



# Debt Portfolio

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# Debt Issuances

- 2002 COP – Police Facility
- 2004 COP – Civic Center Phase I and Western CV Infrastructure

## Western CV Infrastructure Project Descriptions

Women's Club Renovation

Otay Park Renovation

Emerson Street Drainage

Drainage Improvement

Corrugated Metal Pipe Relacement/Rehab.

Eucalyptus Park Reconstruction



# Debt Issuances

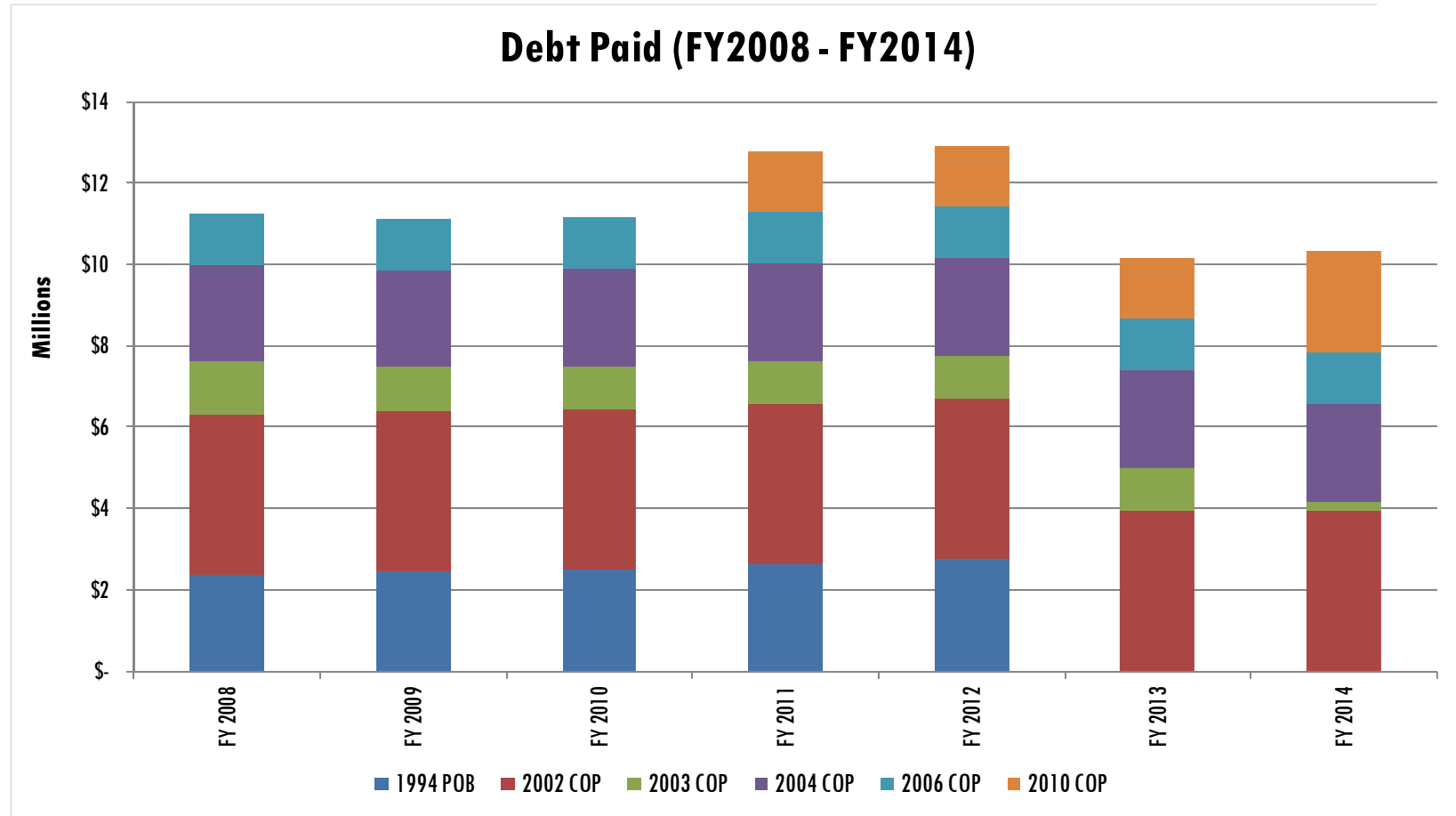
- 2006 COP – Civic Center Phase II and the Nature Center
- 2010 COP – Civic Center Phase III and the Corp Yard Refunding



