

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
WEDNESDAY, JANUARY 28, 2026**

MINUTE ORDER NO. 20

SUBJECT: APPROVAL OF THE DELIVERY AND EXECUTION OF RELATED FINANCING DOCUMENTS FOR THE COUNTY OF SAN DIEGO CERTIFICATES OF PARTICIPATION, 2026 SERIES a, MULTIPLE CAPITAL PROJECTS (DISTRICTS: ALL)

OVERVIEW

On June 24, 2025 (6), the Board of Supervisors (Board) adopted the Fiscal Year 2025-26 Operational Plan, which included appropriations for: (a) \$11.9 million for the Stormwater Program for the design and construction of large-scale (regional) green infrastructure and other stormwater projects to meet statewide stormwater mandates; (b) \$30.5 million for various Major Maintenance projects; (c) \$14.0 million for Climate Action Plan projects; and (d) \$14.3 million for the acquisition of a helicopter. On October 21, 2025 (5), the Board approved an additional \$23.8 million for the helicopter, increasing its total cost to \$38.6 million (collectively, the “Project”).

Appropriations have been established in Fiscal Year 2025-26 through the Operational Plan and the mid-year Board action of \$95 million for completion of these projects. The proposed funding source will be proceeds of the sale from the execution and delivery of Certificates of Participation (COPs) by the Trustee pursuant to the Trust Agreement (as defined below). County of San Diego (County) staff briefed the Debt Advisory Committee (DAC) at the November 10, 2025 DAC meeting regarding the Project and the proposed funding through the issuance of COPs (the “2026A COPs”). DAC voted unanimously for staff to move forward with this financing. In the same way that San Diego County Capital Asset Leasing Corporation (SANCAL) has assisted the County in prior financings, SANCAL will act as sublessor under a Facility Lease (as defined below) relating to the 2026A COPs.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Adopt the Resolution entitled:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO PROVIDING FOR THE EXECUTION AND DELIVERY OF A MASTER SITE LEASE, A MASTER FACILITY LEASE, A MASTER TRUST AGREEMENT, A NOTICE INVITING BIDS, A PURCHASE CONTRACT, AND A CONTINUING DISCLOSURE AGREEMENT, APPROVING THE EXECUTION AND DELIVERY OF COUNTY OF SAN DIEGO CERTIFICATES OF PARTICIPATION, 2026 SERIES A (MULTIPLE CAPITAL PROJECTS) EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$100,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH CERTIFICATES AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS RELATED THERETO

EQUITY IMPACT STATEMENT

Approval of the financing documents and delivery of the 2026A Certificates of Participation will allow for successful completion of the Projects. Today’s action will continue equitable distribution of facilities that provide critical services for some of the region’s most vulnerable and under-served populations.

SUSTAINABILITY IMPACT STATEMENT

Today's action supports the County of San Diego's sustainability goals of engaging the community, sustainable facility construction, improved access and removal of barriers for persons of all abilities, and resiliency by ensuring the capability to respond to the needs of our region.

FISCAL IMPACT

Funds for this request were partially included in the Fiscal Year 2025-26 Operational Plan in Finance Other with the remainder added through mid-year Board action. If approved, staff will proceed with the sale and delivery of the 2026A Certificates of Participation (COP's), either through competitive or negotiated sale, evidencing an aggregate principal amount of Base Rental Payments (as defined in the Facility Lease) not-to-exceed \$100,000,000, related to the multiple capital projects. Proceeds will be used to fund i) estimated costs for the acquisition, construction, and installation of the Project in the amount of \$94.5 million ii) \$0.9 million for underwriters' discount, title insurance, and other costs of issuance. The remaining estimated, not-to-exceed amount of approximately \$4.6 million is to account for any changes in the bond market between now and the time of pricing the 2026A COPs as well as cover the April 2026 interest payment. If sold through a competitive sale, the 2026A COPs will be awarded to the purchaser presenting the lowest interest rate in accordance with the Notice Inviting Bids as of the time of sale. If conditions permit, the County of San Diego (County) could switch to a negotiated sale of the 2026A COPs.

If approved, this recommendation will result in annual Base Rental Payments of approximately \$6.9 million beginning in Fiscal Year 2026-27 through Fiscal Year 2046-47. Required Base Rental Payments will be appropriated in future Operational Plans. The actual amount of the annual and total Base Rental Payments will be known when the County prices the 2026A COPs and the actual interest rates and costs are finalized.

The proposed lease structure requires that the amount of annual Base Rental Payments (representing annual debt service payments on the 2026A COPs) shall reasonably equate to the current fair rental value of the leased property. The County-owned land and improvements to be leased to support that conclusion will include two office buildings in the County Operations Center, which in the aggregate have been determined by County staff to have more than sufficient fair rental value for such purpose. The leased property will be finalized prior to the sale of the 2026A COPs.

Pursuant to California Senate Bill No. 450, which requires certain public disclosures in connection with the proposed financing, a good faith estimate of the finance charge for the 2026A Certificates of Participation includes all costs of issuance (including rating agency fees, bond counsel, disclosure counsel, municipal advisory services, title insurance, and related expenses) as well as the underwriter's discount, and is estimated to be \$840,000.

There will be no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Lawson-Remer, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took action as recommended, and adopted Resolution No. 26-010, entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO PROVIDING FOR THE EXECUTION AND DELIVERY OF A MASTER SITE LEASE, A MASTER FACILITY LEASE, A MASTER TRUST AGREEMENT, A NOTICE INVITING BIDS, A PURCHASE CONTRACT, AND A CONTINUING DISCLOSURE AGREEMENT, APPROVING THE EXECUTION AND DELIVERY OF COUNTY OF SAN DIEGO CERTIFICATES OF PARTICIPATION, 2026 SERIES A (MULTIPLE CAPITAL PROJECTS) EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$100,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH CERTIFICATES AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS RELATED THERETO.

AYES: Aguirre, Lawson-Remer, Montgomery Steppe, Desmond

ABSENT: Anderson

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

