



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: December 12, 2014

Title

Court Facilities: Lease-Revenue Bond
Issuances, Fall 2013, Spring and Fall 2014

Agenda Item Type

Information Only

Date of Report

December 12, 2014

Submitted by

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Executive Summary

As authorized and directed by the Judicial Council, the Administrative Director presents this report on actions taken in connection with lease-revenue bonds issued by the State Public Works Board in fall 2013, and spring and fall 2014 for the financing of court facilities projects.

Previous Council Action

At its August 27, 2010, meeting, the Judicial Council (1) authorized the execution of documents in connection with issuances of bonds by the State Public Works Board (SPWB) for the financing of court facilities projects, (2) “delegated to the Administrative Director of the Courts or his designee the authority to execute bond documents on behalf of the Judicial Council,”¹ and (3) directed that the Administrative Director of the Courts report to the council at least once a year on actions taken under that authority.

Policy and Cost Implications

Lease-revenue bonds are a form of long-term borrowing in which the debt obligation is secured by a revenue stream created from lease payments made by the occupying entity to the SPWB, which retains title to the facility until the debt is retired. Lease-revenue bonds do not require

¹ Judicial Council of Cal., mins. (Aug. 27, 2010), item 9, www.courts.ca.gov/documents/min20100827.pdf.

voter approval because the transaction is set up to mirror a typical financing lease, i.e., lease payments are due on a year-to-year basis and required only if the facility can be occupied.

When each of these courthouse projects is completed and the court occupies the respective courthouse, the lease payments for the completed facility will be funded from the Immediate and Critical Needs Account of the State Court Facilities Construction Fund established by Senate Bill 1407. Schedules showing the base rental payments for each of the courthouses for which bonds have been issued are attached as Attachment B.

Implementation Efforts

The SPWB issued lease-revenue bonds on behalf of the Judicial Council in fall 2013, and spring and fall 2014 to finance the construction of the following new courthouses:

- Central Courthouse (San Diego County)
- Stockton Courthouse (San Joaquin County)
- Red Bluff Courthouse (Tehama County)

The closing dates of the respective bond issuances are set forth in Attachment A.

Next Steps

The SPWB plans to issue lease-revenue bonds on behalf of the Judicial Council in April 2015 to finance the following courthouse projects funded from the Immediate and Critical Needs Account, established by SB 1407, of the State Court Facilities Construction Fund:

- Construction of the Los Banos Courthouse (Merced County)

Relevant Strategic Plan Goals and Operational Plan Objectives

The issuance of bonds to finance construction and renovation of courthouses supports Goal VI, Branchwide Infrastructure for Service Excellence, by creating safer and more functional facilities for conducting court business (Goal VI.A.1).

Attachments and Links

1. Attachment A: Lease-Revenue Bond Issuances—Fall 2013, and Spring and Fall 2014
2. Attachment B: Schedules of Base Rental Payments

ATTACHMENT A

Lease-Revenue Bond Issuances—Fall 2013, and Spring and Fall 2014

Series	Closing Date	County	Project Name
Fall 2013 Series I	November 20, 2013	San Diego	Central Courthouse
Spring 2014 Series B	April 24, 2014	San Joaquin	Stockton Courthouse
Fall 2014 Series E	October 28, 2014	Tehama	Red Bluff Courthouse

ATTACHMENT B

Schedules of Base Rental Payments

SCHEDULE I

\$631,535,000
State Public Works Board of the State of California
Lease Revenue Bonds
2013 Series I
(Various Capital Projects)

SCHEDULE OF CAPITALIZED INTEREST PAYMENTS AND BASE RENTAL PAYMENTS NEW CENTRAL COURTHOUSE

I. CAPITALIZED INTEREST PAYMENTS

Interest on the portion of the Bonds issued to finance the Project shall be paid from the Series 2013I Capitalized Interest Subaccount established under the One Hundred Twenty-Second Supplemental Indenture on the following dates and in the following amounts:

<i>Payment Date</i>	<i>Amount</i>
04/15/2014	\$13,056,146.86
10/15/2014	14,596,448.24
04/15/2015	14,596,458.01
10/15/2015	14,596,448.24
04/15/2016	14,596,458.01
10/15/2016	14,596,448.24
04/15/2017	12,163,951.02

II. BASE RENTAL PAYMENTS

<i>Payment Date</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Base Rental Payments</i>
04/15/2017		\$ 2,432,506.99	\$ 2,432,506.99
10/15/2017	\$15,090,000	14,596,448.24	29,686,448.24
04/15/2018	-	14,237,683.01	14,237,683.01
10/15/2018	15,800,000	14,237,673.24	30,037,673.24
04/15/2019	-	13,883,933.01	13,883,933.01
10/15/2019	16,545,000	13,883,923.24	30,428,923.24
04/15/2020	-	13,493,308.01	13,493,308.01
10/15/2020	17,345,000	13,493,298.24	30,838,298.24
04/15/2021	-	13,084,633.01	13,084,633.01
10/15/2021	18,165,000	13,084,623.24	31,249,623.24
04/15/2022	-	12,671,833.01	12,671,833.01

