



# CITY of BRISBANE

## City Council Special Meeting Agenda

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Tuesday, January 20, 2026 at 3:30 PM • Hybrid Meeting 50 Park Place, Brisbane, CA

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The public may observe/participate in City Council meetings using remote public comment options or attending in person. The City Council may take action on any item listed in the agenda.

### TO ADDRESS THE COUNCIL

#### IN PERSON

Location: Community Meeting Room 50 Park Place, Brisbane, CA 94005  
Councilmember O'Connell will teleconference from 52 Josefa Ortiz de Dominguez Colibri Condos #104 Bucerias, Nayarit, Mexico

To address the City Council on any item – whether on the posted agenda or not – please fill out a Request to Speak Form located in the Community Meeting Room Lobby and submit it to the City Clerk. Speakers are not required to submit their name or address.

#### REMOTE PARTICIPATION

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Webinar ID: 991 9362 8666

Call In Number: 1 (669) 900-9128

Note: Callers dial \*9 to “raise hand” and dial \*6 to mute/unmute.

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### **WRITINGS THAT ARE RECEIVED AFTER THE AGENDA HAS BEEN POSTED**

Any writings that are received after the agenda has been posted but before 4pm of the day of the meeting will be available for public inspection at the front lobby in City Hall and on the internet ([brisbaneca.org/meetings](http://brisbaneca.org/meetings)). Any writings that are received after 4pm of the day of the meeting will be distributed to the Council and made available for public inspection at the front lobby and on the internet the day after the meeting ([brisbaneca.org/meetings](http://brisbaneca.org/meetings)).

### **3:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE**

#### **ROLL CALL**

- A. Consider any request of a City Councilmember to attend the meeting remotely under the “Emergency Circumstances” of AB 2449

#### **ADOPTION OF AGENDA**

#### **ORAL COMMUNICATIONS NO. 1**

#### **WORKSHOP**

- B. Development-Related Infrastructure Financing Tools

(Staff recommends the City Council receive a presentation regarding development-related infrastructure financing tools as it relates to the Baylands Development. Staff welcomes any feedback from the Council regarding their interest in utilizing development-related infrastructure financing tools.)

#### **ADJOURNMENT**



## CITY COUNCIL AGENDA REPORT

**Meeting Date:** January 20, 2026

**From:** Jeremy Dennis, City Manager

**Subject:** Development-Related Infrastructure Financing Tools

### **Recommendation**

Staff recommends the City Council receive a presentation regarding development-related infrastructure financing tools as it relates to the Baylands Development. Staff welcomes any feedback from the Council regarding their interest in utilizing development-related infrastructure financing tools.

### **Background**

As part of ongoing discussions concerning infrastructure financing for the Baylands Development, staff has retained the services of special financial consultants, including Stiefl Public Finance, NBS, and JNA Consulting Group, to provide expert advice and guidance to the City throughout this process.

### **Discussion**

Consultants will provide a presentation outlining various financing tools available, specifically as it relates to Community Facilities Districts and Infrastructure Financing Districts. Staff welcomes any feedback from the Council regarding their interest in pursuing development-related infrastructure financing tools.

### **Fiscal Impact**

There is no fiscal impact to receiving this presentation.

### **Attachments**

1. Development-Related Infrastructure Financing Presentation

A handwritten signature in cursive script that reads "Jeremy Dennis". A horizontal line is drawn below the signature.

Jeremy Dennis, City Manager



***City of Brisbane***

*Development-Related Infrastructure  
Financing Tools*

*January 20, 2026*

## **Discussion Outline**

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- I. Introductions**
- II. Development Financing Tools Overview**
- III. Community Facilities Districts**
- IV. Infrastructure Financing Districts**
- V. Illustrative Case Studies**
- VI. Team Credentials**

## **Appendix**

- Additional case studies**

## **I. Introductions**

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# Introductions



**Eileen Gallagher**  
Managing Director  
(415) 364-6829  
egallagher@stifel.com



**Sara Mares**  
Chief Operating Officer  
(800) 676-7516  
smares@nbsgov.com



*Photo to come*

**Marty Johnson**  
President  
(702) 294-5100  
marty@jnaconsultinggroup.com

- **Team Role: Bond Underwriter**
- Structures financing, sets prices, sells bonds to investors, delivers funds at closing
- **Experience:** Most active California municipal bond underwriting firm with deep experience in land-secured and tax-increment financing

