



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

MEMORANDUM

TO: Honorable Members, Board of Supervisors

FROM: Anna Van Degna, Bridget Katz and Grant Carson - Controller's Office of Public Finance

DATE: October 3, 2023

SUBJECT: **Resolution Authorizing the Issuance of City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) Development Special Tax Bonds, Office Special Tax Bonds, Shoreline (Tax Zone 1) Special Tax Bonds; Not to Exceed Aggregate Principal Amount of \$58,335,000**

Resolution Related to City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) Sub-Project Areas I-1 through I-13 and Development Special Tax Bonds Issued by City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)

RECOMMENDED ACTIONS

We respectfully request that the Board of Supervisors ("Board") consider for review and approval the resolution ("Bond Resolution") which authorizes the issuance of City and County of San Francisco ("City") of three series of bonds for the Special Tax District No. 2020-1 (Mission Rock Facilities and Services) ("Mission Rock CFD") including the Development Special Tax Bonds, the Office Special Tax Bonds, and the Shoreline (Tax Zone 1) Special Tax Bonds in an aggregate amount not to exceed \$58,335,000 described further herein.

The Development Special Tax Bonds will be secured by a pledge of Development Special Taxes which are structured such that tax increment generated in Project Area I would "offset" the CFD Development Special Taxes. We respectfully request that the Board considers for review and approval the resolution ("IFD Resolution") related to the City and County of San Francisco Infrastructure Financing District No. 2 ("IFD No. 2") Sub-Project Areas I-1 through I-13 and Development Special Tax Bonds Issue by the Mission Rock CFD, as further described under Security of the Bonds.

RECENT PORT COMMISSION ACTION

At the meeting on September 12, 2023, the Port Commission approved a resolution (Resolution No. 23-41) recommending that the Board: (1) approve the issuance of Mission Rock Special Tax District Bonds in an aggregate amount not to exceed \$58,335,000 (“Bonds”) and related documents and (2) clarifying that the Rate and Method of Apportionment of Special Taxes (“RMA”) for the CFD should be administered to treat the Shoreline Special Tax levied in Tax Zone 1 and the Shoreline Special Tax levied in Tax Zone 2 as separate special taxes.

PROJECT BACKGROUND

Seawall Lot 337 Associates, LLC, a Delaware limited liability company (the “Master Developer”) and the City, acting by and through the Port, are parties to a Disposition and Development Agreement (as amended from time to time, “DDA”), including a Financing Plan (as amended from time to time, the “Financing Plan”), that governs the disposition and development of certain parcels in the jurisdiction of the Port, including Seawall Lot 337.

After more than a decade of planning, the Mission Rock Project at Seawall Lot 337 is nearing completion of Phase 1. Three of four buildings have received Temporary Certificates of Occupancy (“TCO”) and the fourth building is expected to receive its TCO in mid-2024. The first residents have moved into Parcel A, the Canyon, in June 2023, and tenant improvements for Parcel G, the future Visa headquarters, are underway.

Assuming full build-out is achieved, the Mission Rock Project is ultimately expected to include up to 1,200 units of new rental housing including 40% below market rate units, 1.4 million square feet of new commercial and office space, the rehabilitation of historic Pier 48, space for small-scale manufacturing, retail, and neighborhood services, eight acres of parks and open spaces, and public infrastructure.

Phase 1 of the Mission Rock Project includes four buildings: two primarily residential apartment buildings (Parcel A, “The Canyon”, and Parcel F) totaling 537 units, and two commercial office/life science buildings (Parcel B and Parcel G) totaling approximately 620,000 square feet. Parcel G will serve as Visa’s global headquarters. Phase 1 also features nearly five acres of parks and open spaces, including pedestrian paseos and China Basin Park. The Mission Rock Project’s district-scale private utility systems – a blackwater recycling system and a thermal energy system – have also been constructed in Phase 1.

Phase 1 horizontal and vertical improvements are nearing completion. Parcels G, A, and B have received Temporary Certificates of Occupancy, and Parcel F is expected to be completed in Q2 2024. Both the Street Improvement Permit (SIP) and China Basin Park infrastructure are well underway. SIP work is complete around three of the vertical buildings with the remainder expected to be complete by early 2024. China Basin Park is currently progressing towards a planned opening in early 2024.

