

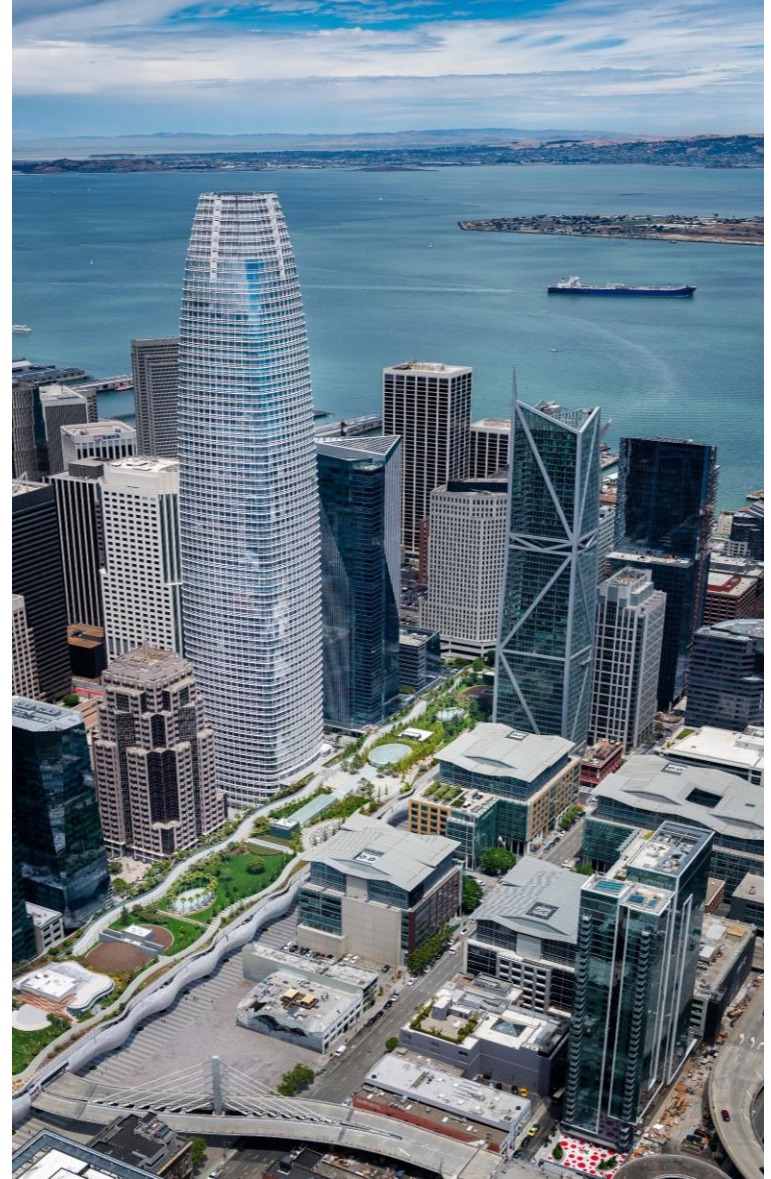
TJPA 2020 Bond Sale

March 10, 2020



Series 2020 Tax Allocation Bonds

1. Refinance TIFIA Loan in full
2. City Financing remaining balance, if any
3. Provide New Money Proceeds



TIFIA Refinance

Current

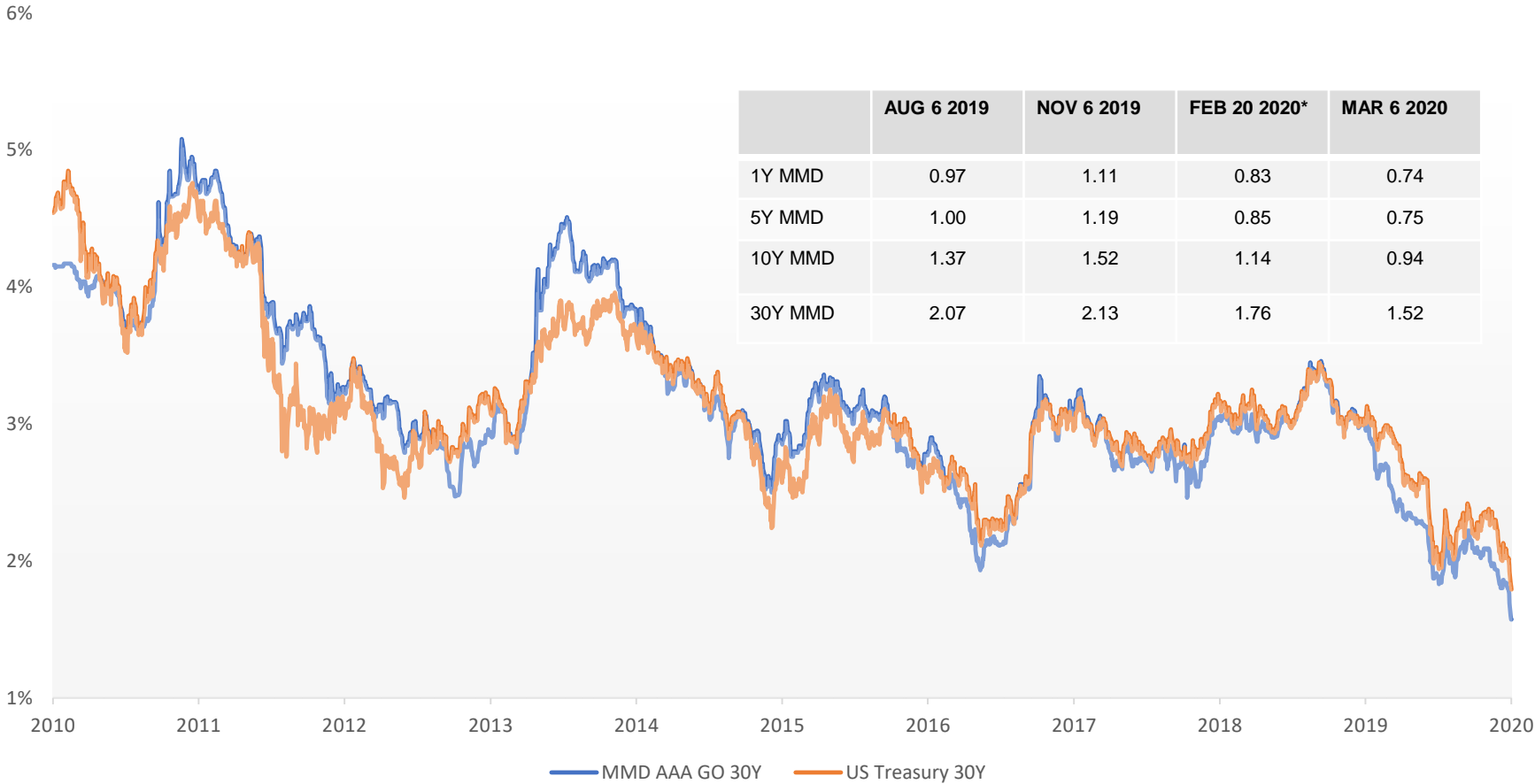
- Executed in 2010 for \$171M
- Secured primarily by Net Tax Increment
- Interest rate of 4.57%
- Final Maturity on Feb. 2051
- Outstanding balance of \$179M
as of February 1, 2020

Anticipated

- Refinancing in 2020 for \$179M
- Secured by Net Tax Increment
- Current market (as of Feb. 20, 2020) + 0.50% (approx. 3.5%)
- Final Maturity on Oct. 2049
- Level Annual Savings
- NPV Savings expected over 10% of refunded bonds or in excess of \$20M

Market Update

30Y MMD AAA GO vs 30Y US Treasury Rates since 2010



City Financing

Current

- Executed in 2017 for up to \$260M
- \$103M in total draws
- Net Tax Increment pays interest (on parity with TIFIA)
- Interest rate - 1-month LIBOR + 0.56%
- Interest rate caps - to hedge risk of rising interest rates
- Credit Facility Expires January 2022
- Outstanding balance of \$76M

as of January 31, 2020

Anticipated

- Refinancing in May 2020, with:
- CCSF Community Facilities District 2014-1 (CFD) Bond 3rd Issuance
 - Secured by CFD Special Tax Revenues
 - Fixed Rate
- TJPA 2020 TABs in June 2020
 - Any Amount not Achieved by CFD Bond 3rd Issue
 - Secured by Net Tax Increment