- **Team Role: District Formation**
- Drafts tax formulas, assists with formation process, future annexations and capacity analyses
- **Experience:** Large market presence in California forming and administering special districts and assisting with continuing disclosure dissemination

- **Team Role:** Municipal Advisor
- Advises City on bond issuance process with *fiduciary duty*
- **Experience:** Long relationship with the City and decades of experience providing financial advisory services to cities and school districts in California and Nevada

# Baylands Project Infrastructure Financing Needs

## ■ Baylands Project Overview

- 680.1 acre site immediately west of Highway 101
- Contamination related to former landfill (East Side) and railyard uses (West Side)
- Mix of residential and commercial development planned
- 1,800-2,200 residential units, at least 15% below market rate
- Up to 6.5 million square feet of new commercial development
- Up to 500,000 square feet of hotel development

## ■ Project goals

- Developer responsible for development costs and water supply, including landfill closure and remediation costs
- Sustainable design to provide protection against “100 year flood” and projected sea level rise over the next 100 years
- Revenue positive to the City annually, during all phases

## ■ Significant infrastructure costs anticipated

- Roadways, water, sewer, parks, etc.

## ■ Potential use of infrastructure financing tools

- Mello Roos community facilities district(s) (CFD)
- Tax increment financing district(s) (IFD)

**=> Expectations may be addressed in context of Development Agreement negotiation**



FIGURE 2.1 LAND USE PLAN

## **II. Development Financing Tools Overview**

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# Basic Bond Infrastructure Financing Tools

*Special Tax Bonds and Tax Increment financing are often used for development projects*

	General Obligation	Enterprise Revenue	Lease Revenue	Tax Increment	Special Tax/Assessment
<b>Security</b>	<p>“Full faith and credit” of issuer</p> <p>Secured by property taxes – and in rare cases, issuer’s general fund</p>	<p>Net enterprise revenue pledge</p> <p>Rate covenant to charge sufficient rates to pay obligations and provide debt service coverage</p>	<p>General fund appropriations</p> <p>Requires a leased asset</p> <p>Subject to abatement</p> <p>May <i>indirectly</i> leverage specific revenues (i.e. sales tax, TOT, tax increment, lease payments)</p>	<p>Incremental property tax revenues above a base level within a defined project area</p> <p>Certain other revenues may also be pledged</p> <p>Can be “wrapped” by other security to enhance credit</p>	<p>Special tax levied on property tax bill.</p> <p>Delinquent property subject to accelerated foreclosure</p> <p>Value of taxable land serves as ultimate collateral</p>
<b>Approval</b>	<p>2/3rds vote threshold</p> <p>55% for some school GO bonds</p>	<p>Approved by legislative body</p>	<p>Approved by legislative body</p> <p>Specific revenues may require a vote</p>	<p>Approved by legislative body</p> <p>Public notice and no majority protest</p>	<p>Property owners vote if &lt; 12 registered voters live within district, otherwise vote of District electorate</p> <p>2/3rds approval for special tax; no majority protest for assessment</p>
<b>Examples</b>	<p>San Jose GO Bond for Affordable Housing</p>	<p>Santa Cruz Parking Revenue Bonds</p> <p><i>Water or Sewer Revenue Bonds</i></p>	<p>Sacramento (Golden 1)</p> <p>San Jose (Ice Centre)</p>	<p>San Francisco Treasure Island IRFD</p> <p>Mission Rock Development Special Tax Bonds</p>	<p>San Mateo Bay Meadows</p> <p>South SF Oyster Point</p> <p>Oakland Brooklyn Basin</p>

# Development-Related Infrastructure Financing Tools

## ▪ Mello Roos Community Facilities Act of 1982

- Adopted in the wake of Proposition 13
- Authorizes certain public agencies to establish community facilities districts (CFDs)
- Property owners within CFD approve levy of special taxes
- Special taxes can be leveraged to fund public infrastructure

## ▪ Why are CFDs Used?

- Non-recourse, tax-exempt funding for infrastructure
- Historically used for suburban “green field” subdivisions
- Increasingly used for urban in-fill projects, often with significant brownfield remediation required before development begins

## ▪ Infrastructure Financing Districts

- Reinvigorated after redevelopment agency dissolution
- Similar concept as redevelopment but with limited revenues
- Share of 1% property tax revenues of city, county or special district that *opts in*, schools are excluded
- *More useful in combination with other tools, like a CFD*

## ▪ Why are IFDs Used?

- Property tax revenue “upside” of development shared among IFD and local governments
- No new tax burden but may “grow the pie” of revenue base
- Funding source for affordable housing

### San Francisco Transbay Area



### Sacramento Aggie Square



### **III. Community Facilities Districts**

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## What is a Community Facilities District (CFD)?