PROJECT BUDGET

On September 20, 2019, the Port Commission approved the Phase 1 Budget of the Mission Rock Project, which outlined the expected costs and revenue sources for the phase improvements. The Phase 1 budget included:

- **Project Costs.** Projected hard costs, soft costs, and return on Developer equity for the Phase 1 Horizontal Infrastructure improvements.
- **Projected Revenues.** Sources included:
 - The four Phase 1 prepaid leases
 - Public financing sources including Community Facilities District (CFD) bond proceeds, CFD pay-as-you-go (“pay-go”) taxes (those not dedicated to bond debt service), and Infrastructure Financing District (IFD) pay-go revenues

The original Phase Budget approved on September 24, 2019, totaled \$145.4 million. On August 10, 2021, the Port Commission approved an amended budget of \$184.2 million and an adjustment to China Basin Park construction sequencing. The Developer anticipates the need for one additional budget amendment to complete Phase 1, bringing the total Phase 1 budget to \$214.1 - \$218.5 million. An informational presentation on the Phase 1 Revised Budget was provided to the Port Commission at the meeting on September 12, 2023. The Port Commission is expected to hear and vote on the additional budget increase, bringing the total Phase 1 budget to \$218.5 million, at the October 10, 2023 Commission Meeting.

PUBLIC FINANCING SOURCES

To provide funding for horizontal infrastructure at the site, the Mission Rock Project includes two tax districts. The Board passed an ordinance establishing Project Area I (Mission Rock) (“Project Area I”) of Infrastructure Financing District No. 2 (Port of San Francisco) (the “IFD”) on February 27, 2018, which the Mayor signed on March 6, 2018. On April 14, 2020, the Board of Supervisors passed a resolution approving the formation of the Mission Rock Special Tax District on No. 2020-1 (Mission Rock Facilities and Services) (the “CFD”), which the Mayor signed on April 24, 2020. On May 5, 2020, after a public hearing and landowner vote, the Board approved a resolution determining a not to exceed bond indebtedness limit of \$3,700,000,000 for the CFD, which the Mayor signed on May 15, 2020. The Board of Supervisors passed an ordinance levying special taxes within the CFD on May 12, 2020, which the Mayor signed on May 22, 2020.

The two tax districts provide the revenues for the bonds discussed in this report. The IFD generates revenues by capturing the tax increment generated in Project Area I, consisting of the increase in ad valorem (property) taxes within Project Area I above the base year of 2017-2018.

The CFD includes four separate special taxes:

1. **Development Special Tax** – funds horizontal infrastructure on the site; expected 45-year life
2. **Office Special Tax** – funds horizontal infrastructure on the site; 120-year life

3. **Shoreline Special Tax** – a source for ongoing shoreline protection studies and facilities; Shoreline Taxes from Phase I can also fund horizontal infrastructure on the site; 120-year life
4. **Contingent Services Special Tax** – funds ongoing maintenance and services of the area if the Master Association does not provide these services

The proposed bond issuance will utilize a combination of the Development Special Tax (with expected offsets by IFD tax increment from Project Area I), the Office Special Tax, and the Shoreline Special Tax levied in Zone 1 of the CFD , as further described in Plan of Finance.

Prior Issuances of Special Tax Bonds

On October 27, 2020, the Port Commission approved a resolution recommending that the Board approve the first Mission Rock CFD financing, including the issuance of bonds in an aggregate principal amount not to exceed \$50,100,000. On December 8, 2020, the Board approved a resolution No. 565-20 authorizing (i) the City to issue Development Special Tax Bonds in an amount not to exceed \$43,300,000, (ii) the execution and delivery of related financing documents. On May 27, 2021, the City issued \$43,300,000 in Development Special Tax Bonds, Series 2021A.

