



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

MEMORANDUM

TO: Honorable Members, Capital Planning Committee

FROM: Anna Van Degna, Director of the Controller's Office of Public Finance
Bridget Katz, Deputy Director, Controller's Office of Public Finance
Min Guo, Controller's Office of Public Finance
Bob Beck, Director of the Treasure Island Development Authority

DATE: **Monday, November 13, 2023**

SUBJECT: Supplementing Resolution No. 7-17 to Authorize Issuance of Bonds by City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) - Not to Exceed \$10,000,000

Supplemental Ordinance Appropriating \$1,540,000 in Tax Increment Revenue Bond Proceeds in Treasure Island Infrastructure and Revitalization Financing District (FY23-24)

Recommended Actions

We respectfully request that the Capital Planning Committee ("CPC"), consider for review and approval the resolution ("Bond Resolution") which authorizes the issuance of, in one or more series, not to exceed \$10,000,000 aggregate principal amount of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, expected to be sold in two series: Series 2023A (Facilities Increment) and Series 2023B (Housing Increment) described further herein.

We also respectfully request that the CPC considers for review and approval a supplemental appropriation ordinance ("Ordinance") appropriating \$1,540,000 of bond proceeds from Treasure Island IRFD Tax Increment Revenue Bonds, Series 2023B (Housing Increment). This represents the portion of the financing proceeds that are projected to go to the Mayor's Office of Housing and Community Development ("MOHCD") to fund the "TI Parcel IC4.3 Project", as further described below.

Background

Since 1997, the City and the Treasure Island Development Authority ("TIDA") have worked together on the Treasure Island/ Yerba Buena Island Development Project ("Project") in order to redevelop the former Treasure Island Naval Station ("NSTI") in connection with the conveyance of the Navy-owned lands to TIDA. In early 2003, TIDA and the Treasure Island Community Development, LLC ("TICD" or the "Developer") entered into an Exclusive Negotiating Agreement and began work on a Development Plan.

In 2011, TICD and TIDA entered into a Disposition and Development Agreement (“DDA”), and TICD and the City entered into a Development Agreement (“DA”) to deliver the Project. The Financing Plan attached to the DDA and DA (“DDA Financing Plan”) contemplates reimbursement to the Developer for costs incurred to construct public infrastructure through the issuance of special tax bonds issued for one or more community facilities districts (“CFDs”) formed under the Mello-Roos Community Facilities Act of 1982 (“Mello-Roos Act”) and tax increment revenue bonds issued by the Treasure Island IRFD.

Under the Mello-Roos Act, the Board of Supervisors has the authority to levy special taxes on taxable property in a CFD. Under the IRFD Law, the City allocates a portion of the general 1.00% ad valorem incremental tax revenues to the IRFD; no new taxes are levied in connection with the IRFD.

The Project’s development plan anticipates a new San Francisco neighborhood consisting of up to 8,000 residential units, including homes at below-market rates and approximately 27% affordable housing in total. The Project will also develop new commercial and retail space, up to 500 hotel rooms, and 290 plus acres of parks and public open space, including shoreline access and cultural uses. Transportation amenities being built for the project will enhance mobility on Yerba Buena Island and Treasure Island as well as link the islands to mainland San Francisco. The Project’s master plan also includes public facilities serving the Project, utility improvements, new and upgraded streets, public byways, bicycle, transit, pedestrian facilities, and a new ferry terminal.

The Treasure Island IRFD

On January 31, 2017, following a public hearing and landowner vote, the Board adopted Ordinance No. 21-17 forming the Treasure Island IRFD (the “IRFD”) and adopting the Infrastructure Financing Plan (the “Original Adopted IFP”). The IRFD consists of five (5) Project Areas on Yerba Buena Island (Project Area A) and Treasure Island (Project Areas B, C, D & E), which represent the initial phases of development of the Project.

On February 15, 2022, following a public hearing and landowner vote, the Board adopted Ordinance No. 029-22 adding territory to and adopting amendments to the Original Adopted IFP (as amended the “IFP” or “IRFD Financing Plan”) in order to facilitate the administration and distribution of the tax increment in accordance with IRFD Law and the IRFD Financing Plan over the life of the IRFD.