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### ▪ Special district sponsored by a public agency

- District boundaries can be tailored to project support
- Maximum special tax rates, eligible facilities and maximum bonded debt are identified at formation
- ***Special taxes can be “spread” among properties based on “reasonable” criteria***
- Requires 2/3rds approval to form district
  - Vote by electorate if 12 or more registered voters in district, otherwise by landowners, weighted by acreage
- Revenues can be used for capital projects, incremental services or a combination of the two

### ▪ CFD Bond financing

- Bonds generate up-front funds for capital projects, repaid with special taxes levied on property tax bills
- ***Issuer promises to foreclose on delinquent parcels***
- Upon foreclosure, land value becomes ultimate collateral

### ▪ Considerations for using CFDs

- Bonds can be sold in relatively early stages of development
- Project appeal, development plans and development status affect interest rates
- Value of land supporting debt (“value-to-lien ratio”) becomes a key credit metric
- Extent of leverage usually constrained by value-to-lien ratio of at least 3:1 and debt service coverage of 110%



# What Can CFD Special Taxes Finance?

## Capital Projects

- Wide range of eligible projects
  - Public roads, highway interchanges & public parking
  - Street lighting & signalization
  - Landscaping & streetscaping
  - Parks & public recreational facilities
  - Schools
  - Libraries & cultural facilities
  - Water, sewer & flood control facilities
  - Seismic retrofitting
  - Environmental remediation
  - Fire prevention & suppression
  - Plan specs and other “soft” costs
  - Developer impact fees

⇒ *Must have useful life longer than term of bonds*

⇒ *Must be owned and operated by a public entity*

## Ongoing Services

- Wide range of eligible services
  - Police protection, fire protection, recreation programs, library services, park maintenance

⇒ *Must be incremental to services offered before District establishment*

⇒ *Can't supplant prior existing services, often determined through a fiscal impact analysis*



# Key Steps in a Land Secured Financing

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## District Formation

- **City, county or public agency sponsorship**
  - Bonds are issued in public entity's name
    - At least 51% of bond-funded projects must be owned by sponsoring public agency
- **Development of tax or assessment spread**
  - Engineer's Report for an assessment district, Rate and Method of Special Tax Apportionment (RMA) for a CFD
  - Specifies the allocation of special taxes or assessments among parcels
  - Must be approved by voters/property owners in District
- **Approved eligible projects and funding agreements**
  - Acquisition Agreement with issuer
  - Joint Facility agreements with other public entities
- **Establishment of District**
  - Public hearing and voter election, adoption by issuer

## Bond Issuance

- **Appraisal or assessed value of District property**
  - Value-to-lien is a key factor in bond capacity and in marketing and pricing the bonds
- **Development of bond documents**
  - Legal framework
  - Official Statement describing project, developer, risks, etc.
- **Public agency approval of financing documents**
- ***Bond issuance can occur any time after formation***
  - Most districts are “acquisition” districts reimbursing developer for completed projects
  - Timing may depend on project momentum or reimbursement readiness

## Basic Bond Legal Structure

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### ▪ Security for the Bonds

- Annual tax/assessments on property tax bill
- Value of land subject to the lien
- Debt service reserve fund (usually funded from bond proceeds, reserve surety may be permitted)

### ▪ Payment delinquencies

- Late fees (10%) & penalties (18% per year) accrue
- “Normal” foreclosure process begins after 5 years of delinquencies
- Some counties include land secured districts on their Teeter Plan

### ▪ Foreclosure covenant

- Specifies timing and circumstances in which public agency issuer must pursue accelerated foreclosure
  - Typically carves out de minimis delinquencies, where cost to pursue foreclosure would exceed delinquency or where reserve fund is fully funded
- Actual accelerated foreclosures are relatively rare; in many cases, lender steps in to make payment, retain title

### ▪ Additional bonds test

- Specifies condition for any additional debt, limits extent of “dilution”