# Debt Shared (General Fund and PFDIF )

- Projects with shared debt have a joint-impetus or shared benefit between pre-development population (1990) and new development
- General Fund Share – Funds new or enhanced facilities benefiting pre-development population
- PFDIF Share – Funds new or expanded facilities needed to serve new development (increasing population)
- All debt backed and secured by the General Fund

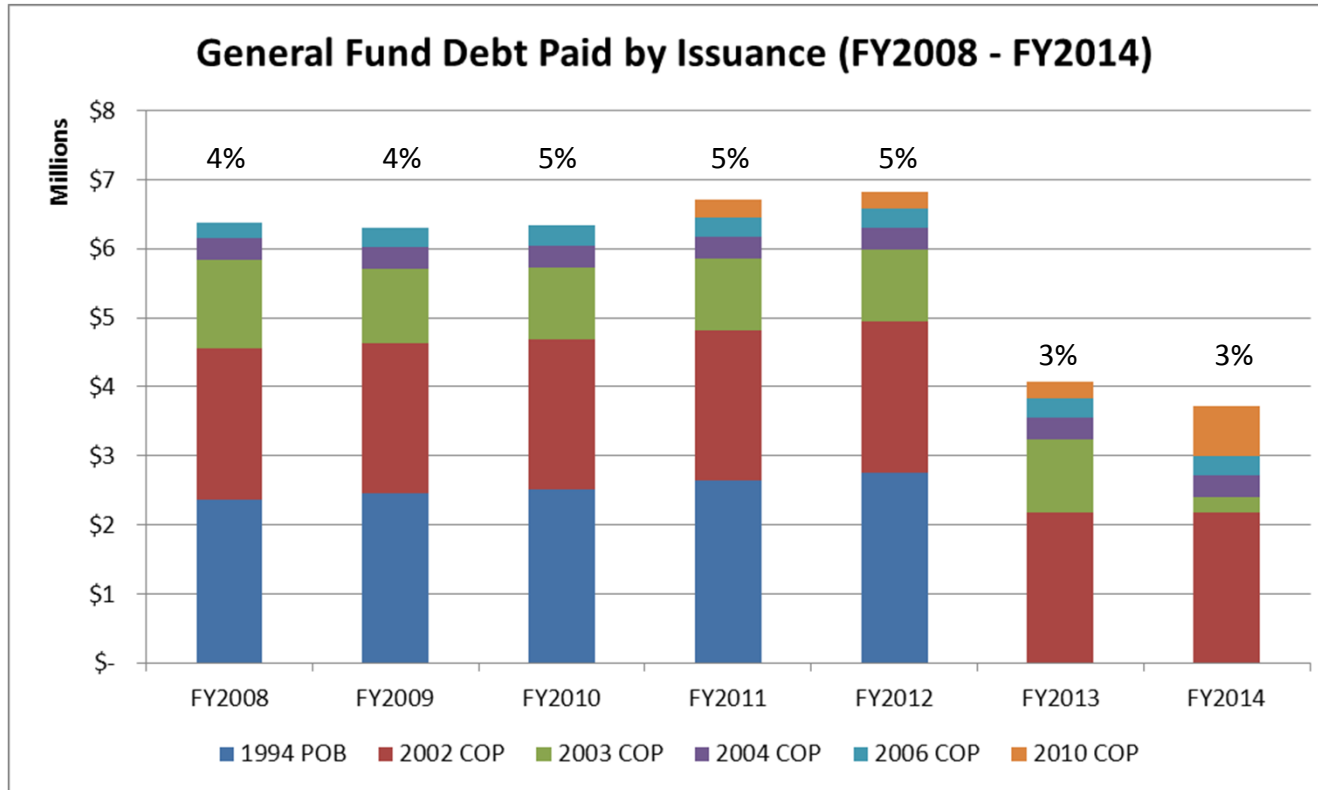
# All City Bonded Debt Paid (GF, PFDIF and RCT)