Under the terms set forth in the IRFD Financing Plan, the City has committed a portion of the 1.00% incremental property tax revenues derived in the project areas to the IRFD (the “IRFD Portion”) for the reimbursement of eligible project costs consistent with the terms and limitations of IRFD Law, as detailed in the IFP, shown below:

Table 1: Apportionment of 1.00% Ad Valorem property tax from the IRFD Financing Plan

IRFD Portion		
Net Available Increment	To IRFD for Facilities & Housing	56.588206%
Conditional City Increment	To IRFD available for debt service coverage	8.000000%
Total IRFD Portion of 1.00%		64.588206%
Other Taxing Entities Portion: State ERAF, Local Education Agencies & Special Districts		
Education Revenue Augmentation Fund ("ERAF")		25.330113%
San Francisco Unified School District		7.698857%
San Francisco Community College Fund		1.444422%
San Francisco County Office of Education		0.097335%
Bay Area Rapid Transit District		0.632528%
Bay Area Air Quality Management District		0.208539%
Total Other Taxing Entity's Portion of 1.00%		35.411794%
Total 1.00% Ad Valorem Property		100.000000%

Pursuant to the IRFD Financing Plan, the City has committed its 56.588206% portion of the 64.588206% IRFD Portion of the 1.00% Tax Increment to the public financing for the Project ("Net Available Increment"), with 82.5% of those committed revenues being available to finance infrastructure constructed by the Developer ("Facilities" and "Net Available Facilities Increment") and 17.5% of the revenues reserved for the use of TIDA and the City, through MOHCD, to finance affordable housing ("Housing" and "Net Available Housing Increment").

The remaining balance of 8.00% of the 64.588206% IRFD Portion of the 1.00% Tax Increment ("Conditional City Increment") is not dedicated directly to the funding of the Project, but it is pledged, if needed, to pay debt service on currently outstanding bonds of the IRFD and any future debt of the IRFD ("Parity Debt"). On an annual basis, Conditional City Increment will be returned to the City's General Fund if not needed for debt service on any outstanding bonds.

The Original Adopted IFP established the initial Project Areas (A, B, C, D and E) including (i) legal boundaries (amended by the IFP); (ii) the fiscal year to be used as the base year for calculating incremental assessed value and tax increment available to the Project; (iii) the trigger amount of tax increment to be collected by the City in order to commence the distribution of the tax increment to the IRFD from a given Project Area in the following fiscal year (the "Commencement Year"), and to determine the final year of tax increment allocation to the Project, which is 40 years or longer following the Commencement Year.

Project Area A encompasses development parcels located on Yerba Buena Island. Project Areas B, C, D, and E encompass a portion of the development parcels located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

The IRFD received the first distribution of tax increment from Project Area A in FY 2019-20. In FY 2022-23, the IRFD also began to receive distributions of tax increment from Project Areas B and E, as shown in the table below.

Table 2: Historic Tax Increment Distributed to the IRFD District

Historic Allocations of Tax Increment to IRFD No. 1						
City 1% Portion	Active Project Areas	Dedicated & Pledged to IRFD			City Conditional	Total City Increment*
		56.588206%			8.000000%	64.588206%
		82.50%	17.50%			
Fiscal Year		Facilities	Housing	Total	Conditional	Total City
2019-20	A	\$327,218	\$69,410	\$396,628	\$56,072	\$452,700
2020-21	A	\$471,256	\$99,963	\$571,219	\$80,755	\$651,974
2021-22	A	\$1,037,096	\$219,990	\$1,257,086	\$177,717	\$1,434,803
2022-23	A, B, E	\$1,840,780	\$390,468	\$2,231,248	\$315,437	\$2,546,685
Total		\$3,676,350	\$779,832	\$4,456,182	\$629,980	\$5,086,162
<i>* Net of Property Tax Admin Cost.</i>						

Attachment A provides an overview of historic assessed values of Project Areas A, B, C, D and E since the Base Year of FY2016-17.

IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds

The DDA Financing Plan provides that TICD may request the issuance of debt by the IRFD from time to time. In August 2022, the City completed the first issuance of IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds in the total principal amount of \$29,390,000, including:

- \$24,270,000 Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (“2022A Facilities Bonds”)
- \$5,120,000 Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (“2022B Housing Bonds”)

The 2022A Facilities Bonds and the 2022B Housing Bonds (together, the “2022AB Bonds”) are currently outstanding in the principal amount of \$28,925,000.

