

ITEM NO. 7a Supp

DATE OF

MEETING November 10, 2009

# 2010-2014 Draft Plan of Finance

November 10, 2009



# Draft Plan of Finance 2010-2014

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- Each year at the end of the budget process, staff provides a summary five-year Port-wide funding plan (The Draft Plan of Finance). The 2010-2014 Plan is based on:
  - Division capital improvement plans (CIPs) discussed with the Commission
  - Division operating budgets and forecasts
    - Airport is a self-funding operation
    - Seaport operating income supports its CIP
    - Real Estate receives interim partial support from the tax levy
  - The tax levy scenario for First Reading of \$75.9 million

# Funding Sources

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- The Draft Plan of Finance includes funding from:
  - Net operating income and operating fund balances
  - Existing and new revenue bond proceeds
  - Passenger Facility Charges
  - Customer Facility Charges
  - Grants
  - Tax levy

# Aviation Capital Funding 2010-2014

	<u>2010-2014</u> <u>(\$mil.)</u>
<b>Aviation CIP</b>	
Committed	587
Business Plan Prospective	489
<b>TOTAL</b>	<b>1,076</b>
<b>Aviation Funding Sources</b>	
Net income and operating funds	218
Tax levy <sup>(1)</sup>	11
Grants	63
Passenger Facility Charge	61
Customer Facility Charge <sup>(2)</sup>	236
Existing revenue bond proceeds	43
Future bond proceeds	444
	<b>1,076</b>
<b>(1) Highline capital spending (excludes expense spending funded by tax levy)</b>	
<b>(2) Includes proceeds of CFC-paid bonds</b>	

# Seaport Capital Funding 2010-2014

	<b><u>2010-2014</u></b> <b><u>(\$mil.)</u></b>
<b>Seaport CIP</b>	
Committed	66
Business Plan Prospective <sup>(1)</sup>	126
<b>TOTAL</b>	<b>192</b>
<b>Seaport Funding Sources</b>	
Net income and operating funds	76
Tax levy	0
Existing revenue bond proceeds	6
Future revenue bond proceeds	110
	<b>192</b>
<b>(1) Net of \$150 million deferred spending</b>	

# Real Estate Capital Funding 2010-2014

	<b><u>2010-2014</u></b> <b><u>(\$mil.)</u></b>
<b>Real Estate CIP</b>	
Committed	40
Business Plan Prospective	61
<b>TOTAL</b>	<b>102</b>
<b>Real Estate Funding Sources</b>	
Tax levy	102
	<b>102</b>

# Tax Levy Sources & Uses – 10/20/09 Presentation

- Tax levy uses in addition to Real Estate Capital
  - G.O. Bond debt service
  - Public expense
  - Environmental expense
  - Interim funding for certain Real Estate operations

\$'000	2010	2011	2012	2013	2014
<b>LEVY USES</b>					
G.O. DS	40,426	40,438	40,442	40,444	40,442
<b>Other uses</b>					
Sea Pub Exp FAST/mobility	21,644	2,509	400		
AV Pub Exp - Highline Noise	9,075	7,650	650	4,880	
Sea & RE Environmental Reserved	8,712	5,587	13,894	4,362	1,589
PortJobs	46	46	46	46	46
Subtotal Other	39,477	15,792	14,990	9,288	1,635
<b>Real Estate Support</b>					
RE Capital	20,966	28,300	21,661	19,925	10,781
RE Operating Subsidy	3,450	3,166	2,988	3,583	3,611
Subtotal RE Support	24,416	31,466	24,649	23,508	14,392
Total Uses	104,319	87,696	80,081	73,240	56,469
<b>LEVY SOURCES</b>					
Available Balance	48,000	19,580	7,783	702	462
Annual levy	75,899	75,899	73,000	73,000	57,000
Total Sources	123,899	95,479	80,783	73,702	57,462
Projected Ending Fund Balance	19,580	7,783	702	462	993
Rate per 2010 assessed value (cents)	22.3	22.3	21.4	21.4	16.7

# Corporate Capital Funding 2010-2014

	<b><u>2010-2014</u></b> <b><u>(\$mil.)</u></b>
<b>Corporate CIP</b>	
<b>Committed</b>	51
<b>Business Plan Prospective</b>	9
<b>TOTAL</b>	60
<b>Corporate Funding Sources</b>	
<b>Airport Development Fund</b>	38
<b>General Fund</b>	21
	60