On March 23, 2021, the Port Commission approved a resolution recommending that the Board approve the second Mission Rock CFD financing, including the issuance of bonds in an aggregate principal amount not to exceed \$68,000,000. On May 11, 2021, the Board approved a Resolution No. 224-21 authorizing (i) the City to issue Development Special Tax Bonds in an amount not to exceed \$64,900,000, (ii) the execution and delivery of related financing documents, and Resolution No. 225-21 approving a Pledge Agreement for repayment of the authorized bonds with tax increment revenues. On November 10, 2021, the City issued \$54,280,000 in Development Special Tax bonds, Series 2021B (taxable), and \$10,000,000 in Development Special Tax bonds Series 2021C (tax-exempt).

PLAN OF FINANCE

The City plans on issuing special tax bonds secured by the special taxes generated within the CFD. Additionally, the Development Special Tax Bonds will have secondary pledge of tax increment, which is expected to be received after taxable buildings reach a stabilized assessed value, as determined by the Port. The proceeds of the Bonds are expected to reimburse horizontal infrastructure expenses and developer return. The proposed 2023 Bonds (the "Bonds" or "2023 Bonds") will be issued in up to four series secured by the Development Special Tax (a tax-exempt series), the Office Special Tax (a tax-exempt series and a taxable series), and the Shoreline Special Tax (a tax-exempt series) levied in Zone 1 of the CFD (as defined below), respectively.

Two factors limit the amount of CFD special tax bonds sold: 1) tax revenue generating capacity; and 2) the appraised value of the leasehold interests within the CFD.

The tax generating capacity less administrative expenses must be at least 110 percent of the debt service requirement on any CFD special tax bonds.

Because the City covenants to accelerate foreclosure on the taxable leasehold interests in the Mission Rock CFD if lessees are delinquent in the payment of the Development Special Tax, the value of the leasehold interests – as determined by an appraisal – is an important credit consideration for purchasers

of the Bonds. Under the bond covenants and the City's *Amended and Restated Local Goals and Policies for Community Facilities Districts and Special Tax Districts*, the City must achieve at least a 3-to-1 value-to-lien ratio when selling new Bonds. The ratio is based on 1) the appraised value or the assessed value of the leasehold interests in the taxable parcels in the CFD and 2) special tax and assessment debt encumbering such leasehold interests (including the Bonds). This means that the value of the leasehold interests in the CFD must be at least three times the outstanding amount of the Bonds and any other special tax and assessment debt.

Integra Realty Resources, Inc. ("Appraiser") prepared an initial Appraisal Report estimating the market value of the leasehold interests within the CFD. The initial estimated value is expected to be approximately \$699 million, which based on the NTE par amount would achieve a value-to-lien ratio well in excess of 3-to-1. Based on these current market conditions, it is anticipated that the appraised value to not be a limiting factor in the amount of the proposed Bonds.

Based on tax revenue generating capacity and current market conditions, the lead Bond Underwriter (Stifel), projects the total bond amount to be approximately \$47.0 million, consisting of a Development Special Tax series of \$9.1 million, an Office Tax series totaling \$19.5 million, and a Shoreline (Tax Zone 1) Tax series of \$18.4 million. Based on current market interest rates and bond covenant requirements, it is projected that these amounts would maintain at least a 110% bond debt service coverage ratio and a minimum 3-to-1 value-to-lien ratio based on the appraised value of the site. The coverage tables in Appendix I show the estimated amount of debt service available that could be payable from each special tax while maintaining 110% coverage.

Table 2 below summarizes the estimated sources and uses for the three bond series, based on current market conditions as of September 5, 2023.

Table 2. Estimated Sources and Uses of the Special Tax Bonds

Sources	2023 Development Tax	2023 Office Tax	2023 Shoreline (Tax Zone 1) Tax	Total
Bond Proceeds				
Par Amount	\$9,120,000.00	\$19,520,000.00	\$18,405,000.00	\$47,045,000.00
OID	-262,844.20	-643,700.20	-607,164.50	-1,513,708.90
Total Sources	8,857,155.80	18,876,299.80	17,797,835.50	45,531,291.10
Uses				
Project Fund	7,656,762.96	16,370,585.65	15,435,021.96	39,462,370.57
Debt Service Reserve Fund	869,735.89	1,797,992.27	1,695,517.37	4,363,245.53
<i>Delivery Date Expenses:</i>				
Cost of Issuance	193,856.95	414,921.88	391,221.17	1,000,000.00
Underwriter's Discount	136,800.00	292,800.00	276,075.00	705,675.00
Total Uses	\$8,857,155.80	\$18,876,299.80	\$17,797,835.50	\$45,531,291.10

Source: Stifel, Nicolaus & Company, Inc.

