

FINANCING PLANS FOR 2025 CERTIFICATES OF PARTICIPATION (COPS) SERIES 2025 A (400 MBB) SERIES 2025 B (PUBLIC SAFETY RADIOS)

JULY 28, 2025



AGENDA

1. Background
2. 400 Manhattan Beach Boulevard (MBB) Project Timeline and Overview
3. Public Safety Radio Equipment Purchase Overview
4. Proposed Financing Plans Presented by KNN Public Finance
5. Next Steps and Recommendation to Issue 2025 COPs



BACKGROUND

- Purchase of 400 MBB for \$13.0 Million approved by City Council on April 1, 2025
 - Resolution No. 25-0036 stated intention to issue tax-exempt debt and reimburse General Fund
- Purchase of Public Safety Radio Communications Equipment for \$3.6 million approved by City Council on June 17, 2025
 - Resolution No. 25-0081 stated intention to issue tax-exempt debt and reimburse General Fund

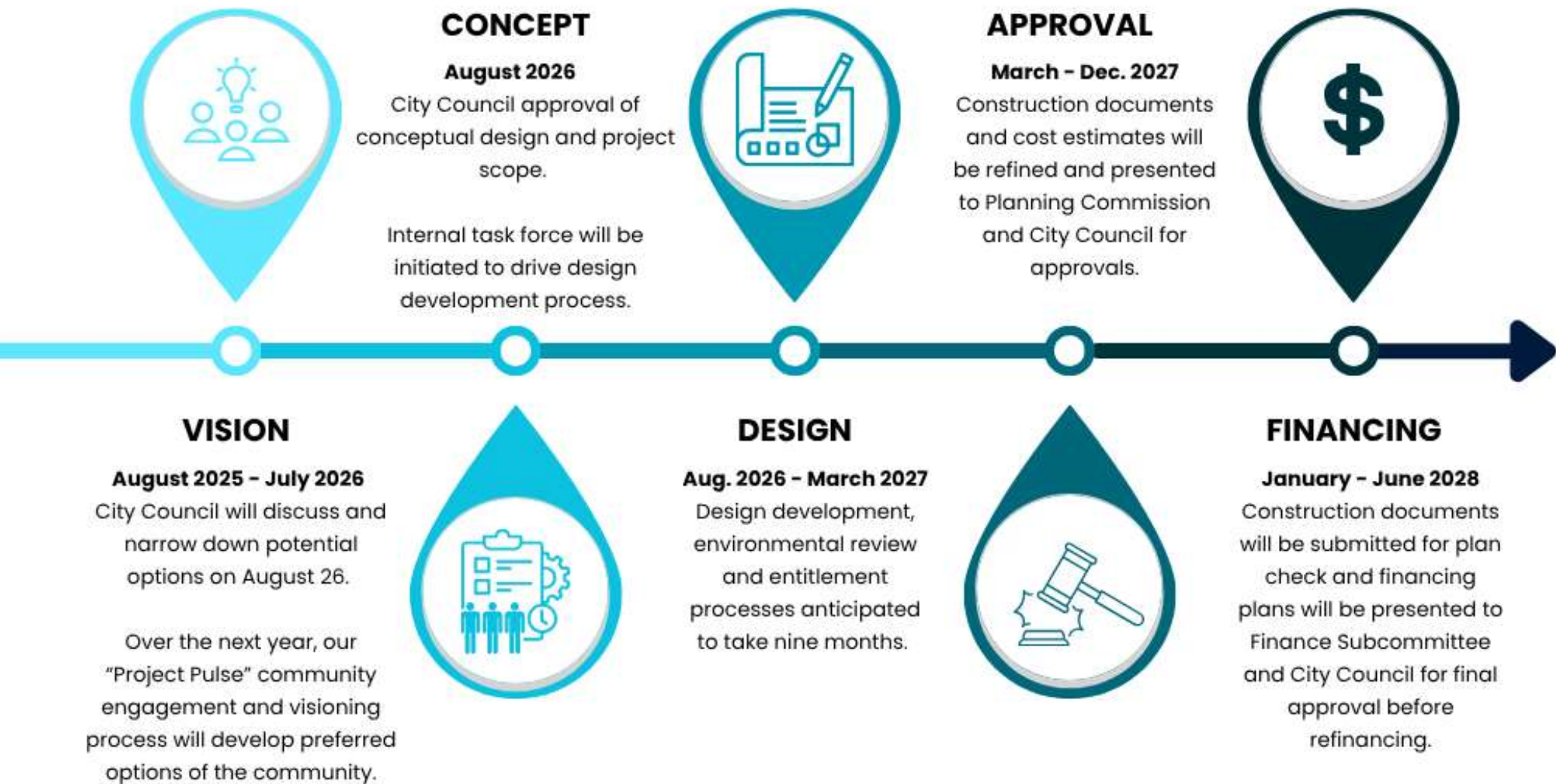


AAA CREDIT RATING AFFIRMED BY S&P

- The City's Issuer credit rating "AAA" was affirmed by S&P
- The 2025A and 2025B COPs will carry a "AA+" rating, which is the highest credit rating possible for COPs
- S&P also reaffirmed the City's "AAA" rating on the Pension Obligation Bonds and "AA+" on all existing COPs



400 MBB PROJECT TIMELINE



400 MBB FINANCING OVERVIEW

- Bond proceeds will reimburse General Fund for \$13.0 million land acquisition and costs of issuance
- \$2.0 million estimated for initial entitlement and conceptual design phases based on projections from Engineering
 - \$1.0 million available in FY 2025-2026 CIP budget
 - Additional appropriation and possible drawdown from CIP Fund reserve will be factored into FY 2026-2027 CIP budget



***Goal is to refinance
2025A Series in advance
of July 1, 2028***



PUBLIC SAFETY RADIO EQUIPMENT



- Critical radio communications equipment last purchased in 2018
- Average useful life of roughly 7 years
- 307 radios will be replaced (251 for Police and 56 for Fire) in 2025
- Bond Proceeds will reimburse General Fund for \$3.6 million equipment purchase and costs of issuance
- First debt service payment will be budgeted in FY 2026-2027 General Fund Budget



DEBT FINANCING PLANS

1. Certificates of Participation, Series 2025A
 - 400 MBB
 - Term Rate Mode
2. Certificates of Participation, Series 2025B
 - Public Safety Radios
 - Fixed Rate