Other Uses of Proceeds

- New money proceeds for the Transbay Terminal Project
 - Program Reserves \$35.5M
 - Tenant Improvements \$50.5M
 - Capital Replacement Reserve target of \$29.0M*
- Other Transaction Uses
 - Insurance/Surety, if applicable
 - Debt Service Reserve
 - Cost of Issuance**

** Up to \$40.0 million (depending upon market conditions)*

***Includes fees of Rating Agencies, Financial Advisors, Legal Counsel, Underwriters, Trustee. Disclosure Counsel, Verification Agent, Printer, and miscellaneous expenses associated with the issuance*

Sources and Uses

Planned Sources and Uses of TJPA and City Proposed 2020 Bond Sales ^a	
Sources	
Bond Proceeds-TJPA Series 2020 Bonds	318,700,000
Bond Proceeds-City CFD 2014-1 Bonds ^b	76,000,000
TOTAL SOURCES	\$394,700,000
Uses	
TIFIA Loan Principal/Interest	181,800,000
City Financing Principal/Interest ^b	76,000,000
Capital Replacement Reserve ^c	29,000,000
Phase 1 Program Reserve	35,500,000
Tenant Improvements	50,500,000
Cost of Issuance	3,300,000
Debt Service Reserve	18,600,000
TOTAL USES	\$394,700,000

Notes:

a. Subject to market conditions at the time of sale. Amounts are rounded up to the hundred thousands.

b. Subject to City approval. To the extent CFD bond issuance not approved and/or proceeds of CFD bond issuance not adequate to pay total outstanding balance, the TJPA understands that City would expect the TJPA to repay the remainder the City Financing with a portion of the net proceeds of the TJPA's Series 2020 Bonds.

c. Targeted amount could increase up to \$40 million depending on market conditions at the time of sale of the Series 2020 Bonds.

Series 2020 Tax Allocation Bonds Structure

- Bonds Issued in an amount not-to-exceed \$315M par amount
- Expected to be primarily tax-exempt (with taxable bonds*)
- Bonds secured by Net Tax Increment (Pledged Revenues)
- Senior bonds in an amount that targets a minimum debt service coverage ratio of 1.5x**
- Subordinate bonds to the extent necessary to generate sufficient proceeds
- Term of up to 30 years with market driven optional and mandatory repayment features
- Bonds anticipated to be fixed rate, current interest
- Green bonds via Climate Bonds Initiative third party certification
- Trustee to hold Pledged Revenues for payment of debt service and other obligations
- Based on Good Faith Estimate***, Current Market +.50% would yield an overall 3.86% TIC

**Subject to the TJPA's tax counsel final analysis*

***To be determined following completion of discussions with rating agencies*

****Good Faith Estimate Uses current Market Conditions from 2/20/20*

Underwriting Syndicate

- RFP to Underwriting Firms
- Received 11 responsive proposals
 - Proposals evaluated on:
 - Approach
 - Work plan and schedule
 - Firm capabilities in underwriting and marketing tax allocation bonds
 - Experience of key personnel
 - Indicative cost
- Firms selected:
 - Citigroup Global Markets, Inc., Senior Manager
 - Stifel, Nicolaus & Company, Inc. Co-Senior Manager
 - Morgan Stanley & Co., LLC, Co-Manager

Financing Calendar

March

- TJPA Board of Directors Meeting
- City and County of San Francisco Board of Supervisors Meeting
 - Notice of Public Hearing
 - Finding of “significant public benefits”

April

- Credit Ratings from S&P and Fitch
- Finalize Discussions with Insurers

May

- Finalize Offering Documentation

June

- Bond Closing

Budgetary Impact

- Several Internal Budgeting and Accounting Adjustments
 - Budget Adjustments
 - Amend Operations Budget
 - Amend Capital Budget
 - Establish and Increase Separate Debt Service Budget
 - Establish Tenant Improvement Budget
 - Phase 1 Budget Remains the same \$2,259.4B –(Net \$0)
 - Removes Tenant Improvements –Decreases \$35.5
 - Reimburses Program Reserve- Increases \$35.5
 - Phase 2 Available Funding Increases by \$35.5M
 - Reserves
 - Fiscal Reserve Funded -\$50.5M
 - Capital Replacement Reserve-\$29M*



Thank You

TJPA
TRANSBAY JOINT POWERS AUTHORITY

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