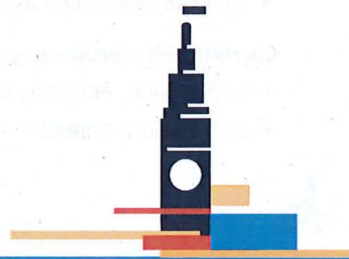


## PORT 2010 REVENUE BOND REFUNDING

Budget and Finance Committee  
January 15, 2020



1

## 2010 REVENUE BOND REFUNDING SUMMARY

- Port proposes to refinance \$29.87 million in outstanding 2010 revenue bonds
- Request authority to issue 2020 refunding bonds in an amount not to exceed \$27.00 million
- Achieves estimated \$11.7 million in interest savings
- Bond maturity dates remain the same
- Port Commission approved refunding in October 2019



2

2

## 2010 REVENUE BOND REFUNDING BACKGROUND

**Port issued \$36.65 million in revenue bonds in 2010**

- **Financed:**
  - Construction of James R. Herman Cruise Terminal
  - Improvements to Piers 19, 23, 33, 30-32, 35 and 50

### **Two series**

- Series A, Non AMT-Tax Exempt, maturing in 2040
- Series B, Taxable, maturing in 2030
- Optional redemption as of March 1, 2020

### **Current debt service payments**

- \$2.8 million, annually, until 2030
- \$1.9 million, annually, 2031 – 2040



3

3

## OUTSTANDING PORT DEBT

<b>Debt Issuance</b>	<b>Original Amount</b>	<b>Currently Outstanding</b>
2010 Port Revenue Bonds	36,650,000	29,865,000
2013 COPs*	37,700,000	30,010,000
2014 Port Revenue Bonds	22,675,000	20,280,000
Hyde St. Harbor Cal Boating Loan	3,500,000	1,883,830
SBH Cal Boating Loan**	6,143,932	5,884,454
<b>Total</b>	<b>106,668,932</b>	<b>87,923,284</b>

\* Issued by City and County of San Francisco on behalf of the Port. Port is responsible for repayment

\*\* Debt assumed by the Port with April 30, 2019 acquisition of South Beach Harbor from OCII



4

4

## ESTIMATED ANNUAL DEBT SERVICE SAVINGS

	2010 Revenue Bonds	2020 Refunding Revenue Bonds	Reduced Debt Service	Estimated Savings
Average Coupon Rate	5.75%	4.27%		
Par Amount	29,865,000	23,525,000		
Avg Annual Debt Service 3/21 - 3/30	2,844,564	2,070,764	773,800	7,738,000
Avg Annual Debt Service 3/31 - 3/40	1,852,808	1,453,625	399,183	3,991,830
<b>Total Estimated Debt Service Savings</b>				<b>11,729,830</b>



5

5

## 2010 REVENUE BOND REFUNDING PROPOSED BOND AND FINANCING STRUCTURE

- Not to exceed par amount
  - \$27.00 million
- Not to exceed interest rate (coupon rate)
  - 6%
- Final maturity
  - Series A, Non AMT-Tax Exempt, maturing March 1, 2040 (20 years)
  - Series B, Taxable, maturing March 1, 2030 (10 years)
- Percent savings of refunded bonds
  - 10% minimum
- Negotiated sale
- No debt service reserve fund



6

6

## ESTIMATED REFUNDING SOURCES AND USES



### Sources of Funds

Bond Proceeds	
Par Amount	24,195,468
Premium Received	<u>2,936,469</u>
<i>Bond Proceeds – Total</i>	<i>27,131,937</i>
Prior Issue – Debt Service Reserve Fund	2,846,927
Prior Issue – 3/1/2020 Debt Service Payment	<u>1,920,024</u>
<b>Total Sources</b>	<b>31,898,888</b>

### Uses of Funds

Deposit into Escrow Account	30,849,669
Cost of Issuance	306,041
Underwriter's Discount	117,710
Reserve for Market Uncertainty	625,468
<b>Total Uses</b>	<b>31,898,888</b>

7

7

## 2010 REVENUE BOND REFUNDING FINANCING DOCUMENTS

- Third Supplement to Indenture of Trust
- Bond Purchase Agreement
- Preliminary Official Statement
- Continuing Disclosure Certificate
- Escrow Agreements (one for each series of 2010 Bonds refunded)



8

8



## 2010 REVENUE BOND REFUNDING STEPS

**October 22, 2019**

Port Commission Approved Refunding

**October 2019**

Introduced Bond Documents and Appropriation Ordinance to Board of Supervisors

**December 2019**

Rating Agency Meetings

**January 15, 2020**

Budget and Finance Committee Meeting

**January - February 2020**

Board of Supervisors' Approval of Sale Resolution and Supplemental Appropriation Ordinance

**February 2020**

Post Preliminary Official Statement

**February 2020**

Pricing of 2020 Refunding Bonds

**February 2020**

Sale of 2020 Refunding Bonds and Closing

**March 1, 2020**

Repayment of All Outstanding 2010 Bonds



9

9

## QUESTIONS?



10