Projected Debt Service

Based upon current tax-exempt bond market conditions, assuming a 27-year term for the Development Special Tax Bonds and a 30-year term for the Office and Shoreline Special Tax Bonds, the true interest cost is estimated to be 5.86%. The average annual debt service for the three series of bonds is estimated to be approximately \$3.4 million. The estimated par amount of \$47.045 million is estimated to result in an interest cost of roughly \$54.7 million over the life of the Bonds, for a total debt service estimate of \$101.8 million. Actual results will vary depending on market conditions at the time of the sale.

Security for the Bonds

It is anticipated that the proposed Bonds will be issued in three series that are secured by a pledge of the Development Special Tax, Office Special Tax, and Shoreline (Tax Zone 1) Special Tax levied on taxable property in the Mission Rock CFD in accordance with Ordinance 79-20 and the RMA adopted at formation. Pursuant to the RMA, Parcels A, B, F, and G will be taxed as Developed Property at the maximum Developed, Office, and Shoreline special tax levels, respectively.

The 2023 Development Special Tax Bonds are secured not just by a pledge of Development Special Taxes but also by a secondary pledge of tax increment, which is expected to be generated in Project Area I in the future. The tax increment will be used to “offset” CFD Development Special Taxes in each year received. Under this offset structure, tax increment from one year acts as a credit for the next year’s CFD Development Special Tax obligation. Tax increment is expected to be available to offset the CFD Development Special Taxes once the Phase 1 properties are fully assessed.

The 2023 Office Special Tax Bonds are secured by a pledge of the Office Special Taxes, which is levied on all commercial Developed Property in the Mission Rock CFD.

The 2023 Shoreline (Tax Zone 1) Special Taxes are secured by a pledge of the Shoreline (Tax Zone 1) Special Taxes, which is levied on all commercial Developed Property in Zone 1 of the Mission Rock CFD.

The proposed Bonds will be sold without a rating (“Non-Rated”). Non-rated special tax bonds have unique credit considerations and risk factors for investors, as discussed under “Special Risk Factors” section of the Preliminary Official Statement (“POS”) for the Bonds. In order to mitigate the risk associated with this type of financing, the Bonds are anticipated to be offered and sold only to Qualified Purchasers, as described in “Transfer Restrictions” of the POS. The Bonds are limited obligations of the City, secured by and payable solely from a pledge of the Development, Office, and Shoreline (Tax Zone 1) Special Taxes levied in the Mission Rock CFD and tax increment generated in IFD Project Area I.

Neither the General Fund of the City nor the enterprise funds of the San Francisco Port Commission are liable for the payment of the principal of or interest on any series of the 2023 Bonds, and neither the faith and credit of the City, the Port, the State of California or any political subdivision thereof, nor the taxing power of the City (except to the limited extent set forth in the Fiscal Agent Agreement for each series of 2023 Bonds), the State of California or any political subdivision thereof is pledged to the payment of the 2023 Bonds.

USE OF PROCEEDS

Proceeds of the Bonds will finance or reimburse 1) horizontal improvements for the Project, 2) a debt service reserve fund, 3) administrative expenses, and 4) costs of issuance.

Proceeds of the Bonds will reimburse the Developer for outstanding costs related to the initial stages of Phase I horizontal improvements (e.g., utilities, streets, sidewalks, parks, etc.).

METHOD OF SALE

Since the proposed Bonds will be unrated and the underlying project is a real estate development project, the City's independent Municipal Advisor (PFM) recommended a negotiated sale for these transactions. Earlier this calendar year, the Office of Public Finance (OPF), the Port, and PFM conducted a competitive RFP process to solicit interest and bids for firms from the City's Underwriting Pool, which was established via a competitive RFQ process, to participate in this upcoming financing program. Five firms responded to the request. Stifel, Nicolaus & Company, Inc. and Piper Sandler & Co. were selected as senior manager and co-manager, respectively, based on relevant experience, team, credit and marketing considerations, ESG and diversity initiatives, and fees.

