2027 Series A Mission Bay North Refunding Bonds

October 28, 2026

OCII

Overview

- **Enabling Authority**
  - California Health and Safety Code Section 34177.5 (a)(1)
  - Article 11 of Ch. 3 of Part 1 of Division 2 of Title 5 of California Government Code

- **2027 Series A Refunding Bonds Purpose**
  - Refund for savings 2016 Series A Bonds (Mission Bay North)
    - August 1, 2026 call date (contractually specified date on and after which OCII has legal right to pay off the debt early)
  - Lock in debt service savings from lower market rates
  - Not to exceed $70 million

Sources by Uses

2027 Series A Mission Bay North Refunding Bonds

	Amount
Sources:	
Bond Proceeds	$54,250,947
Debt Service Fund Release	3,769,500
Total Sources	**$58,020,447**
Uses:	
Refunding Escrow	56,949,342
Bond Insurance Policy	253,663
Reserve Surety Policy	64,853
Cost of Issuance	500,789
Underwriter's Discount	251,800
Total Uses	**$58,020,447**

The actual issuance amount will be finalized in the weeks before the bond issuance and will be based on the most up-to-date project costs and market conditions

Estimated Savings

Savings Schedule

- Savings generated by refinancing existing bonds at an interest rate of 5.0% with refunding bonds at an interest rate estimated at 4.2%
- OCII is seeking authorization to execute the refinancing when market conditions are favorable
- Per OCII's Debt Policy, refinancing will not proceed if net present value savings is below 3% of refunded bond principal amount
- Refinancing could be delayed due to bond market and interest rate fluctuations

Bond Year Ending 8/1	2016A Refunded Debt Service	2027A Refunding Debt Service	Savings
2028	5,191,250	5,188,261	2,989
2029	5,182,250	5,176,000	6,250
2030	5,182,500	5,173,750	8,750
2031	5,186,250	5,174,750	11,500
2032	5,183,000	5,178,500	4,500
2033-41	51,896,500	46,584,000	5,312,500
Total	**$77,821,750**	**$72,475,261**	**$5,346,489**

Assumptions

- Key assumptions used in Municipal Advisor's Debt Service Savings Analysis:

Bond Series	Bond Proceeds ($ Millions)	All-In True Interest Cost	Underwriter's Discount
2027A	$54.3	4.2%	0.5%

Proposed Action

Approve OCII's issuance of the Bonds

- And make certain determinations that OCII will rely on to issue the Bonds, including:
  - OCII is authorized to recover its issuance costs from the proceeds of the Bonds
  - OCII is authorized to expend proceeds of the Bonds to refund outstanding Mission Bay North bonds and to pay costs of issuance
  - OCII is authorized to make payments for continuing post-issuance compliance and administration costs related to the Bonds

Proposed Action

Approve OCII's execution of bond documents

- **Indenture of Trust** - date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration, privileges, manner of execution, place of payment, terms of redemption and other terms
- **Irrevocable Refunding Instructions** - provides the mechanics, details, amounts, and dates for the refunding of the 2016A Bonds
- **Bond Purchase Contract** - contains the principal amount, underwriter's discount, and the coupons and yields of the proposed 2027A Bonds, all of which will be determined on the day of bond pricing

Next Steps

Actions Necessary to Complete the Proposed Bond Transaction

Date	Action
October 29	Submission of Oversight Board approval resolution and related documents to California Department of Finance for review and approval
January 2, 2027	Final date for DOF determination regarding issuance (65 days)
February 2, 2027	After DOF approval, Commission consideration of Preliminary Official Statement and other actions necessary for issuance
February 2027	Bond pricing, interest rates set
March 2027	Bond closing, pay off 2016 Series A

2027 Series A
Mission Bay North Refunding Bonds

Questions / Comments