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

CAPITAL PLANNING COMMITTEE

Resolution for Special Tax Bonds: Resolution Authorizing the Issuance of City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax Bonds, Series 2021 Not to Exceed $35,000,000

August 16, 2021

City & County of San Francisco
Transbay Joint Powers Authority
Controller’s Office of Public Finance
RESOLUTION FOR SPECIAL TAX BONDS

• Resolution Authorizing the Issuance of City and County of San Francisco Community Facilities District (CFD) No. 2014-1 (Transbay Transit Center) Special Tax Bonds, Series 2021 Not to Exceed $35,000,000
Presentation Overview

- Transbay Program Background
- Federal Transit Administration (FTA) Project Development & Engineering Funding Plan
- Proposed Bond Resolution & CFD Issuance
- Anticipated Financing Schedule
Transbay Program Background

TJPA OVERVIEW

The Transbay Joint Powers Authority ("TJPA") was created in 2001 to oversee the planning, design, construction and operation of a new Transit Center and extend Caltrain and California High-Speed Rail service into the downtown Transit Center (the "Transbay Program")

- TJPA Members include:
  - City and County of San Francisco (City)
  - Alameda-Contra Costa Transit District (AC Transit)
  - Peninsula Corridor Joint Powers Board (Caltrain)
  - California High-Speed Rail Authority (CHSRA)
  - California Department of Transportation (Caltrans)
TJPA OVERVIEW

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

1. Replacing the former Transbay Terminal
   - Salesforce Transit Center open for operations
   - Train Box under Transit Center completed

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)

3. Extending Caltrain and California High-Speed Rail underground from Caltrain’s current terminus at 4th and King streets into the 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
   - Planned request for entry into FTA New Starts pipeline in October 2021
Transbay Program

SF Peninsula Rail Program
Integrated Team

**TJPA BOARD**

**EXECUTIVE STEERING COMMITTEE***
- Executive Directors or Designees of the MOU Partners
  - TJPA
  - MTC / BATA
  - SFCTA
  - Caltrain
  - CHSRA
  - CCSF

**INTEGRATED PROGRAM MANAGEMENT TEAM***
- One Representative From Each Partner
- Led by the Project Director

*Project Director reports to TJPA Executive Director for TJPA-led tasks*

**STATE AND LOCAL PARTNERS**
- BART
- Capitol Corridor
- CalSTA
- Caltrans

**REGIONAL PLANNING & FUNDING COORDINATION**
- MTC / BATA

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* Consistent with and limited to the Summary Work Program (Attachment 2) defined by the San Francisco Peninsula Rail Program MOU approved by TJPA Board on April 9, 2020
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
- Mega-regional access to housing and employment

*Average of Caltrain, CHSRA, and TJPA ridership estimates
# Transbay Program Background

## TRANSBAY PROGRAM FUNDING SOURCES TO DATE (IN MILLIONS)

<table>
<thead>
<tr>
<th>Source</th>
<th>Phase 1 (STC + Trainbox) Capital to Date</th>
<th>Phase 2 (DTX) Capital to Date</th>
<th>Total Program Capital Inception to 3/31/2021</th>
<th>%</th>
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<tbody>
<tr>
<td><strong>Federal and State</strong></td>
<td></td>
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</tr>
<tr>
<td>Federal</td>
<td>$638.6</td>
<td>$1.2</td>
<td>$639.8</td>
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<tr>
<td>State</td>
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<td>$678.5</td>
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<td><strong>Regional</strong></td>
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<td>MTC</td>
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<td>$7.0</td>
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<td>AC Transit</td>
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<td>$39.3</td>
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<td><strong>Local</strong></td>
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<td></td>
</tr>
<tr>
<td>San Francisco CFD/IPIC*</td>
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<td>$1.3</td>
<td>$370.9</td>
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<td>San Francisco Prop K</td>
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<td>$58.5</td>
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<td>TJPA</td>
<td>$41.9</td>
<td>$1.7</td>
<td>$43.6</td>
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<td>San Mateo County</td>
<td>$4.5</td>
<td>$18.9</td>
<td>$23.4</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$2,259</strong></td>
<td><strong>$88.6</strong></td>
<td><strong>$2,347.6</strong></td>
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</table>

* Includes CFD Funds and IPIC (non-CFD) Impact Fees
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:** 100% of non-New Starts funds identified

**Winter/Spring 2025**
Prior to execution of Full Funding Grant Agreement

**Funding Requirement:** 100% of non-New Starts funds committed

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Winter 2021/22  |  Summer 2023  |  Summer 2023  |  Spring 2025

FTA “Project Development” Phase (+$30M)  |  FTA “Engineering” Phase (~$20M±)  |  DTX Procurement & Construction

FFGA Execution
Spring 2025
FTA Project Development & FTA Engineering Funding Plan

FUNDING APPROACH

• $30M CFD bond project fund proceeds planned for FTA Project Development activities in lieu of near term RM3 funds currently in litigation

• $20M from local/regional contributions (Caltrain, CHSRA, SFCTA and MTC) and grant funds for FTA Engineering by FY23-24

• $11.6M of anticipated CFD Pay-Go funds for DTX other programmatic costs planned in FY21-22 and 22-23

NEXT STEPS

• CFD bond authorization considered at the Board of Supervisors (September 2021) – to secure committed funds for FTA Project Development

• Further funding discussions with all partners to demonstrate financial commitment including seeking additional grant funds

• TJPA request to enter FTA Project Development (October 2021) – critical path to August 2023 FTA funding application
Proposed Bond Resolution & CFD Issuance

SPECIAL TAX BOND RESOLUTION

- Authorizes the issuance of up to $35M of special tax bonds by the City & County of San Francisco CFD No. 2014-1 (Transbay Transit Center)

PROPOSED 2021 CFD BOND ISSUANCE

CFD special tax bonds estimated uses of funds:

- $30M - provide new money proceeds for DTX Project Development design work, to demonstrate to FTA that TJPA has the funds needed to complete this first phase of work in the New Starts process
- Up to $5M – fund bond issuance costs, reserve fund, and contingency
Estimated Sources & Uses for CFD 2014-1 Special Tax Bonds – Not to Exceed $35,000,000

ESTIMATED FINANCING TERMS

- Final Maturity of September 1, 2050
- Estimated True Interest Cost: 3.12%
- Estimated Bond Proceeds*: $30.04M
- Estimated Financing Costs: $1.09M
- Estimated Total Debt Service: $55.68M

SOURCES & USES

Sources:

- Estimated Bond Par $33,640,000
- Total Sources $33,640,000

Uses:

- Project Fund $30,040,000
- Debt Service Reserve Fund 2,509,312
- Delivery Date Expenses
  - Cost of Issuance 754,288
  - Underwriter's Discount 336,400
- Total Uses $33,640,000

Not-to-Exceed Par Amount $35,000,000

Source: Del Rio Advisors, LLC
Market conditions as of June 24, 2021

*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

<table>
<thead>
<tr>
<th>MILESTONES</th>
<th>DATES*</th>
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<tbody>
<tr>
<td>Introduction to the Board of Supervisors</td>
<td>July 27, 2021</td>
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<tr>
<td>Capital Planning Committee</td>
<td>August 16, 2021</td>
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<tr>
<td>Budget and Finance Committee</td>
<td>September 15, 2021</td>
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<tr>
<td>Board of Supervisors Considers Approval</td>
<td>September 21, 2021</td>
</tr>
<tr>
<td>Sale and Closing of Bonds</td>
<td>November 2021</td>
</tr>
</tbody>
</table>

*Please note that dates are estimated unless otherwise noted.*