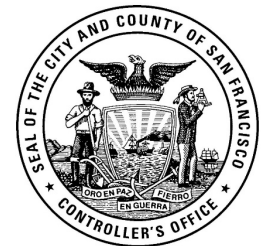


Community Facilities District No 2014-1 (Transbay Transit Center)

BUDGET & FINANCE COMMITTEE

Resolution for Special Tax Bonds: Resolution Authorizing the Issuance of Special Tax Bonds – Community Facilities District No. 2014-1 (Transbay Transit Center) - Not to Exceed Aggregate Principal Amount of \$90,000,000

Supplemental Appropriation Ordinance for Special Tax Bond Proceeds: Ordinance Appropriating \$90,000,000 of City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax Bonds



November 2, 2022

City & County of San Francisco
Transbay Joint Powers Authority
Controller's Office of Public Finance

Presentation Overview

- Transbay Program Background
- Federal Transit Administration (FTA) Project Development & Engineering Funding Plan
- Plan of Finance for Proposed Bonds
 - Use of Proceeds
 - Sources and Uses/Financing Terms
- Anticipated Financing Schedule



Transbay Program Background

TJPA OVERVIEW

TJPA manages and implements the Transbay Program, which consists of:

1. Replacing the former Transbay Terminal

- Multimodal Salesforce Transit Center and Rooftop Park is open and providing transit services, retail services and public free activities
- Two-story train box under Transit Center completed in Phase 1

2. Creating a transit-oriented neighborhood with homes, offices, open spaces and shops surrounding the new transit center

- Extensive development completed with additional sites planned with close to 4,000 housing units (35% affordable), 5.4-acre rooftop park

3. Extending Caltrain and California High-Speed Rail underground from Caltrain's current terminus at 4th and King streets into the multimodal Salesforce Transit Center

- Downtown Rail Extension (DTX) received FTA Record of Decision for the Final Environmental Impact Study in July 2019 and engineering is underway
- Accepted into Federal Transit Administration's Capital Investment Grants New Starts pipeline in December 2021



Transbay Program Background

DOWNTOWN RAIL EXTENSION PROJECT



- Estimated 90,000 riders per day*
- Seamless transfers between local and regional transit services
- One-seat ride from the Peninsula / Los Angeles into downtown San Francisco
- Reduces greenhouse gas emissions impact
- Creates thousands of jobs
- Provides mega-regional access to housing and employment

* Average of Caltrain, CHSRA, and TJPA ridership estimates



FTA Project Development & FTA Engineering Funding Plan

DTX FUNDING PLAN MILESTONES

Oct. 2021

Request Entry to FTA Project Development Phase

Funding Requirement:

~\$30M in fully-committed and available funding for FTA Project Development activities

Feb. 2023

Request Entry to FTA Engineering Phase

Funding Requirement:

30% of non-New Starts funds committed

Aug. 2023

Submit funding application for FTA New Starts grant

Funding Requirement:

50% of non-New Starts funds committed

Winter/Spring 2025

Prior to execution of Full Funding Grant Agreement

Funding Requirement:

100% of non-New Starts funds committed

Oct. 2021

Feb 2023

Aug 2023

FFGA Execution
Spring 2025

FTA "Project Development" Phase

FTA "Engineering" Phase

DTX Procurement & Final Design/Construction



Plan of Finance for Proposed Bonds

PROPOSED 2022 CFD BOND ISSUANCE

CFD special tax bonds estimated uses of proceeds:

- \$43.6M (TJPA) - planning, design, engineering, right of way acquisition and construction of the Downtown Rail Extension, including the engineering of the train components of the Salesforce Transit Center building and engineering work related to a new station at Fourth and Townsend
- \$27.9M (non-TJPA) – streetscape and pedestrian improvements around the Salesforce Transit Center (\$23.4M); the acquisition of transit vehicles by SFMTA (\$2.8M); and enhancements at Embarcadero BART station, including modifying a stairway and modernizing an elevator (\$1.6M)
- \$8.5M – fund bond issuance costs and reserve fund



Estimated Sources & Uses for CFD 2014-1 Special Tax Bonds – Not to Exceed \$90,000,000

ESTIMATED FINANCING TERMS

- Final Maturity of September 1, 2052
- Estimated True Interest Cost: 5.67%
- Estimated Bond Proceeds*: \$71.42M
- Estimated Financing Costs: \$1.4M
- Estimated Total Debt Service: \$169.22M

Source: Stifel, Nicolaus & Company, Inc.
Market conditions as of September 16, 2022

SOURCES & USES

Sources:

Estimated Bond Par	\$79,940,000
Total Sources	\$79,940,000

Uses:

Improvement Fund	\$71,421,081
Debt Service Reserve Fund	7,119,219
<u>Delivery Date Expenses</u>	
Cost of Issuance	\$1,000,000
Underwriter's Discount	399,700
Total Uses	\$79,940,000

Not-to-Exceed Par Amount	\$90,000,000
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*Represents the expected amount of bond proceeds to be received less the financing costs and any reserves funded with proceeds of the bonds



Anticipated Financing Timeline

MILESTONES

DATES*

- Introduction to the Board of Supervisors September 27, 2022
- Capital Planning Committee October 3, 2022
- Budget and Finance Committee November 2, 2022
- Board of Supervisors Considers Resolution & Ordinance (1st Hearing) November 8, 2022
- Board of Supervisors Considers Ordinance (2nd Hearing) November 15, 2022
- Sale and Closing of Bonds December 2022

*Please note that dates are estimated unless otherwise noted.