### ▪ Ongoing disclosure obligation

- Report on status of development, sale/lease of property, etc.
- Private developer/property owner disclosure may terminate when their ownership stake sufficiently diminishes and/or when project reaches “stabilization”
- Issuer disclosure continues through life of bonds

## Land Secured Bond Capacity Considerations

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### *How much in project funds can a CFD support?*

#### ▪ **CFD Parameters**

- Maximum bond authorization
- Eligible projects
- Maximum annual tax rates and annual escalator (if any)

*Determined at formation*

#### • **Value of land supporting debt**

- Standard minimum aggregate value to debt ratio of 3-to-1

#### • **Maximum tax capacity and debt service coverage**

- Based on maximum annual special tax revenues projected at build-out
- Minimum coverage typically 110% annual debt service

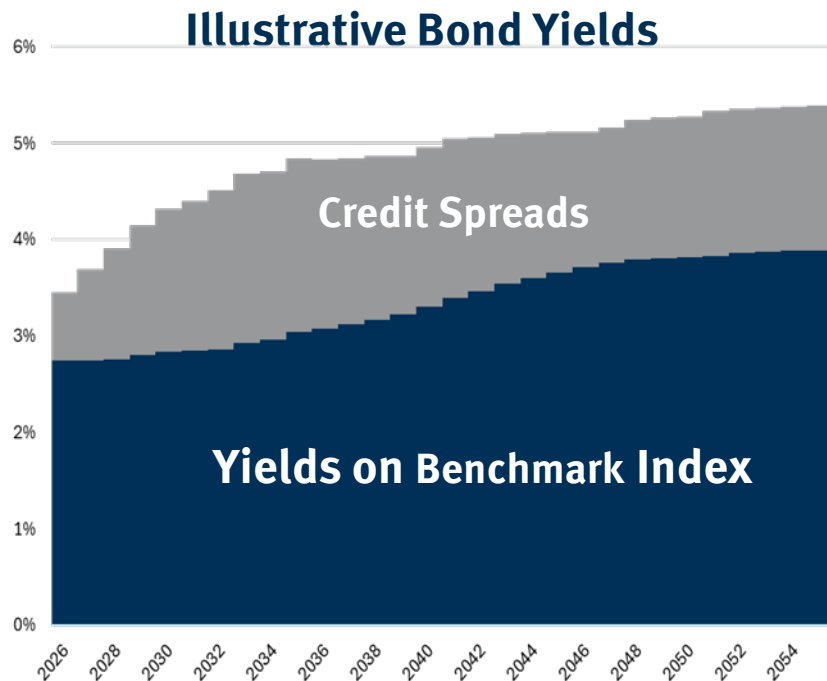
#### • **Bond market conditions**

- Lower interest rates = more bond proceeds within same revenues
- Interest rates are driven by broad economic factors and specific credit quality

*Determined at issuance*

# Marketing Land Secured Bond Issues

- **Audience for land-secured credits drawn from larger pool of traditional municipal bond investors**
  - Individual “retail” investors: high net-worth individuals, often older, seeking stability, tax-free income
  - Institutional Investors: bond funds, money managers investment advisors, commercial banks, bank trust departments, insurance companies, hedge funds,
- **Bond interest rates and prices are driven by market conditions**
  - Bond yields are typically quoted at a “credit spread” to a benchmark index – the tax-exempt AAA-rated Municipal Market Data (MMD) index or taxable U.S. Treasury yields
  - Coupons are chosen to appeal to distinct categories of investors



## What affects credit spreads?

- Overall project appeal
- Development momentum
- Developer experience/finances
- Value-to-lien ratio
- Size of borrowing/liquidity
- Nominal rate environment
- High yield supply/demand
- *Ratings (if applicable)*

## What affects benchmark yields?

- Level of general interest rates
- Value of tax exemption (if applicable)
- Expectations for future inflation
- Supply/demand dynamics

## Pre-Formation and Policy Considerations

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### ▪ Internal organization

- Issuer must have adopted *Local Goals and Policies for Mello Roos CFD bonds*, providing guidelines, addressing eligible facilities and fees for financing
- Internal City departments involvement, external consultants and financing team selection

### ▪ Development entitlements and comprehensive financing plan

- Development Agreement (or DDA) outlines entitlements and obligations of each party
- Financing Plan addresses required capital costs, ongoing operating and maintenance needs for infrastructure