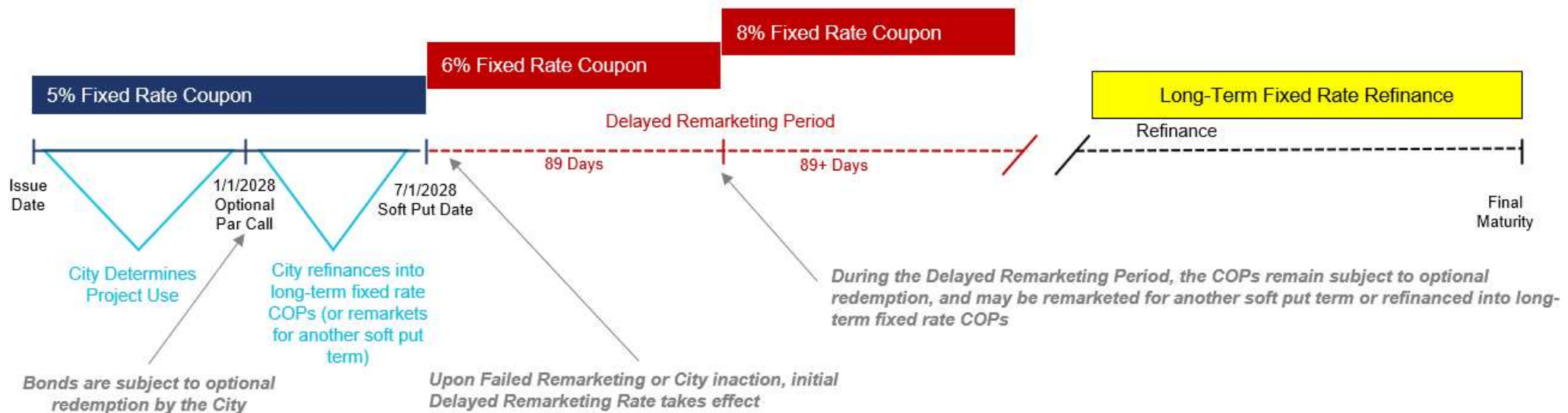


Presented by KNN Public Finance



PLAN OF FINANCE – 2025 A COPS

- Fixed Rate Soft Put Bonds best achieve the City's financing goals:
 - Reimburse the General Fund within the 18-month timeframe of the Reimbursement Resolution
 - Provide maximum flexibility for the ultimate use and tax status of the acquired property
- Alternative financing structures do not provide use or tax status flexibility and/or are costlier
- Put bonds provide a short-term financing (3 years) with a long-term nominal final maturity (30 years)
 - The City agrees to put (i.e., purchase) the bonds in three years (7/1/2028 Soft Put Date)
 - No event of default if the COPs remain beyond the Soft Put Date



PLAN OF FINANCE – 2025 A COPS

- Fixed Rate, Tax-Exempt
- January-1 and July-1 semi-annual interest, beginning January 1, 2026
- January 1, 2028 Optional Par Call Date
- July 1, 2028 Soft Put Date
- Interest only during the three-year put period; principal amortization begins July 1, 2028

Sources and Uses	
Par Amount	\$12,710,000
Premium	553,139
TOTAL SOURCES	\$13,263,139
Project	\$13,004,145
Cost of Issuance	195,444
Underwriter's Discount	63,550
TOTAL USES	\$13,263,139

Preliminary; subject to change

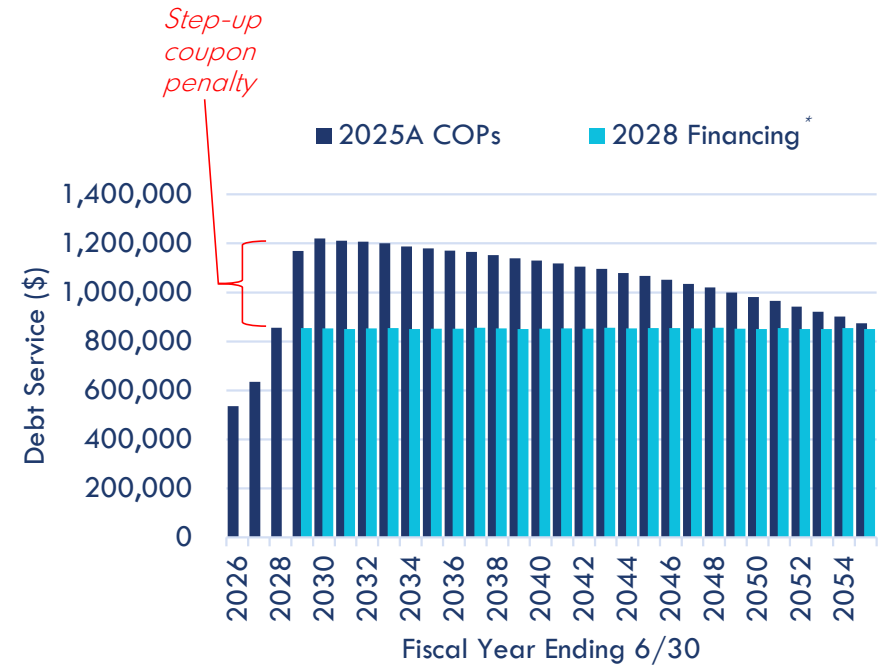


2025 A PRELIMINARY DEBT SERVICE

Soft Put Date →

If the City does not refinance the 2025A into long term fixed rate bonds or remarket a new soft put term

