

City of Huntington Beach
2020 Lease Revenue Refunding Bonds

July 20, 2020



Overview

Huntington Beach Public Financing Authority currently has two debt issues outstanding totaling \$23.1M that are eligible for refunding

- 2010 Series A Lease Revenue Refunding Bonds are callable on September 1, 2020 and can be refunded on a tax-exempt basis
 - > Current outstanding principal of \$7.4M
 - > Bonds mature in 2020-2031 and have coupon rates of 5%

- 2011 Series A Lease Revenue Refunding Bonds are callable on September 1, 2021 and can be advance refunded on a taxable basis
 - > Current outstanding principal of \$15.7M
 - > Bonds mature in 2020-2032 and have coupon rates of 3% - 5%

- 2014 Series A Lease Revenue Refunding Bonds are not callable until September 1, 2024

Refunding Analysis

Refunding the 2010 Series A and 2011 Series A Lease Revenue Bonds would result in \$5.7M savings over the life of the bonds

- Interest rates, including those for both tax-exempt and taxable bonds, have fallen in 2020
 - > 2010 Series A Bonds would be refunded as a tax-exempt bond series with coupon rates of ~4%
 - > 2011 Series B refunded as federally taxable bond series with average coupon rates of ~2.4%
- The proposed refunding will provide over \$900,000 in annual savings for the first two years of the refunding, and an average of \$390,000 in annual debt service savings through 2032
- The proposed refunding would not extend the life of the current outstanding debt service
- The total principal amount of both refundings would not exceed \$21M

Bond Issue	Original Issuance Amount	Amount Currently Outstanding	Economic Benefit of Refinancing
2010 Lease Revenue Bonds Series A	14,745,000	7,410,000	2,085,300
2011 Lease Revenue Bonds Series A	36,275,000	15,725,000	3,637,700
Total	\$ 51,020,000	\$ 23,135,000	\$ 5,723,000

Financing Team

FINANCIAL ADVISOR:

KNN Public Finance

- Mark Young, Managing Director
- Larry Lom, Vice President

BOND COUNSEL:

Orrick, Herrington & Sutcliffe LLP

- Don Field, Partner
- Kevin Hale, Public Finance Counsel
- Andrea Greenwald, Senior Associate

TRUSTEE:

U.S. Bank, N.A.

- Martin Meza, Vice President

UNDERWRITER:

Stifel, Nicolaus & Company, Inc.

- John Kim, Managing Director
- Tom Jacob, Director

UNDERWRITER'S COUNSEL:

Stradling Yocca Carlson & Rauth

- Kevin Civale, Shareholder

CITY OF HUNTINGTON BEACH:

Finance Department

- Dahle Bulosan, CFO
- Sunny Rief, Assistant CFO

Financing Schedule

July 20, 2020	Present to City Council and Public Financing Authority for approval
July 21, 2020	Post Preliminary Official Statement
July 29, 2020	Pricing
August 12, 2020	Closing

Questions?