### ▪ District governance/choice of issuer

- City, county, school district or special district typically forms the CFD
  - At least 51% of bond-funded projects must be owned by sponsoring public agency
- Alternatively, could be a financing authority (i.e. River Islands, Tejon Ranch) or a conduit issuer (i.e. CSCDA)
- Governance and marketing effectiveness vary for each

### ▪ Size and structure of proposed district(s)

- Large projects are often phased with separate CFDs, separate improvement areas within a CFD or separate tax zones, and/or use of a “future annexation area”
- District boundaries can be non-contiguous, tailored to areas of political support

### ▪ Tax capacity allocation/tax formula considerations

- Tax formula sets out maximum tax rates, taxation waterfall, term of tax, integration with other revenues
- All-in tax burden constraints
  - Up to 2% of estimated home value for residential, “reasonable” for commercial
  - Includes base 1% property tax rate plus any GO bond overrides, other special taxes, and assessments
- Allocation of tax capacity among capital vs services taxes, overlapping taxable entities

## **IV. Infrastructure Financing Districts**

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# Infrastructure Financing Districts Overview

## ▪ IFD overview

- Special district to capture a portion of **the incremental property taxes** within a defined boundary – and allow for pooling of certain other revenues
- Several statutory variations but Enhanced Infrastructure Financing District (EIFD) is most actively used

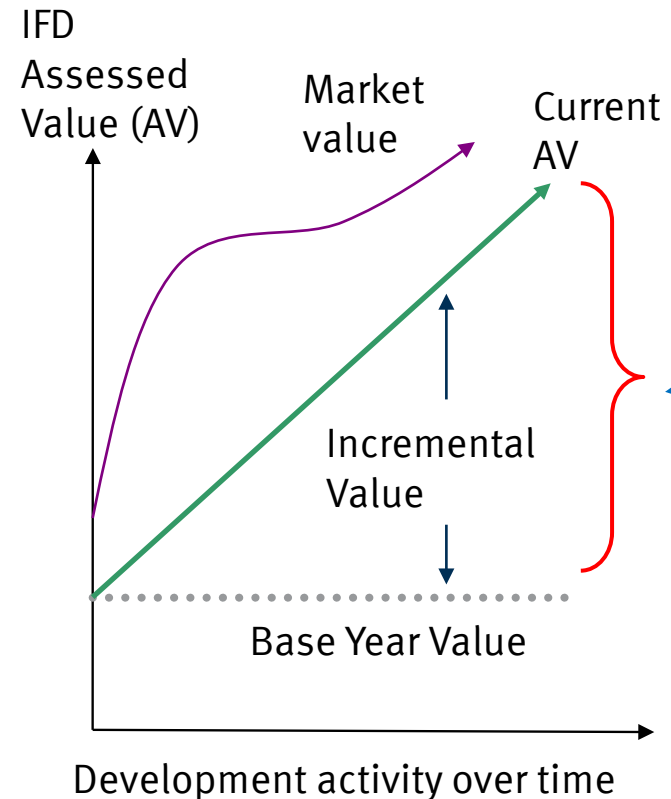
## ▪ Limited, passive revenue stream

- Share of 1% property tax revenues of city, county or special district that **opts in**, schools are explicitly excluded
- Each entity's share of the 1% tax rate can vary considerably
  - Typical city share may range from 8 to 20% of the 1% tax rate
- Other potential revenues include:
  - Property tax in-lieu of VLF
  - Former RDA residual revenues (RPTTF)
  - Sales tax revenues (in very limited cases)
  - Climate Resiliency Districts also allow pooling of special taxes, assessments and user fees

## ▪ Most likely applicability

- In combination with other tools, like a CFD
- By issuers with large share of 1% property tax roll
- In areas with significant growth potential

Tax increment revenues = all or a portion of **participating taxing entities' % share** of 1% of incremental value



## Considerations for Using IFDs

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### ▪ Eligible use of proceeds

- Public facilities or projects with community-wide significance with useful life of at least 15 years
  - Water, sewer, roads, fire stations, libraries, industrial projects, former military base reuse, etc.
- Acquisition, construction or rehab of affordable housing serving very low, low or moderate income households
  - Affordability covenant: 45+ years for ownership, 55+ years for rental