Note: The above total annual debt service payments include payments made from the General Fund, Public Facilities Development Impact Fee (PFDIF), and Residential Construction Tax (RCT) combined.

The 1994 Pension Obligation Bonds and 2003 COP were paid off in FY2012 and FY2014 respectively.

# Actual Bonded Debt Paid From the General Fund



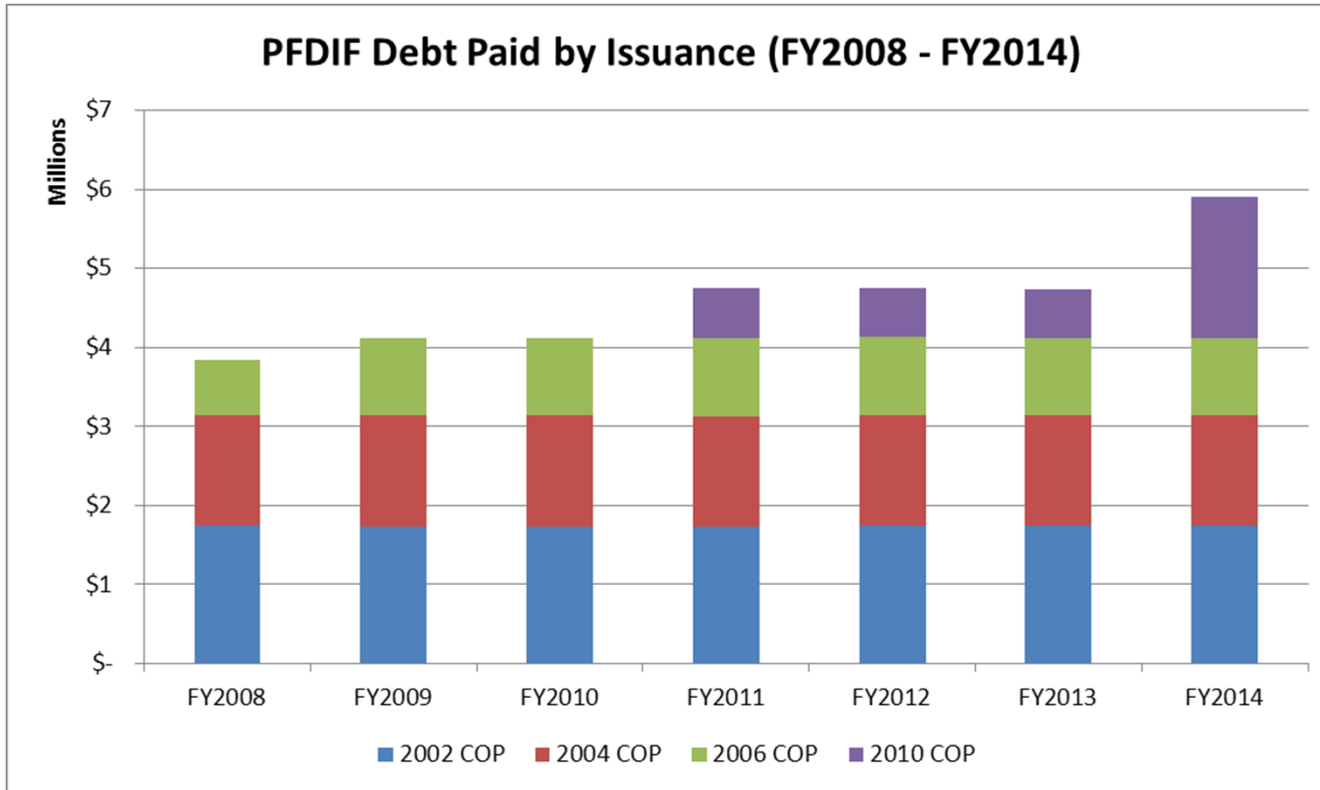
Percentage = Percent of General Fund Adopted Budget