ADDITIONAL INFORMATION

The Bond Resolution and IFD Resolution are expected to be introduced at the Board of Supervisors meeting on October 3, 2023 and heard at the Budget and Finance Committee meeting on October 18, 2023.

The forms of the financing documents related to the Bonds—including the Bond Purchase Agreement, the Second Supplement to the Development Special Tax Bonds Fiscal Agent Agreement, the Office Special Tax Bonds Fiscal Agent Agreement, the Shoreline (Tax Zone 1) Special Tax Bonds Fiscal Agent Agreement, the Preliminary Official Statement, and the Continuing Disclosure Certificate — will also be submitted.

Bond Purchase Agreement

The City will sell Bonds to the Underwriters on a negotiated basis. The Bond Purchase Agreement details the terms, covenants, and conditions for the sale of the Bonds to the Underwriters as well as agreements regarding expenses, closing, and disclosure documents.

Fiscal Agent Agreements

The City executed a Fiscal Agent Agreement (FAA) in connection with the initial series of Development Special Tax Bonds and executed a First Supplement to the Development Special Tax Bonds FAA in connection with the second and third series of Development Special Tax Bonds. The Development Special Tax Bonds FAA, together with its supplements, governs the use of Development Special Taxes and tax increment from IFD Project Area I to pay debt service on the Development Special Tax Bonds. The Development Special Tax Bonds initial FAA detailed the terms of the initial series of Development Special Tax Bonds, and the First Supplement to Development Special Tax Bonds FAA established the terms of the second and third series of Development Special Tax Bonds, including principal amount, interest rate, redemption, and the conditions for issuance of additional parity bonds. The Second Supplement to Development Special Tax Bonds FAA will establish the terms of the fourth series of Development Special Tax Bonds, including principal amount, interest rate, and redemption. The Fiscal Agent holds Bond proceeds and will disburse them as directed by authorized City and Port representatives.

Separate Fiscal Agent Agreements will govern the Office Special Tax Bonds and the Shoreline (Tax Zone 1) Special Tax Bonds.

Preliminary Official Statement ("POS")

The POS is distributed to investors prior to the sale of the Bonds and provides information for investors in connection with the public offering by the City of the Bonds. The POS describes the Bonds, the Project, including sources and uses of funds; security for the Bonds (including information about the Mission Rock CFD and IFD Project Area I, as applicable for the Development Special Tax Bonds); risk factors; and other legal matters, among other information. The Appraisal Report will be attached as an appendix to the Official Statement.

Official Statement

The final Official Statement contains the same information as the POS but includes the results of the pricing of the Bonds (i.e., sale results including principal amounts, offering prices, interest rates, and underwriters' compensation).

Under the anti-fraud provisions of the federal securities laws, the City and the Port are required to ensure that the POS and the Official Statement contain information that is accurate and complete in all material respects. This obligation attaches to the individual members of the governing bodies approving the document as well as City staff charged with preparing the document. Certain information in the Official Statement will be provided by the Developer, and the Developer will certify in writing about the accuracy of such information. It is important that the information provided by all parties is accurate and complete in all material respects. "Material" in this context means that there is a substantial likelihood that the information would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds. The draft Preliminary Official Statement has been submitted for the Port Commission's review before its publication.

The Board and the Mayor, in adopting and approving the Bond Resolution, approve and authorize the use and distribution of the Preliminary and Final Official Statements by the Underwriters. The Controller's Office will certify, on behalf of the City, that the Preliminary and Final Official Statements are "deemed final" as of their respective dates.

Continuing Disclosure Certificate

The City covenants to provide certain financial information and operating data relating to the Bonds, the City and the CFD ("Annual Report") not later than 270 days after the end of the fiscal year and to provide notices of the occurrence of certain enumerated events. The Continuing Disclosure Certificate describes the nature of the information to be contained in the Annual Report or the notices of enumerated events. These covenants have been made in order to assist the Underwriters of the Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

INTERPRETATION OF THE RMA

Section I of the RMA authorizes the City to interpret, clarify, and revise the RMA to correct any inconsistency, vagueness, or ambiguity, as long as such interpretation, clarification or revision does not materially affect the levy of the Special Taxes and any security for any Bonds (as those terms are defined in the RMA).

