



Midpeninsula Regional
Open Space District

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT FINANCING AUTHORITY

R-18-131
Meeting 18-01
November 14, 2018

AGENDA ITEM 1

AGENDA ITEM

Acceptance of the Annual Financial Report of the Midpeninsula Regional Open Space District Financing Authority for Fiscal Year Ending June 30, 2018

CONTROLLER'S RECOMMENDATION

Accept the Annual Financial Report.

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 are President Jed Cyr, Vice-President Pete Siemens, Director Larry Hassett, Director Curt Riffle, and Santa Clara County Supervisor Joe Simitian. Accordingly, the District and the Financing Authority are accounted as one blended unit for financial statement purposes. On October 29, 2018, the District's independent auditors, Chavan & Associates, LLP., issued its report on the District's financial statements for the fiscal year ending June 30, 2018 (Attachment 1).

Through June 2018, the District has 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 \$140.5 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

Only a small piece of one Financing Authority bond issue remained outstanding on June 30, 2018, with a total outstanding balance of \$0.93 million, repayable through 2022. The interest cost of these outstanding Financing Authority bonds is 4.00%. A summary of the activity on the Financing Authority bonds in fiscal 2018 is shown below.

**Table 2:
FY2017-18 Financing Authority Activity
(\$ thousands)**

	Balance June 30, 2017	Principal Paid	Balance June 30, 2018	Interest Paid FY2017-8
2011 Bonds	\$1,080	\$150	\$930	\$39.45

There are no plans to issue additional debt through 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

An annual report will be provided until the bonds are paid in full (last payment is September 1, 2021).

Attachment

1. District’s Financial Statements for the Fiscal Year ended June 30, 2018.

Prepared by:

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