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10/15/2022	19,000,000	12,671,823.24	31,671,823.24
04/15/2023	-	12,253,000.00	12,253,000.00
10/15/2023	19,900,000	12,253,000.00	32,153,000.00
04/15/2024	-	11,769,000.00	11,769,000.00
10/15/2024	20,905,000	11,769,000.00	32,674,000.00
04/15/2025	-	11,251,300.00	11,251,300.00
10/15/2025	21,970,000	11,251,300.00	33,221,300.00
04/15/2026	-	10,703,525.00	10,703,525.00
10/15/2026	23,055,000	10,703,525.00	33,758,525.00
04/15/2027	-	10,164,375.00	10,164,375.00
10/15/2027	24,230,000	10,164,375.00	34,394,375.00
04/15/2028	-	9,528,337.50	9,528,337.50
10/15/2028	25,535,000	9,528,337.50	35,063,337.50
04/15/2029	-	8,858,043.75	8,858,043.75
10/15/2029	26,870,000	8,858,043.75	35,728,043.75
04/15/2030	-	8,194,831.25	8,194,831.25
10/15/2030	28,310,000	8,194,831.25	36,504,831.25
04/15/2031	-	7,416,306.25	7,416,306.25
10/15/2031	29,915,000	7,416,306.25	37,331,306.25
04/15/2032	-	6,593,643.75	6,593,643.75
10/15/2032	31,555,000	6,593,643.75	38,148,643.75
04/15/2033	-	5,774,100.00	5,774,100.00
10/15/2033	33,290,000	5,774,100.00	39,064,100.00
04/15/2034	-	4,858,625.00	4,858,625.00
10/15/2034	35,080,000	4,858,625.00	39,938,625.00
04/15/2035	-	3,981,625.00	3,981,625.00
10/15/2035	36,880,000	3,981,625.00	40,861,625.00
04/15/2036	-	3,059,625.00	3,059,625.00
10/15/2036	38,775,000	3,059,625.00	41,834,625.00
04/15/2037	-	2,090,250.00	2,090,250.00
10/15/2037	40,760,000	2,090,250.00	42,850,250.00
04/15/2038	-	1,071,250.00	1,071,250.00
10/15/2038	42,850,000	1,071,250.00	43,921,250.00

SCHEDULE I⁽¹⁾

\$254,635,000
State Public Works Board of the State of California
Lease Revenue Bonds
(Judicial Council of California)
2014 Series B
(New Stockton Courthouse)

SCHEDULE OF CAPITALIZED INTEREST PAYMENTS AND BASE RENTAL PAYMENTS

I. CAPITALIZED INTEREST PAYMENTS

Interest on the Bonds shall be paid from the Series 2014B Capitalized Interest Subaccount established under the One Hundred Twenty-Fourth Supplemental Indenture on the following dates and in the following amounts:

<i>Payment Date</i>	<i>Amount</i>
9/15/2014	\$5,552,570.81
3/15/2015	6,365,875.00
9/15/2015	6,365,875.00
3/15/2016	6,365,875.00
9/15/2016	6,365,875.00
3/15/2017	6,365,875.00
9/15/2017	3,182,937.50

II. BASE RENTAL PAYMENTS

Base Rental payments are due on the following dates and in the following amounts:

<i>Payment Date</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Base Rental Payments</i>
9/15/2017		\$ 3,182,937.50	\$ 3,182,937.50
3/15/2018		6,365,875.00	6,365,875.00
9/15/2018	\$ 6,515,000	6,365,875.00	12,880,875.00
3/15/2019		6,203,000.00	6,203,000.00
9/15/2019	6,845,000	6,203,000.00	13,048,000.00
3/15/2020		6,031,875.00	6,031,875.00

⁽¹⁾ This schedule may be modified in the event that additional capitalized interest is allocated to the Project under the One Hundred Twenty-Fourth Supplemental Indenture in which case the amounts on this Schedule I shall be adjusted in accordance with a Written Request of the Board delivered with respect to such allocation.