Current Plan of Finance

The proposed Bond Resolution would authorize the next issuance of tax increment revenue bonds with a total par amount not to exceed \$10,000,000 (“2023AB Bonds” or “Bonds”), to finance facilities costs and affordable housing costs of the Treasure Island Project. The 2023AB Bonds are expected to be designated as follows:

- Tax Increment Revenue Bonds Series 2023A (Facilities Increment) (“2023A Facilities Bonds”)
- Tax Increment Revenue Bonds Series 2023B (Housing Increment) (“2023B Housing Bonds”)

The proposed 2023A Facilities Bonds would be secured on a parity basis with the 2022A Facilities Bonds. The proposed 2023B Housing Bonds would be secured on a parity basis with the 2022B Housing Bonds. Additional parity debt may be incurred under the respective indentures for the Series 2022AB Bonds and the Series 2023AB Bonds (together, the “Outstanding Bonds”). The 2023AB Bonds and all future parity debt of the IRFD will be sold as separate series for Facilities (“Facilities Bonds”) and Housing (“Housing

Bonds”), with each respective portions of the Net Available Increment (82.5% Facilities & 17.5% Housing) to be pledged separately under separate indentures of trust (the “Indentures”).

The pledge of Conditional City Increment is split between the Facilities Bonds and the Housing Bonds on the same proportional share as the Net Available Increment: 82.5% for Facilities (“Conditional City Facilities Increment”) and 17.5% for Housing (“Conditional City Housing Increment”).

Tax Increment Financing Credit Considerations

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. The City, in consultation with the underwriter and the City’s municipal advisor, has determined to limit the pool of prospective investors to individuals who can manage the potential risks associated with Non-Rated obligations, such as the Bonds. The Bonds will be offered and sold only to Qualified Purchasers who meet certain sophisticated investor criteria, as described in “Transfer Restrictions” of the POS.

The Bonds are limited obligations of the IRFD (not the City), and are secured by and payable solely from the Pledged Tax Increment of the IRFD. Other than the limited pledge of City Conditional Increment within the IRFD, the General Fund of the City is not liable for the payment of principal or interest on the Bonds, and the credit of the City is not pledged to the payment of the Bonds.

As part of the disclosure for investors included in the Official Statement, the Fiscal Consultant, Keyser Marston Associates, has prepared a report (“Fiscal Consultant Report” or “FCR”) detailing the assessed valuation of the Project Areas of the IRFD.

Debt Service Coverage. The City has covenanted to investors to not issue additional parity debt unless revenues are at least 125% of debt service from Pledged Tax Increment, which includes the 8.0% Conditional City Increment (or 109% excluding the Conditional City Increment). “Pledged Tax Increment” consists of an allocated share of Net Available Increment plus City Conditional Increment as applicable to each of the Facilities Bonds and the Housing Bonds.

The bond covenants pledge that the Conditional City Increment will be available to repay debt service in the case where the Net Available Increment in a given year is insufficient to pay the debt service requirements on the Outstanding Bonds in that year. Conditional City Increment for one fiscal year is not available to fund a shortfall in Net Available Increment in a subsequent year.

Bond Structure. It is anticipated that both the Series 2023A Facilities Bonds and the 2023B Housing Bonds will be structured such that aggregate debt service for all Facilities Bonds and aggregate debt service for all Housing Bonds, respectively, after issuance of Series 2023A Facilities Bonds and Series 2023B Housing Bonds, are substantially level on an annual basis.

Parity Debt Service Reserve Funds. Each of the 2023A Facilities Bonds and the 2023B Housing Bonds will contribute to a cash-funded debt service reserve fund originally funded from proceeds of the 2022A Facilities Bonds and the 2022B Housing Bonds, respectively. Under the parity debt provisions applicable to the issuance of the 2023A Facilities Bonds and 2023B Housing Bonds, the contribution to the debt service reserve funds is projected to be an amount needed to equal maximum annual debt service for the combination of the respective 2022A Facilities Bonds/2023A Facilities Bonds and 2022B Housing Bonds/2023B Housing Bonds, respectively. The respective reserve fund is available to repay debt service of such corresponding series in the event that Net Available Tax Increment and Conditional City Increment pledged to such series are insufficient to cover the debt service requirements of the 2022AB Bonds and

2023AB Bonds on a proportional basis. If either respective reserve fund is ever drawn upon for the payment of debt service, each can only be replenished from Net Available Increment as applicable; City Conditional Increment cannot be used for this purpose.