Payment Date	Principal	Coupon	Interest	Annual Debt Service	2025A COP Balance
7/1/2026	\$0		\$536,644	\$536,644	\$12,710,000
7/1/2027	0		635,500	635,500	12,710,000
7/1/2028	220,000	5.00%	635,500	855,500	12,490,000
7/1/2029	230,000	6% / 8%	938,832	1,168,832	12,260,000
7/1/2030	240,000	8.00%	980,800	1,220,800	12,020,000
7/1/2031	250,000	8.00%	961,600	1,211,600	11,770,000
7/1/2032	265,000	8.00%	941,600	1,206,600	11,505,000
7/1/2033	280,000	8.00%	920,400	1,200,400	11,225,000
7/1/2034	290,000	8.00%	898,000	1,188,000	10,935,000
7/1/2035	305,000	8.00%	874,800	1,179,800	10,630,000
7/1/2036	320,000	8.00%	850,400	1,170,400	10,310,000
7/1/2037	340,000	8.00%	824,800	1,164,800	9,970,000
7/1/2038	355,000	8.00%	797,600	1,152,600	9,615,000
7/1/2039	370,000	8.00%	769,200	1,139,200	9,245,000
7/1/2040	390,000	8.00%	739,600	1,129,600	8,855,000
7/1/2041	410,000	8.00%	708,400	1,118,400	8,445,000
7/1/2042	430,000	8.00%	675,600	1,105,600	8,015,000
7/1/2043	455,000	8.00%	641,200	1,096,200	7,560,000
7/1/2044	475,000	8.00%	604,800	1,079,800	7,085,000
7/1/2045	500,000	8.00%	566,800	1,066,800	6,585,000
7/1/2046	525,000	8.00%	526,800	1,051,800	6,060,000
7/1/2047	550,000	8.00%	484,800	1,034,800	5,510,000
7/1/2048	580,000	8.00%	440,800	1,020,800	4,930,000
7/1/2049	605,000	8.00%	394,400	999,400	4,325,000
7/1/2050	635,000	8.00%	346,000	981,000	3,690,000
7/1/2051	670,000	8.00%	295,200	965,200	3,020,000
7/1/2052	700,000	8.00%	241,600	941,600	2,320,000
7/1/2053	735,000	8.00%	185,600	920,600	1,585,000
7/1/2054	775,000	8.00%	126,800	901,800	810,000
7/1/2055	810,000	8.00%	64,800	874,800	0
TOTAL	\$12,710,000		\$18,608,876	\$31,318,876	



*2028 Financing debt service schedule is illustrative. In addition to refinancing the 2025A COPs, the 2028 Financing will likely include project improvements for 400 MMB and Lot 3 to the extent such projects need financing.

Preliminary; subject to change



CITY OF
MANHATTAN BEACH

DEBT FINANCING PLAN FOR 400 MMB/RADIOS

CITY COUNCIL MEETING
AUGUST 5, 2025

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PLAN OF FINANCE – 2025 B COPS

- The 2025B COPS will reimburse the cost for police and fire radio communication equipment and pay costs of issuance
- Fixed Rate, Tax-Exempt
- January-1 and July-1 semi-annual interest, beginning January 1, 2027
- July-1 annual principal repayment, 2027 through 2032
 - 7-year term (4.6-year average life)
- Level annual debt service