### ▪ No new tax/no new revenue

- Just reallocating revenues from general fund to IFD

### ▪ Limited revenue stream

- Primarily share of 1% property tax revenues of city, county or special district that opts in
  - Need not be all of participating entities' share, allocations can be changed annually before bond issuance
- No tax increment revenue until after growth occurs - assessed values can lag development by 18-24 months
- Passive revenue - tax increment revenues decline if assessed values decline
- Volatility can be significant in early years after formation
- Likely limited geographic area with concentrated tax base
- Issuer IFD policies may limit options for issuer participation: % share, duration, types of projects

### ▪ Can create a bondable revenue stream for housing

- Many issuers split tax increment between housing and facilities

# Combining Tax Increment and CFDs: San Francisco Mission Bay

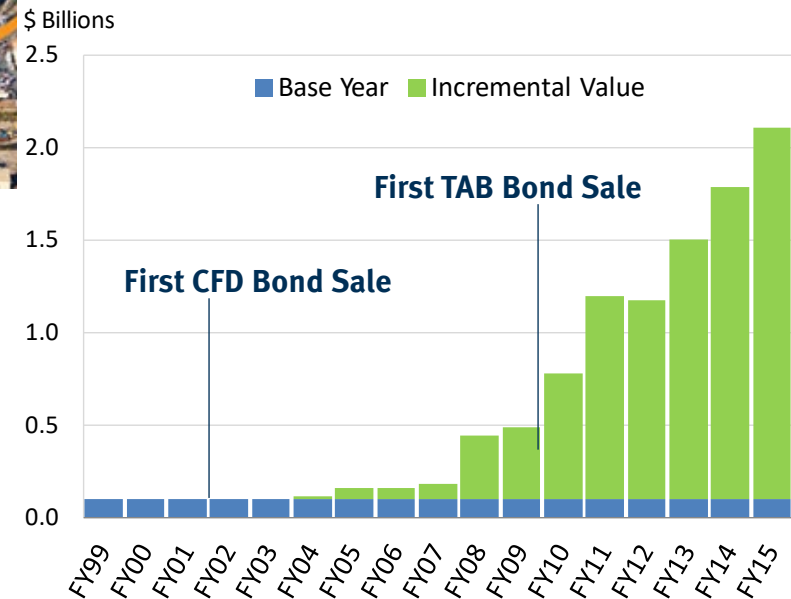
Transformation of former industrial area into a mixed-use community anchored by UCSF medical campus

### Historic View of San Francisco Mission Bay Project



- Redevelopment Project Area and CFD formed in late 1990s
- CFD Bonds issued in 2001, 2003, 2005 to fund backbone infrastructure
- First TAB Bonds issued in 2009
- A CFD enables an **earlier bond sale**, with **lower debt service coverage** at **lower interest rates** to generate **more bond proceeds**

### Mission Bay South Historic Assessed Value



# Varying Bond Applications of Infrastructure Financing Districts

## ▪ Additive use of IFDs with CFDs: San Francisco Treasure Island

- Redevelopment of former naval base with up to 8,000 homes, commercial, hotel and open space planned in multiple phases
- Three CFD bond sales, to date, in each of 2020, 2021 and 2022
- First IRFD bond sale completed in early August 2022
- *17.5% of tax increment used for affordable housing*

## ▪ Netting use of IFDs with CFDs: Sacramento Aggie Square

- CFDs used to fund infrastructure; as development proceeds, tax increment will reduce special tax levy
- Enables earlier bond sale, at lower interest rate and lower coverage ratio
- Privately developed life sciences and education space on UC Davis campus
- *City will retain 20% of tax increment for affordable housing*

## ▪ Flexible use of IFDs and CFDs: Sacramento Metro Air Park

- CFD formed in 2000; private placements completed in 2004 and 2007
- EIFD formed in April 2022
- Large CFD sale completed in mid-August 2022
- EIFD revenues can be used for debt service or other capital projects