Use of Proceeds

Proceeds of the Bonds will (i) be deposited in Facilities and Housing specific project funds to be spent in accordance with the IRFD Financing Plan, discussed further below; (ii) fund separate Facilities and Housing debt service reserve funds for the Bonds, (iii) fund administrative expenses, and (iv) finance costs of issuance.

Facilities Bonds- Proceeds of the 2023A Facilities Bonds deposited in the Facilities Project Fund will finance or reimburse expenditures on public improvements for the Project incurred by Developer. More specifically, the proceeds of the proposed Series 2023A Facilities Bonds are expected to be used to reimburse TICD for certain geotechnical work on Treasure Island that has been completed by TICD and was necessary for TICD to begin horizontal development.

Housing Bonds - Proceeds of the 2023B Housing Bonds deposited in the Housing Project Fund are currently anticipated to be used by TIDA and MOHCD to finance a grant or forgivable loan for a portion of the affordable housing component of a development by John Stewart Company and Catholic Charities on Treasure Island (the “TI Parcel IC4.3 Project”). The proposed 150-unit affordable housing development includes approximately 30 Transitional Units for Legacy Households relocating from formerly Navy-owned housing on Treasure Island, 60 One Treasure Island replacement units currently operated by HomeRise for households that were homeless upon move in, and approximately 60 new affordable units. The development will also include a 6,000-10,000 square foot childcare facility for 50-100 children. Construction is scheduled to begin in late 2025 and is expected to be completed in late 2027. The grant or forgivable loan to the TI Parcel IC4.3 Project is anticipated to fund certain predevelopment costs. The TI Parcel IC4.3 Project will not be subject to property taxes.

Table 3 below outlines anticipated sources and uses for the Bonds, based on market conditions as of October 23, 2023.

Table 3: Estimated Sources & Uses of the 2023A Facilities Bonds & 2023B Housing Bonds

Sources:	2023A Facilities Bonds	2023B Housing Bonds	Total Bonds
Bond Proceeds			
Estimated Par Amount	\$7,035,000	\$1,480,000	\$8,515,000
Original Issue Discount	-143,833	-30,365	-174,198
Total Sources	\$6,891,167	\$1,449,635	\$8,340,802
Uses:			
Project Fund	\$5,845,088	\$1,228,064	\$7,073,152
Debt Service Reserve Fund	486,150	103,775	589,925
<u>Delivery Date Expenses</u>			
Cost of Issuance	454,404	95,596	550,000
Underwriter's Discount	105,525	22,200	127,725
Total Uses	\$6,891,167	\$1,449,635	\$8,340,802

Source: Stifel, Nicolaus & Company, Inc.

Interest Rate; Projected Debt Service

Based upon current market conditions, a 30-year term (September 1, 2053) and a true interest cost of 6.40%, which assumes the issuance of both the 2023A Facilities Bonds and 2023B Housing Bonds on a tax-exempt basis, aggregate average annual debt service is estimated to be approximately \$659,292. The anticipated total par amount of \$8,515,000 is estimated to result in approximately \$11,062,321 in interest payments over the life of the Bonds, for total debt service estimated at approximately \$19,577,321.

Actual results will vary depending on market conditions at the time of the sale. The difference between the estimated principal amount of \$8,515,000 and the not to exceed amount of \$10,000,000 is to provide for budgetary flexibility due to fluctuations in interest rates.

Method of Sale

Given the unique credit characteristics associated with tax increment bonds, a negotiated sale is planned in connection with this transaction. The 2023AB Bonds will be repaid from tax increment revenues from a specific development project which is outside of the City's customary general fund credit profile. Following the completion of competitive Request for Qualifications ("RFQ") process in May 2023, the highest ranked proposer in the Development Finance pool, Stifel, Nicolaus & Company, Incorporated was selected to serve as the Underwriter for the transaction.

The proposed Bond Resolution approves the form of the Bond Purchase Agreement (described further below) which provides the terms of sale of the Bonds by the IRFD to the Underwriter. In order to sell the Bonds on a negotiated basis, in accordance with State IRFD Law, the IRFD will sell the bonds first to a third-party statewide joint powers authority, the California Statewide Communities Development Authority ("CSCDA"), of which the City is a member, and then CSCDA will, in turn, sell the Bonds to the Underwriter. Pre-dissolution, this sale structure was commonly used by redevelopment agencies issuing tax allocation bonds, as the authorizing Community Redevelopment Law contained similar conditions on negotiated sales.

