



Midpeninsula Regional
Open Space District

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT FINANCING AUTHORITY

R-22-146
Meeting 22-30
December 14, 2022

FINANCING AUTHORITY AGENDA ITEM 1

AGENDA ITEM

Report on the full repayment of all amounts due by Midpeninsula Regional Open Space District Financing Authority debt issues for the Fiscal Year Ending June 30, 2022

CONTROLLER'S RECOMMENDATION

Accept the report on the Financing Authority's debt issuance.

DISCUSSION

In May 1996, the Midpeninsula Regional Open Space District (District) and Santa Clara County established the Financing Authority with the purpose of providing financing assistance to the District to fund the acquisition and preservation of open space land and to finance public capital improvements. The current members of the Financing Authority Board of Directors are Board President Zoe Kersteen-Tucker (Chairperson), Board Director Jed Cyr, Board Director Yoriko Kishimoto, Board Director Curt Riffle, and Santa Clara County Board Supervisor Joe Simitian. The District and the Financing Authority are accounted as one blended unit for financial statement purposes.

Through June 30, 2022, the District sold six series of Financing Authority bonds, with a total par value of \$199.6 million. A summary of the six financings is shown in Table 1 below. Excluding the 2007 Bonds, which raised no new money and only refinanced existing Financing Authority bonds, the District has issued \$140.4 million (net) of Financing Authority bonds, funding \$77 million of new land acquisitions and repaying \$60 million of prior public and private debt, which had been issued at higher interest rates and for shorter maturities.

Table 1: District Financings

Issuance	Par Amount	TIC*	Purpose
1996 Bonds	\$29.9 M	6.25%	\$11M Land + pay-off 1988 Notes
1999-1 Bonds	\$29.7 M	5.26%	\$21M Land + pay-off 1992 Notes
1999-2 Bonds	\$28.4 M	5.93%	\$15M Land + pay-off 1990 Notes \$10M Land + pay-off 1993
2004 Bonds	\$31.9 M	4.99%	Certificates of Participation
2007 Bonds	\$59.2 M	4.57%	Pay-off 1996 & 1999-2 Notes
2011 Bonds	\$20.5 M	5.60%	Purchase \$20M of Land

* TIC = Total Interest Cost, including all costs of issuance

As of June 30, 2022, the remaining principal balance of the sole Financing Authority bond is zero (repaid in full). The final principal and interest payment due on the bond was made on September 1, 2021. A summary of the activity on the Financing Authority bonds in FY22 is shown below.

Table 2:
FY22 Financing Authority Activity
(\$ thousands)

	Balance June 30, 2021	Principal Paid	Balance June 30, 2022	Interest Paid FY22
2011 Bonds	\$285	\$285	\$0	\$5.7

There are no plans to issue additional debt through the Financing Authority. With the assistance of the District's Bond Counsel, research is underway to ensure all financial obligations of the Financing Authority have been satisfied to prepare for a discussion with the Board regarding whether or not to possibly dissolve the Financing Authority.

FISCAL IMPACT

No unbudgeted fiscal impacts are associated with this item.

BOARD COMMITTEE REVIEW

This item was not previously reviewed by a Board Committee.

PUBLIC NOTICE

Notice was provided pursuant to the Brown Act. No additional notice is necessary.

CEQA COMPLIANCE

No compliance is required as this action is not a project under the California Environmental Quality Act.

NEXT STEPS

Conduct research to ensure all financial and administrative obligations of the Finance Authority have been satisfied, including review of real property conveyances associated with the Finance Authority bonds, to evaluate the pros and cons of dissolving the Financing Authority.

Responsible Department Head:
Stefan Jaskulak, Chief Financial Officer

Prepared by:
Andrew Taylor, Finance Manager