The Board of Supervisors formed the CFD under Chapter 43, Article X of the San Francisco Administrative Code (the "Code"). Section 43.10.5 authorizes the Board of Supervisors to take any actions or make any determinations which it determines are necessary or convenient to carry out the purposes of the Code and which are not otherwise prohibited by law.

Staff recommends that the Board of Supervisors clarify that, because the RMA requires Shoreline Special Tax Bonds (as defined in the RMA) to be secured in a manner that reflects the divisions between the Zone 1 Shoreline Special Taxes and the Zone 2 Shoreline Special Taxes (as those terms are defined in the Financing Plan) as set forth in Financing Plan Section 4.7, the RMA should be administered in a manner that treats the Shoreline Special Tax levied in Tax Zone 1 and the Shoreline Special Tax levied in Tax Zone 2 as separate special taxes, until otherwise provided by the Board of Supervisors without materially affecting the security for any Bonds (as defined in the RMA).

NEXT STEPS

Table 3 below shows an estimated timeline of key legislative and financing items.

Table 3. Anticipated Mission Rock CFD Bond Legislative and Financing Schedule

Item	Date
Port Commission Approval of Bond Resolution	September 12, 2023
Introduction of Resolutions to Board of Supervisors	October 3, 2023
Port Commission Consideration of Phase 1 Budget	October 10, 2023
Capital Planning Committee Presentation	October 16, 2023
Budget & Finance Committee Hearing	October 18, 2023
Board Approval of Resolutions	October 24, 2023
Sale and Closing of Bonds	November/December 2023

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna (anna.vandegna@sfgov.org) or Bridget Katz (bridget.katz@sfgov.org) if you have any questions.

cc: Angela Calvillo, Clerk of the Board of Supervisors
Andres Powers, Mayor's Office
Tom Paulino, Mayor's Office, Liaison to the Board of Supervisors
Anna Duning, Mayor's Budget Director
Ben Rosenfield, Controller
Carmen Chu, City Administrator
Harvey Rose, Budget & Legislative Analyst
Severin Campbell, Budget & Legislative Analyst
Mark Blake, Deputy City Attorney
Kenneth Roux, Deputy City Attorney
Elaine Forbes, Executive Director, Port of San Francisco

Attachment 1

COVERAGE TABLES

City and County of San Francisco
Special Tax District 2020-1 (Mission Rock Facilities and Services)
2023 Special Tax Bonds

