
● Final Board Consideration of COP Ordinance (2 <sup>nd</sup> Reading) and MTA Contract Resolution; Board Consideration of the Appropriation Ordinance (1 <sup>st</sup> Reading)	September 10, 2024
● Final Board Approval of the Appropriation Ordinance (2 <sup>nd</sup> Reading)	September 17, 2024
● Sale and Closing of the COPs / Transfer of Garage to City	December 2024

*\*Please note that dates are estimated unless otherwise noted.*





**Thank You!**