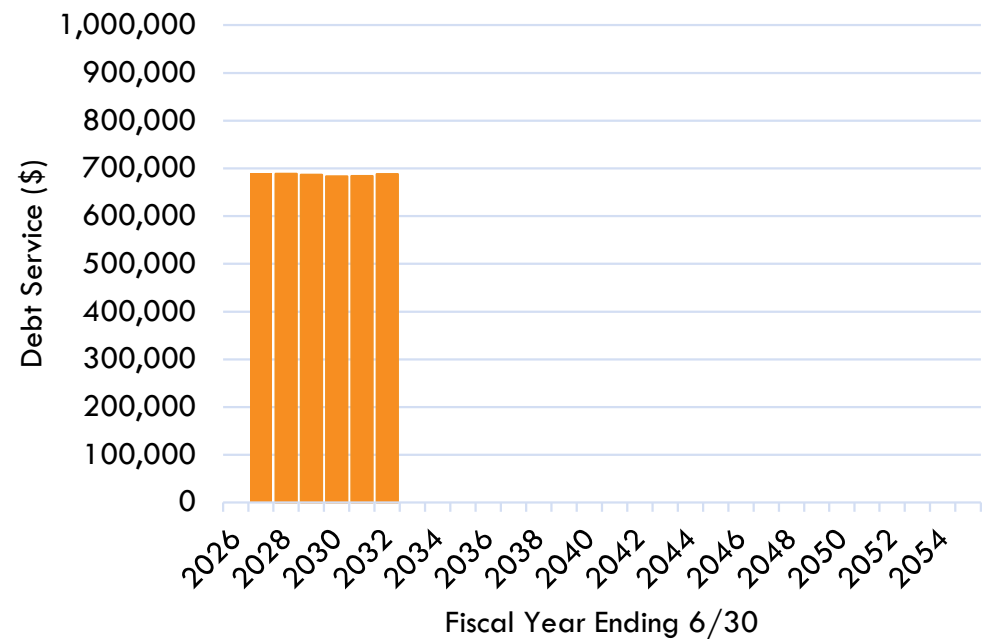
Sources and Uses	
Par Amount	\$3,350,000
Premium	294,848
TOTAL SOURCES	\$3,644,848
Project	\$3,584,057
Cost of Issuance	44,041
Underwriter's Discount	16,750
TOTAL USES	\$3,644,848

Preliminary; subject to change



2025 B PRELIMINARY DEBT SERVICE

Payment Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
1/1/2026			\$0	\$0	
7/1/2026	\$0		0	0	\$0
1/1/2027	0		225,194	225,194	
7/1/2027	380,000	5.00%	83,750	463,750	\$688,944
1/1/2028	0		74,250	74,250	
7/1/2028	540,000	5.00%	74,250	614,250	688,500
1/1/2029	0		60,750	60,750	
7/1/2029	565,000	5.00%	60,750	625,750	686,500
1/1/2030	0		46,625	46,625	
7/1/2030	590,000	5.00%	46,625	636,625	683,250
1/1/2031	0		31,875	31,875	
7/1/2031	620,000	5.00%	31,875	651,875	683,750
1/1/2032	0		16,375	16,375	
7/1/2032	655,000	5.00%	16,375	671,375	687,750
TOTAL	\$3,350,000		\$768,694	\$4,118,694	\$4,118,694