Note: The 2003 COP was a General Fund and RDA debt. With the elimination of the RDA the General Fund was obligated to take on full payment. Final payment was made in September of FY2014.

# Bonded Debt Paid From the General Fund

- 3% of total General Fund operating budget (\$4.2 million)
  - Over 10% would be considered high
  - With the PFDIF and RCT share it increases to 8%
- Debt actually paid from the General Fund has declined by \$3.1 million annually or 46% from the highest level in FY2012

# Debt Actually Paid From PFDIF



Note: Number of building permits needed to meet the debt obligation = 650.

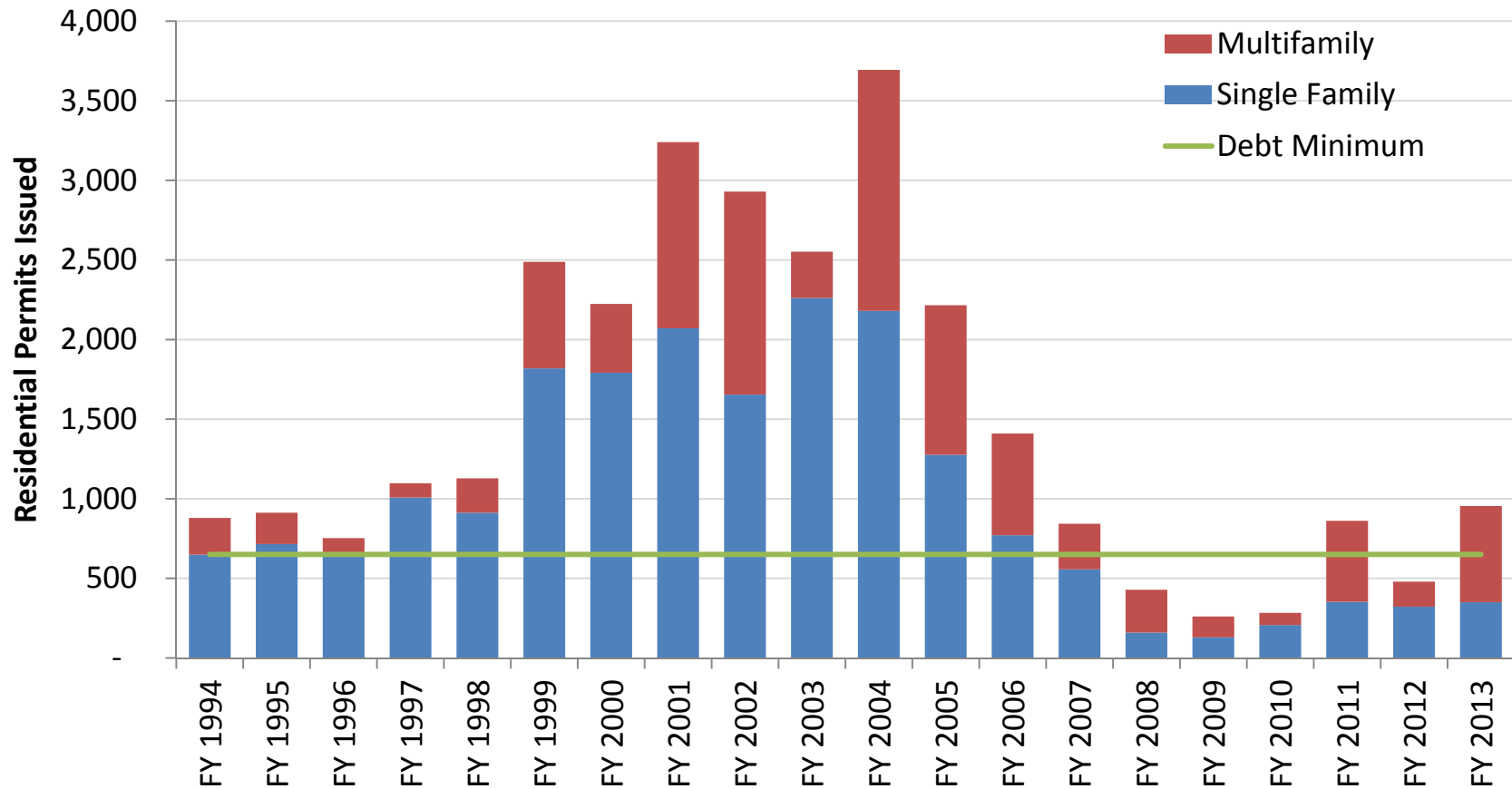


# Debt Paid From PFDIF

- 2010 COP (Phase III Civic Center and Refunding 2000 Corp Yard COP)
  - Debt service increase of \$1.7 million between fiscal years 2013 and 2014
- PFDIF debt service reserve
  - 1 year bonded debt service payments \$5.9 million
  - Already achieved.

# Building Permit Activity

**Historic Residential Permit Activity vs.  
Minimum Activity to Meet Future PFDIF Debt Obligation**



# Major PFDIF Facilities – Cash Funded

- Fire
  - Fire Training Tower relocation
  - Fire Training Facility Classroom
  - Fire Station #3 (Sunbow)
  - Fire Station #4 (Rancho del Rey)
  - Fire Station #6 (Rolling Hills Ranch)
  - Fire Station #7 (OR V2)
  - Fire Station #8 (Eastlake Woods)
  - Fire Dispatch Center