Preliminary Debt Service Coverage Table

Development Special Tax Bonds							
Year ⁽¹⁾	Expected Max.		Oustantanding		2023		Development
	Dev't Tax Revenues	Admin Costs	Net Max Dev't Tax	Tax Bonds Debt	Development	Total Parity	
	(2)		Revenues	Service ⁽³⁾	Tax Bonds Debt	Dev't Tax Bonds	Tax Bonds
					Service *	Debt Service *	Coverage *
2024	\$6,611,122	(21,700)	\$6,589,422	\$5,521,775	\$464,087	\$5,985,862	110%
2025	6,743,344	(22,134)	6,721,210	5,624,575	485,550	6,110,125	110%
2026	6,878,211	(22,577)	6,855,635	5,727,175	500,550	6,227,725	110%
2027	7,015,776	(23,028)	6,992,747	5,834,375	519,800	6,354,175	110%
2028	7,156,091	(23,489)	7,132,602	5,940,775	543,050	6,483,825	110%
2029	7,299,213	(23,959)	7,275,254	6,051,175	560,050	6,611,225	110%
2030	7,445,197	(24,438)	7,420,759	6,165,175	576,050	6,741,225	110%
2031	7,594,101	(24,926)	7,569,175	6,282,375	596,050	6,878,425	110%
2032	7,745,983	(25,425)	7,720,558	6,257,375	759,800	7,017,175	110%
2033	7,900,903	(25,934)	7,874,969	6,373,175	785,050	7,158,225	110%
2034	8,058,921	(26,452)	8,032,469	6,661,100	638,300	7,299,400	110%
2035	8,220,099	(26,981)	8,193,118	6,789,963	658,050	7,448,013	110%
2036	8,384,501	(27,521)	8,356,980	6,927,350	666,300	7,593,650	110%
2037	8,552,191	(28,071)	8,524,120	7,072,213	673,550	7,745,763	110%
2038	8,723,235	(28,633)	8,694,602	7,208,625	694,800	7,903,425	110%
2039	8,897,700	(29,205)	8,868,494	7,356,388	704,300	8,060,688	110%
2040	9,075,654	(29,789)	9,045,864	7,499,188	721,713	8,220,901	110%
2041	9,257,167	(30,385)	9,226,782	7,651,625	732,288	8,383,913	110%
2042	9,442,310	(30,993)	9,411,317	7,802,450	751,288	8,553,738	110%
2043	9,631,156	(31,613)	9,599,544	7,960,938	763,188	8,724,126	110%
2044	9,823,780	(32,245)	9,791,534	8,120,838	778,250	8,899,088	110%
2045	10,020,255	(32,890)	9,987,365	8,281,163	794,281	9,075,444	110%
2046	10,220,660	(33,548)	10,187,112	8,450,988	807,781	9,258,769	110%
2047	10,425,073	(34,219)	10,390,855	8,613,863	828,750	9,442,613	110%
2048	10,633,575	(34,903)	10,598,672	8,789,000	841,625	9,630,625	110%
2049	10,846,246	(35,601)	10,810,645	8,959,688	866,688	9,826,376	110%
2050	11,063,171	(36,313)	11,026,858	8,590,000	903,094	9,493,094	116%
2051	11,284,435	(37,039)	11,247,395	8,777,600	-	8,777,600	128%
2052	11,510,123	(37,780)	11,472,343				
2053	11,740,326	(38,536)	11,701,790				

* Preliminary, subject to change

(1) Revenues presented on a fiscal year basis ending on June 30, debt service presented on a bond year basis ending on September 1 in each year.

(2) Expected Maximum Special Tax Revenues for each of Development, Office and Shoreline Taxes, based on current development in Zone 1 of the District. See also Table ____.

(3) Includes debt service on the outstanding Development Special Tax Bonds, Series 2021A, 2021B and 2021C.

City and County of San Francisco
Special Tax District 2020-1 (Mission Rock Facilities and Services)
2023 Special Tax Bonds