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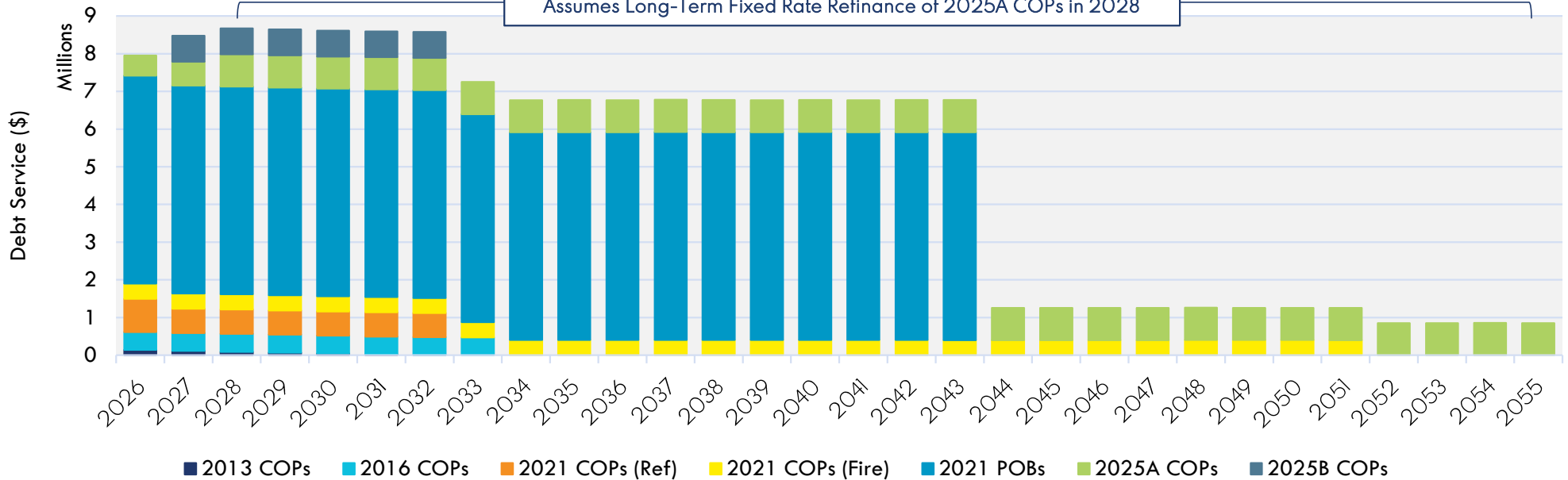


PROJECTED TOTAL DEBT SERVICE

General Fund Secured Long-Term Debt Obligations

Bond Series		Original Par Amount	Currently Outstanding	Par Call	Final Maturity	Ratings
2/12/2013	2013 COPs (Police and Fire Facility Refunding)	\$10,510,000	\$4,355,000	1/1/2023	1/1/2032	AA+
12/1/2016	2016 COPs (Marine Field Refunding)	5,905,000	3,370,000	1/1/2026	1/1/2033	AA+
5/12/2021	2021 Taxable POBs	91,275,000	77,700,000	1/1/2031	1/1/2043	AAA
8/17/2021	2021 COPs (Fire Station No. 2)	7,440,000	6,935,000	1/1/2031	1/1/2051	AA+
12/15/2021	2021 COPs Refunding	5,925,000	4,025,000	noncall	1/1/2032	AA+
		\$121,055,000	\$96,385,000			
Preliminary 2025 Financing			Par Amount*	Par Call	Put Date	Maturity
8/26/2025	2025A COPs		12,710,000	1/1/2028	7/1/2028	7/1/2055
8/26/2025	2025B COPs		3,350,000	TBD		7/1/2032
			\$112,445,000			

Assumes Long-Term Fixed Rate Refinance of 2025A COPs in 2028



Preliminary; subject to change



2025 A AND 2025 B FINANCING SCHEDULE

August 2025						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Date	Item
Tuesday, August 5, 2025	City Council Meeting for Financing Approval
Wednesday, August 6, 2025	Post POS
Wednesday, August 13, 2025	Pricing of COPs
Wednesday, August 27, 2025	Closing Date



RECOMMENDATION

- Staff recommends the City Council adopts Resolution No. 25-0103 authorizing the issuance of the 2025A and 2025B COPs and approving related documents:
 - Trust Agreements
 - Site and Facilities Lease
 - Lease Agreement
 - Contract of Purchase
 - Preliminary Official Statement (POS)
 - Continuing Disclosure Certificate
- Staff recommends the CIC Board of Directors adopts CIC Resolution No. CIC-14 authorizing the issuance of the 2025A and 2025B COPs and approving related documents, including the Assignment Agreement



