



# Refunding Certificates of Participation Series 2025-R1

- Ordinance authorizing the execution and delivery of refunding Certificates of Participation to prepay certain certificates of participation that financed certain capital improvement projects of the Port Commission
- Supplemental ordinance appropriating the proceeds of the 2025-R1 Refunding COPs



**Budget & Finance  
Committee**

January 29, 2025

# Proposed Refunding Certificates of Participation

- The City has identified the Series 2013B and 2013C COPs as potential refunding candidates:

| <b>Outstanding Series</b> | <b>Par Amount Outstanding</b> | <b>Average Interest Rate</b> | <b>First Optional Call Date</b> | <b>Final Maturity</b> | <b>Average Annual Debt Service</b> |
|---------------------------|-------------------------------|------------------------------|---------------------------------|-----------------------|------------------------------------|
| 2013B COPs                | \$4,830,000                   | 4.90%                        | 3/1/2023                        | 3/1/2038              | \$413,000                          |
| 2013C COPs (AMT)          | \$19,195,000                  | 5.13%                        | 3/1/2023                        | 3/1/2043              | \$1,580,000                        |
| <b>Total</b>              | <b>\$24,025,000</b>           | <b>5.08%</b>                 |                                 | <b>3/1/2043</b>       | <b>\$1,993,000</b>                 |

- The Series 2013B & 2013C COPs were originally issued to finance various capital improvements for the Port of San Francisco, including infrastructure improvements for the 34<sup>th</sup> America’s Cup and the construction of a new primary cruise terminal at Pier 27.

# Proposed Refunding Certificates of Participation

## Current Plan of Finance

- Not to exceed par amount of \$25.0M
- Final Maturity of March 1, 2042\*
- True Interest Cost: 4.47%\*
- Average Annual Debt Service: \$1.8M\*

## 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
- The Pier 27 Cruise Terminal, which currently serves as the leased asset for the outstanding 2013B and 2013C COPs, will also serve as the leased asset for the proposed Refunding COPs
  - Assets can be substituted as needed

*\*Preliminary estimates, subject to change.*

## Sources and Uses (Supplemental Appropriation)

| Sources:                                                     | Series A           | Series B            | Total               |
|--------------------------------------------------------------|--------------------|---------------------|---------------------|
| COP Proceeds                                                 | \$5,000,000        | \$20,000,000        | \$25,000,000        |
| Prior Reserve Funds                                          | 483,000            | 1,995,500           | 2,478,500           |
| Prior Unspent Proceeds                                       | 908,185            | -                   | 908,185             |
| <b>Total Sources</b>                                         | <b>\$6,391,185</b> | <b>\$21,995,500</b> | <b>\$28,386,685</b> |
| Uses:                                                        |                    |                     |                     |
| Refunding Escrow                                             | \$4,850,000        | \$18,500,000        | \$23,343,111        |
| Delivery Date Expenses,<br>Reserve Funds, and Market Reserve | 1,541,185          | 3,495,500           | 5,036,685           |
| <b>Total Uses</b>                                            | <b>\$6,391,85</b>  | <b>\$21,995,500</b> | <b>\$28,386,685</b> |

# Anticipated Financing Timeline

## Milestones

## Dates

- 
- |                                                                       |                   |
|-----------------------------------------------------------------------|-------------------|
| • Introduction of Legislation to Board of Supervisors                 | November 19, 2024 |
| • Budget and Finance Committee                                        | January 29, 2025  |
| • Board of Supervisors Considers Ordinances (1 <sup>st</sup> Hearing) | February 4, 2025  |
| • Board of Supervisors Considers Ordinances (2 <sup>nd</sup> Hearing) | February 11, 2025 |
| • Sale and Closing of COPs                                            | Spring 2025*      |

*\*Anticipated, timing may vary based on market conditions.*

**Thank you**

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