9/15/2020	7,200,000	6,031,875.00	13,231,875.00
3/15/2021		5,851,875.00	5,851,875.00
9/15/2021	7,565,000	5,851,875.00	13,416,875.00
3/15/2022		5,662,750.00	5,662,750.00
9/15/2022	7,955,000	5,662,750.00	13,617,750.00
3/15/2023		5,463,875.00	5,463,875.00
9/15/2023	8,365,000	5,463,875.00	13,828,875.00
3/15/2024		5,254,750.00	5,254,750.00
9/15/2024	8,790,000	5,254,750.00	14,044,750.00
3/15/2025		5,035,000.00	5,035,000.00
9/15/2025	9,245,000	5,035,000.00	14,280,000.00
3/15/2026		4,803,875.00	4,803,875.00
9/15/2026	9,715,000	4,803,875.00	14,518,875.00
3/15/2027		4,561,000.00	4,561,000.00
9/15/2027	10,215,000	4,561,000.00	14,776,000.00
3/15/2028		4,305,625.00	4,305,625.00
9/15/2028	10,740,000	4,305,625.00	15,045,625.00
3/15/2029		4,037,125.00	4,037,125.00
9/15/2029	11,290,000	4,037,125.00	15,327,125.00
3/15/2030		3,754,875.00	3,754,875.00
9/15/2030	11,870,000	3,754,875.00	15,624,875.00
3/15/2031		3,458,125.00	3,458,125.00
9/15/2031	12,480,000	3,458,125.00	15,938,125.00
3/15/2032		3,146,125.00	3,146,125.00
9/15/2032	13,120,000	3,146,125.00	16,266,125.00
3/15/2033		2,818,125.00	2,818,125.00
9/15/2033	13,790,000	2,818,125.00	16,608,125.00
3/15/2034		2,473,375.00	2,473,375.00
9/15/2034	14,500,000	2,473,375.00	16,973,375.00
3/15/2035		2,110,875.00	2,110,875.00
9/15/2035	15,240,000	2,110,875.00	17,350,875.00
3/15/2036		1,729,875.00	1,729,875.00
9/15/2036	16,025,000	1,729,875.00	17,754,875.00
3/15/2037		1,329,250.00	1,329,250.00
9/15/2037	16,845,000	1,329,250.00	18,174,250.00
3/15/2038		908,125.00	908,125.00
9/15/2038	17,710,000	908,125.00	18,618,125.00
3/15/2039		465,375.00	465,375.00
9/15/2039	18,615,000	465,375.00	19,080,375.00

SCHEDULE I

\$76,755,000
State Public Works Board of the State of California
Lease Revenue Bonds
2014 Series E
(Various Capital Projects)

SCHEDULE OF CAPITALIZED INTEREST PAYMENTS AND BASE RENTAL PAYMENTS RED BLUFF COURTHOUSE

I. CAPITALIZED INTEREST PAYMENTS

Interest on the portion of the Bonds issued to finance the Project shall be paid from the Series 2014E Capitalized Interest Subaccount established under the One Hundred Twenty-Sixth Supplemental Indenture on the following dates and in the following amounts:

<i>Payment Date</i>	<i>Amount</i>
3/1/2015	\$ 775,706.28
9/1/2015	1,135,137.29
3/1/2016	1,135,137.71
9/1/2016	1,135,137.29
3/1/2017	1,135,137.71
9/1/2017	378,407.86

II. BASE RENTAL PAYMENTS

<i>Payment Date</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Base Rental Payments</i>
8/15/2017	\$ 570,000	\$ 756,729.43	\$1,326,729.43
2/15/2018		1,129,437.71	1,129,437.71
8/15/2018	1,195,000	1,129,437.29	2,324,437.29
2/15/2019		1,103,512.71	1,103,512.71
8/15/2019	1,250,000	1,103,512.29	2,353,512.29
2/15/2020		1,075,612.71	1,075,612.71
8/15/2020	1,310,000	1,075,612.29	2,385,612.29
2/15/2021		1,043,487.71	1,043,487.71
8/15/2021	1,375,000	1,043,487.29	2,418,487.29
2/15/2022		1,010,812.71	1,010,812.71
8/15/2022	1,440,000	1,010,812.29	2,450,812.29
2/15/2023		974,912.71	974,912.71
8/15/2023	1,515,000	974,912.29	2,489,912.29

2/15/2024		937,587.71	937,587.71
8/15/2024	1,590,000	937,587.29	2,527,587.29
2/15/2025		898,212.71	898,212.71
8/15/2025	1,675,000	898,212.29	2,573,212.29
2/15/2026		856,337.71	856,337.71
8/15/2026	1,760,000	856,337.29	2,616,337.29
2/15/2027		812,337.71	812,337.71
8/15/2027	1,850,000	812,337.29	2,662,337.29
2/15/2028		766,087.71	766,087.71
8/15/2028	1,945,000	766,087.29	2,711,087.29
2/15/2029		717,462.71	717,462.71
8/15/2029	2,045,000	717,462.29	2,762,462.29
2/15/2030		666,337.71	666,337.71
8/15/2030	2,150,000	666,337.29	2,816,337.29
2/15/2031		612,587.71	612,587.71
8/15/2031	2,255,000	612,587.29	2,867,587.29
2/15/2032		557,618.81	557,618.81
8/15/2032	2,370,000	557,618.69	2,927,618.69
2/15/2033		498,931.25	498,931.25
8/15/2033	2,490,000	498,931.25	2,988,931.25
2/15/2034		437,075.00	437,075.00
8/15/2034	2,615,000	437,075.00	3,052,075.00
2/15/2035		377,037.50	377,037.50
8/15/2035	2,740,000	377,037.50	3,117,037.50
2/15/2036		308,950.00	308,950.00
8/15/2036	2,880,000	308,950.00	3,188,950.00
2/15/2037		237,400.00	237,400.00
8/15/2037	3,025,000	237,400.00	3,262,400.00
2/15/2038		162,225.00	162,225.00
8/15/2038	3,180,000	162,225.00	3,342,225.00
2/15/2039		83,175.00	83,175.00
8/15/2039	3,345,000	83,175.00	3,428,175.00