# Case Studies: Tax Increment Financing District Bond Sales

## ▪ Growing list of infrastructure financing districts

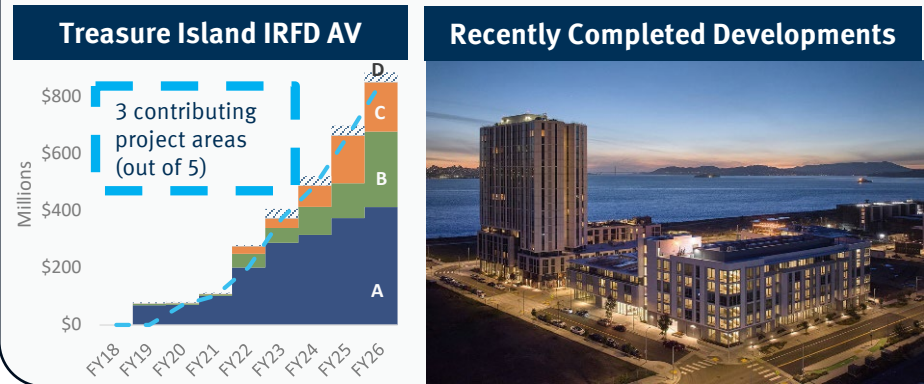
- More than 30 adopted to date
- Includes Carson, Covina, Fresno, Humboldt County, La Verne, Lakewood, LA County, Madera County, Napa, Palmdale, Placentia, Placer County, Rancho Cucamonga, Riverside County, Sacramento, Sacramento County, San Diego, San Francisco, Sanger, Sonoma County, Stanislaus County, Victorville, West Sacramento, Yucaipa
- Most, but not all, structured as Enhanced Infrastructure Financing Districts (EIFDs)

## ▪ Limited bond issuance to date

- San Francisco Treasure Island IRFD
  - Stifel led inaugural sale in 2022, subsequent 2023 sale and upcoming 2025 sale
- West Sacramento EIFD
  - Inaugural sale in 2025
- Other financings have come with credit wrap
  - La Verne Old Town Area EIFD
  - San Francisco Mission Rock CFD

### San Francisco Treasure Island

- Small 33 acre IRFD with \$0 base year value
- Four projects with 428 apartments and 155 condos complete (65% of FY26 AV), a 148-unit condo project (18% of FY26 AV) nearing completion
- \$38.6 million bonds sold to date with 125% coverage
- Taxpayer concentration slowly diversifying



### West Sacramento

- Large 4,000+ acre EIFD with high base year value and taxpayer concentration
- First \$57 million bond sale in 2025 with 150% debt service coverage
- Additional bonds test coverage drops to 135% and then 125% as and when credit could sustain a 15% AV decline



## **V. Illustrative Case Studies**

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## Select Bay Area Projects Using CFD and IFD Financing

### ▪ City and County of San Francisco

- CFD No. 6 (Mission Bay South)
- CFD No. 7 (Hunters Point Shipyard)
- CFD No. 2014-1 (Transbay Transit Center)
- CFD No. 2016-1 (Treasure Island)
- IRFD No. 1 (Treasure Island)
- STD No. 2020-1 (Mission Rock)

### ▪ City of South San Francisco

- CFD No. 2021-1 (Oyster Point)

### ▪ City of San Mateo

- CFD No. 2008-1 (Bay Meadows)

### ▪ City of Alameda

- CFD No. 13-1 (Alameda Landing)
- CFD No. 22-1 (Alameda Marina)