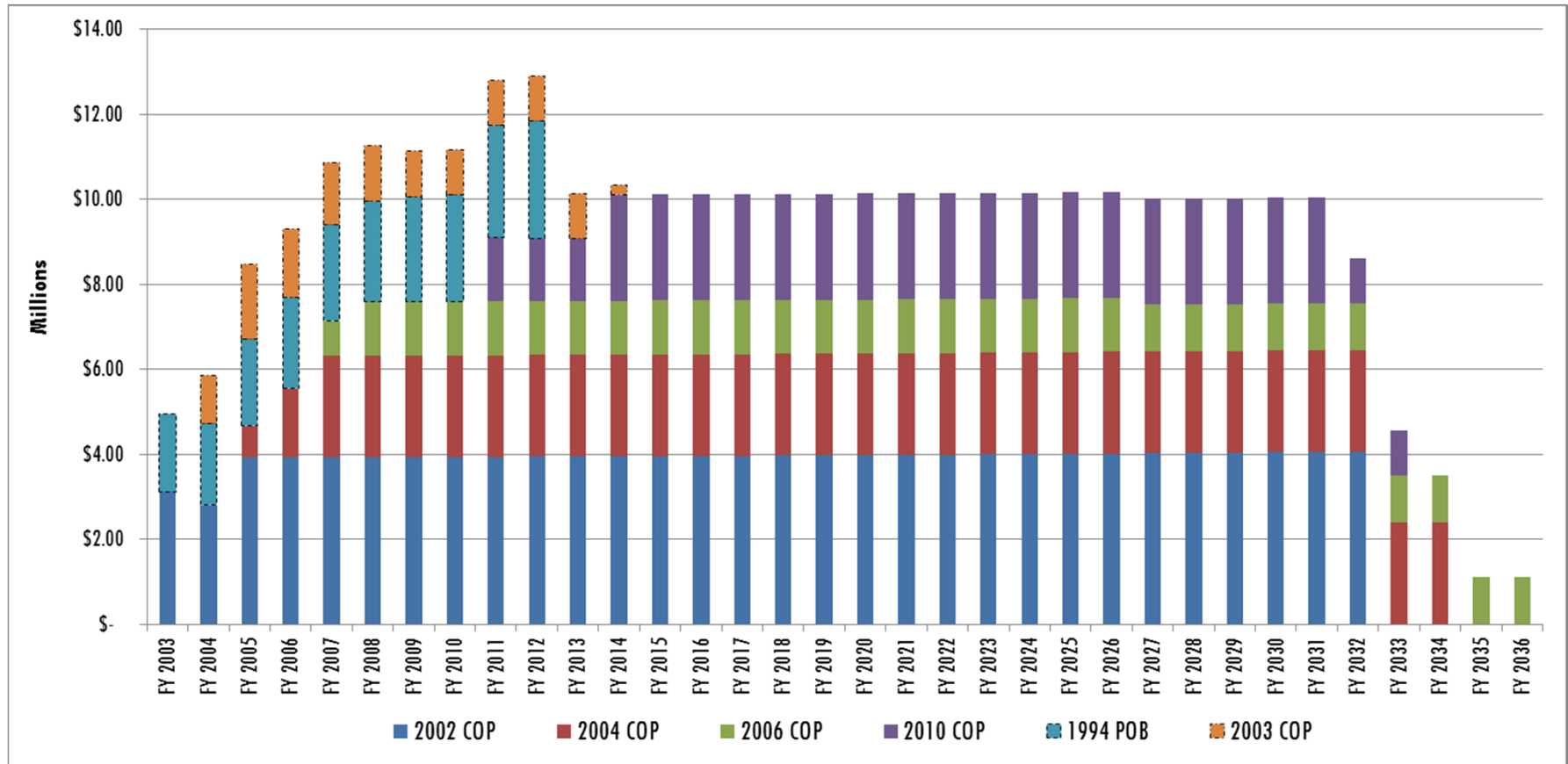
# Major PFDIF Facilities – Cash Funded

- Recreation Facilities
  - Veterans'
  - Monteville
  - Salt Creek
- Animal Shelter Expansion (partial)
- South Chula Vista Library (partial)

# Major PFDIF Facilities – Cash Funded

- Projects Included in PFDIF program yet to be built on a cash basis
  - Rancho Del Rey Library
  - Millenia Library
  - Millenia Fire Station
  - Otay Ranch V4 Recreation Facility
  - Otay Ranch V4 Aquatic Complex
- Additional facilities to be brought forward as part of the next PFDIF fee update once the various Master Plans are approved by the City Council.

# Total Annual Debt Service Payments



The 1994 Pension Obligation Bonds and 2003 COP were paid off in FY2012 and FY2014 respectively.

Note: The above total annual debt service payments include payments made from the General Fund, Public Facilities Development Impact Fee (PFDIF), and Residential Construction Tax (RCT) combined.

# Managing Debt through the Fiscal Crisis and going forward

- All Debt Obligations have been met
- Inter-fund loan from TDIF to PFDIF of \$10.5 million is now being paid back.
- No further facilities are currently planned to be financed through debt from the PFDIF fund.
- Rebuilt reserves in the PFDIF fund which will assist in managing debt through future development fluctuations.

# Next Steps

- Looking at Refunding 2002 COP for savings
- Developing City Council PFDIF Debt Service Reserve Policy
- Consider one-time General Fund resources to pay down principal balances – to be considered as part of annual budget process along with citywide priorities
- Additional principal payments can be considered from the PFDIF fund. The impacts could be:
  - Delays in building remaining facilities – could be minor depending on cash flows.
  - Reduction of the PFDIF fees due to savings in financing costs.
    - Example: For each \$1.0 million in principal pay down could result in estimated interest savings of approx. \$0.5 million.
  - Reduce the obligations on the General Fund