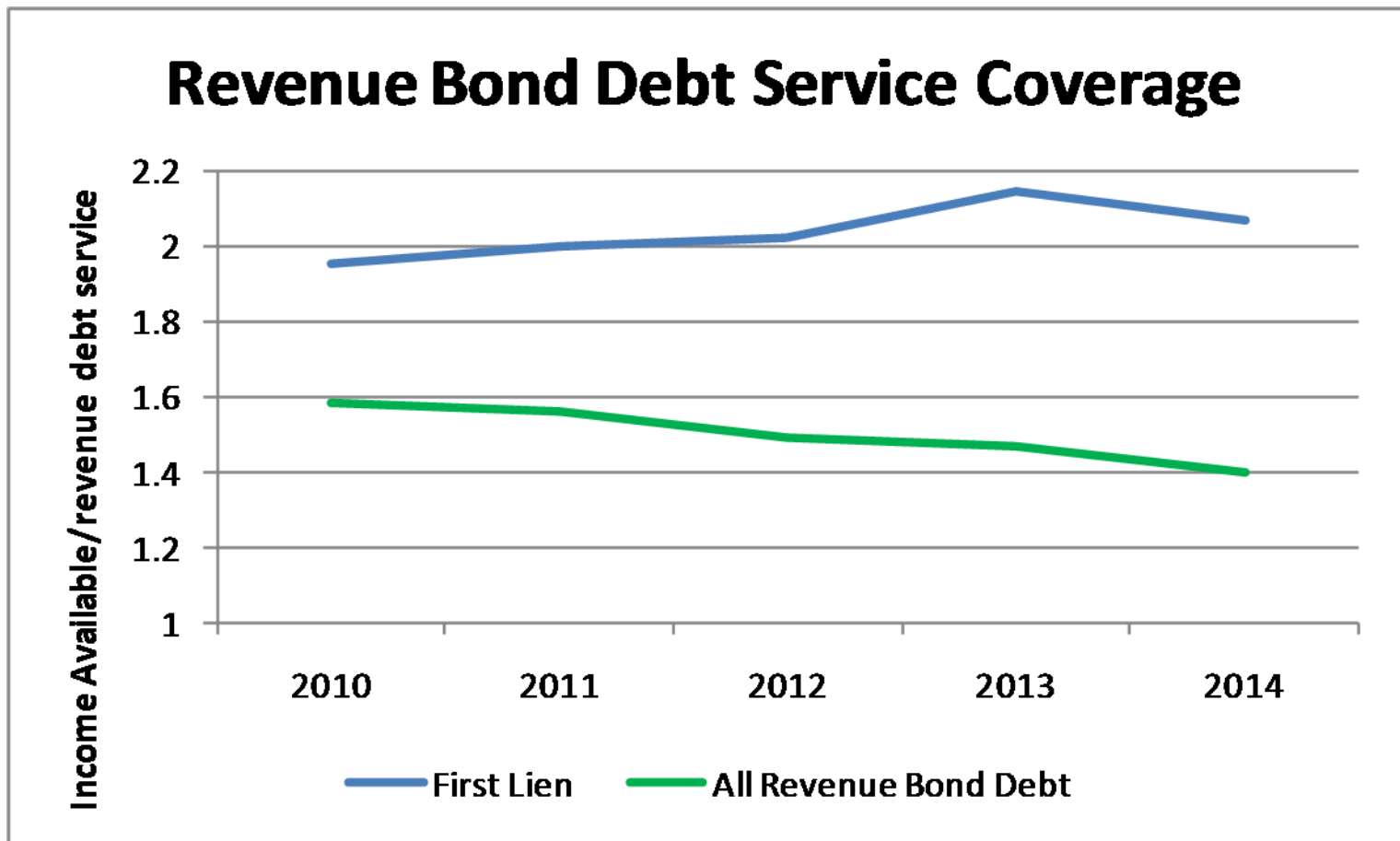


# Debt Service Coverage

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- The Plan is developed to adhere to the Port's financial management policies for prudent cash reserves and leverage
  - Operating funds maintain a minimum of:
    - 6 months operating and maintenance (O&M) expenses in the general fund
    - 10 months O&M expenses in the airport development fund
  - Maximum 75% of tax levy used to pay General Obligation bonds debt service
  - Net income provides Revenue bonds coverage of:
    - 1.5x debt service for Seaport debt
    - 1.25x debt service for Airport debt

# Port-wide Revenue Bond Debt Service Coverage 2010-2014 – Forecast



# 2010 Planned Finance Activity

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- Competitive selections for:
  - Financial Advisor
  - Underwriting team
- Bond issue for funding Airport projects
  - approximately \$200 million
- Refund bonds for savings as appropriate
- Develop and implement plans for expiring letters of credit on variable rate bonds