The Capital Plan

The Bonds are limited obligations of the IRFD (not the City), secured by and payable solely from the Pledged Tax Increment of the IRFD and therefore are not subject to policy constraints of the Capital Plan.

Additional Information

The Bond Resolution and Ordinance were introduced at the Board of Supervisors meeting on October 31, 2023. The Bond Resolution will be heard at the Budget and Finance Committee on November 15, 2023.

The forms of the financing documents related to the Bonds—including the Bond Purchase Agreement, the Supplemental Indentures, the Preliminary Official Statement, the Continuing Disclosure Certificate and related documents—will also be submitted.

Bond Purchase Agreement: The IRFD intends to pursue a fixed rate negotiated sale of the Bonds. The Bond Purchase Agreement details the terms, covenants, and conditions for the sale of the Bonds through the Underwriter, as well as agreements regarding expenses, closing and disclosure documents.

First Supplement to the Indentures (Facilities and Housing): The proposed Bond Resolution also approves the forms of the First Supplement to Indentures pursuant to which the Trustee administers and disburses bond payments. The City, on behalf of the IRFD, executed the Indentures in connection with the issuance of the Series 2022AB Bonds, and the First Supplement to Indentures will apply specifically to the Series

2023AB Bonds. The Indentures, as proposed to be supplemented, provide for the terms of the bond redemption, prepayment provisions, and other related administrative provisions. The Trustee holds the Treasure Island IRFD reserves, all tax increment pledged to the Bonds and the proceeds derived from the sale of the Bonds, and will disburse the proceeds as directed by authorized City representatives.

Preliminary Official Statement: 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; risk factors; and other legal matters, among other information. The Fiscal Consultant 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 TIDA 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 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 and the District, that the Preliminary and Final Official Statements are "deemed final" as of their respective dates.

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

Anticipated Legislative Timeline

Milestones	Dates*
• Introduction of Resolution and Ordinance to the BOS	October 31, 2023
• TIDA Board Meeting	November 8, 2023
• Presentation to Capital Planning Committee	November 13, 2023
• Budget & Finance Committee for Resolution	November 15, 2023
• Board Considers Approval of Resolution	November 28, 2023
• Budget & Finance Committee for Ordinance	December 6, 2023
• Board Considers Approval of Ordinance (First Hearing)	December 12, 2023
• Board Considers Approval of Ordinance (Second Hearing)	January 9, 2024
• Sale and Closing of the Bonds	December 2023/January 2024

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

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

Attachment A

FY2016-17 TO FY2023-24
 HISTORIC ASSESSED VALUES SINCE BASE YEAR
 TREASURE ISLAND IRFD NO. 1

Table 6. Historic Assessed Values

Fiscal Year	Project Areas Active in FY 2023-24			Total for Project Areas Active in FY 2023-24 ⁽³⁾	Project Areas Not Yet Active		Total All Project Areas ⁽³⁾	%Increase
	Area A	Area B	Area E		Area C	Area D		
2016-17 ⁽¹⁾	-	-	-	-	-	-	-	
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1%
2021-22 ⁽²⁾	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9%
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4%
2023-24	\$314,688,909	\$98,331,576	\$73,843,791	\$486,864,276	\$1,933,965	\$32,107,450	\$520,905,691	28.4%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2023-24 are shown in grey.

(1) FY 2016-17 is the base year.

(2) Includes FY 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the FY 2021-22 assessment roll.

(3) All figures in this table represent both total and incremental assessed value, as the base year assessed value is zero.

Attachment B

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 the Underwriter Stifel, Nicolaus & Company Inc., assuming an aggregate bond issuance of \$8,515,000, which is less than the not to exceed authorization of \$10,000,000:

1. True interest cost of the Bonds: 6.40%
2. Finance charge for the 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): \$677,725.
3. Amount of Bond proceeds expected to be received by the IRFD, net of payments identified in 2 above and any reserve fund or capitalized interest funded with proceeds of the Bonds: \$7,073,152.
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 Bonds: \$19,577,321.

The information set forth above is based on estimates of prevailing market conditions as of October 23, 2023. Actual results may differ if assumed market conditions change.