Preliminary Debt Service Coverage Table

Office Special Tax Bonds					Shoreline Special Tax Bonds				
Expected Max. Office Tax Revenues ⁽²⁾	Admin Costs	Net Max Dev't Tax Revenues	2023 Office Tax Bonds Debt Service *	Office Tax Bonds Coverage *	Expected Max. Shoreline Tax Revenues ⁽²⁾	Admin Costs	Net Max Dev't Tax Revenues	2023 Shoreline Tax Bonds Debt Service *	Shoreline Tax Bonds Coverage *
\$1,259,843	(97,750)	\$1,162,093	\$1,056,124	110%	\$1,194,226	(97,750)	\$1,096,476	\$995,675	110%
1,285,040	(99,705)	1,185,335	1,074,581	110%	1,218,111	(99,705)	1,118,406	1,014,956	110%
1,310,741	(101,699)	1,209,042	1,098,081	110%	1,242,473	(101,699)	1,140,774	1,033,456	110%
1,336,955	(103,733)	1,233,222	1,120,331	110%	1,267,322	(103,733)	1,163,589	1,055,956	110%
1,363,695	(105,808)	1,257,887	1,141,331	110%	1,292,669	(105,808)	1,186,861	1,077,206	110%
1,390,968	(107,924)	1,283,045	1,166,081	110%	1,318,522	(107,924)	1,210,598	1,097,206	110%
1,418,788	(110,082)	1,308,705	1,189,331	110%	1,344,893	(110,082)	1,234,810	1,120,956	110%
1,447,164	(112,284)	1,334,880	1,211,081	110%	1,371,790	(112,284)	1,259,506	1,143,206	110%
1,476,107	(114,530)	1,361,577	1,236,331	110%	1,399,226	(114,530)	1,284,697	1,163,956	110%
1,505,629	(116,820)	1,388,809	1,259,831	110%	1,427,211	(116,820)	1,310,390	1,188,206	110%
1,535,742	(119,157)	1,416,585	1,286,581	110%	1,455,755	(119,157)	1,336,598	1,210,706	110%
1,566,456	(121,540)	1,444,917	1,311,331	110%	1,484,870	(121,540)	1,363,330	1,236,456	110%
1,597,786	(123,971)	1,473,815	1,339,081	110%	1,514,568	(123,971)	1,390,597	1,260,206	110%
1,629,741	(126,450)	1,503,291	1,364,581	110%	1,544,859	(126,450)	1,418,409	1,286,956	110%
1,662,336	(128,979)	1,533,357	1,392,831	110%	1,575,756	(128,979)	1,446,777	1,311,456	110%
1,695,583	(131,559)	1,564,024	1,418,581	110%	1,607,271	(131,559)	1,475,713	1,338,706	110%
1,729,494	(134,190)	1,595,305	1,445,494	110%	1,639,417	(134,190)	1,505,227	1,367,194	110%
1,764,084	(136,874)	1,627,211	1,474,519	110%	1,672,205	(136,874)	1,535,331	1,392,794	110%
1,799,366	(139,611)	1,659,755	1,505,394	110%	1,705,649	(139,611)	1,566,038	1,420,506	110%
1,835,353	(142,403)	1,692,950	1,537,856	110%	1,739,762	(142,403)	1,597,359	1,450,069	110%
1,872,060	(145,251)	1,726,809	1,566,644	110%	1,774,557	(145,251)	1,629,306	1,476,219	110%
1,909,502	(148,156)	1,761,345	1,599,619	110%	1,810,048	(148,156)	1,661,892	1,506,944	110%
1,947,692	(151,120)	1,796,572	1,628,194	110%	1,846,249	(151,120)	1,695,130	1,538,544	110%
1,986,645	(154,142)	1,832,504	1,662,369	110%	1,883,174	(154,142)	1,729,032	1,570,744	110%
2,026,378	(157,225)	1,869,154	1,696,594	110%	1,920,838	(157,225)	1,763,613	1,603,269	110%
2,066,906	(160,369)	1,906,537	1,730,594	110%	1,959,255	(160,369)	1,798,885	1,630,844	110%
2,108,244	(163,577)	1,944,667	1,767,469	110%	1,998,440	(163,577)	1,834,863	1,666,938	110%
2,150,409	(166,848)	1,983,561	1,803,156	110%	2,038,408	(166,848)	1,871,560	1,697,125	110%
2,193,417	(170,185)	2,023,232	1,837,375	110%	2,079,177	(170,185)	1,908,992	1,731,406	110%
2,237,285	(173,589)	2,063,697	1,874,844	110%	2,120,760	(173,589)	1,947,171	1,769,219	110%

* Preliminary, subject to change

(1) Revenues presented on a fiscal year basis ending on June 30, debt service presented on a bond year basis ending on September 1 in each year.

(2) Expected Maximum Special Tax Revenues for each of Development, Office and Shoreline Taxes, based on current development in Zone 1 of the District. See also Table ____.

(3) Includes debt service on the outstanding Development Special Tax Bonds, Series 2021A, 2021B and 2021C.

Attachment 2

GOOD FAITH ESTIMATES

For purposes of compliance with Section 5852.1 of the California Government Code, the following information are good faith estimates provided by Stifel, Nicolaus & Company, Inc., assuming an estimated par of \$47,045,000:

1. True interest cost of the 2023 Bonds: 5.86%
2. Finance charge for the 2023 Bonds, including all fees and charges for third parties (including underwriter's compensation, municipal advisory fees, co-bond counsel fees, disclosure counsel fees, trustee fees and other payments to third parties): \$1,705,675.
3. Amount of 2023 Bond proceeds expected to be received by the City, net of payments identified in 2 above and any reserve fund that is funded with proceeds of the 2023 Bonds: \$39,462,370.57.
4. Total payment amount for the Bonds, being the sum of (a) debt service on the Bonds to final maturity, and (b) any financing costs not paid from proceeds of the 2023 Bonds: \$101,767,573.40.

The information set forth above is based on estimates of prevailing market conditions as of September 5, 2023. Actual results may differ.