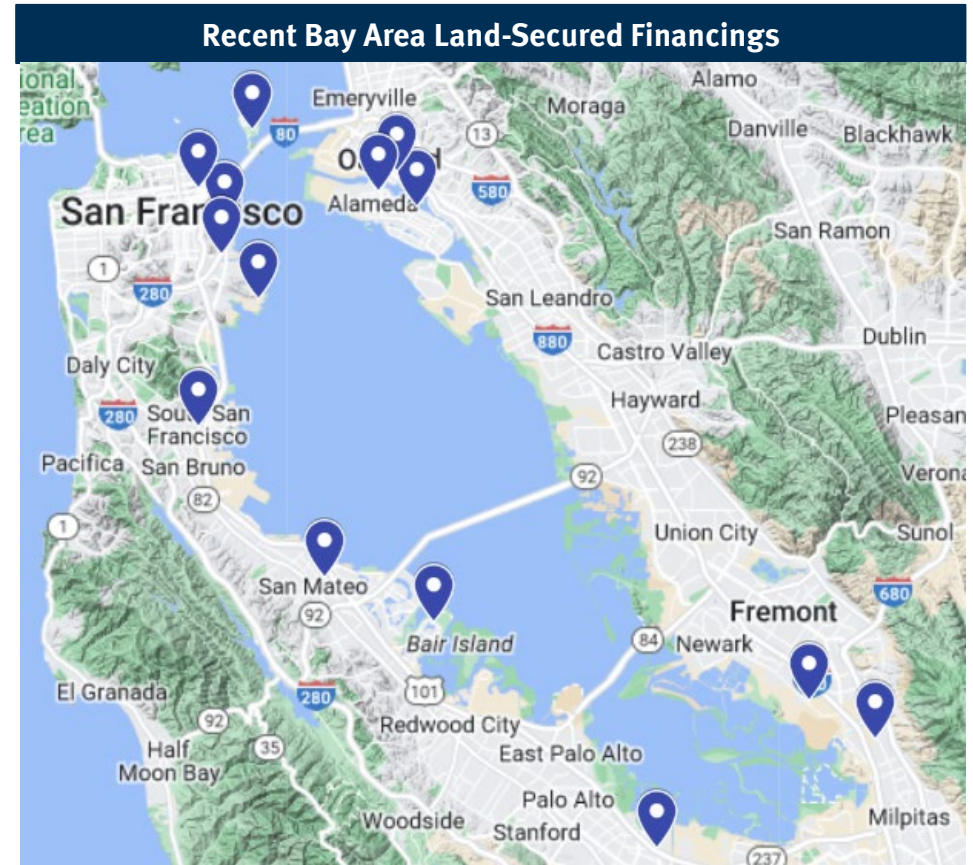
### ▪ City of Oakland

- CFD No. 2023-1 (Brooklyn Basin)

### ▪ City of Fremont

- CFD No. 1 (Pacific Commons)
- CFD No. 2 (Warm Springs)

### ▪ Mountain View Shoreline



Other jurisdictions have formed CFDs for which debt has not yet been issued, i.e. City of San Leandro CFD No. 2022-1 (Monarch Bay Shoreline Facilities & Services)

# Redevelopment of Former Racetrack into Mixed-Use Project: San Mateo Bay Meadows

## Overview

- 170-acre site, former thoroughbred racetrack
- Midway between San Francisco and Silicon Valley
- Walking distance to CalTrain station
- Developed by Wilson Meany Sullivan/ Stockbridge Capital

## Development plan

- 1,066 residential units, 802,000 sq ft class A office
- 85,000 sq ft retail, private high school – Nueva

## CFD No. 2008-1 (Bay Meadows)

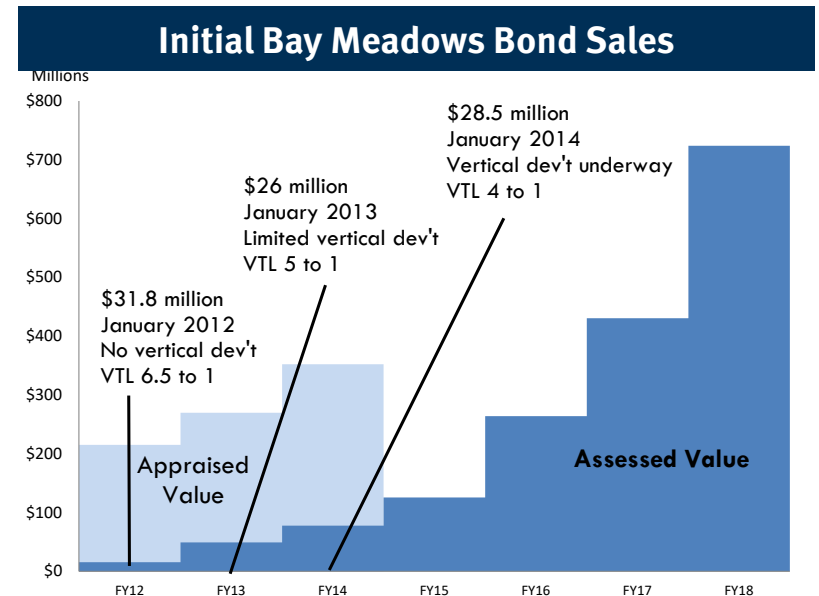
- Formed in 2008, amended in 2011 amid recession
- Max bond debt lowered from \$120 million to \$92 million

## Bond sales were phased as project proceeded

- Three sales issued in January in each of 2012, 2013, 2014
- Bond proceeds released to reimburse developer only after phased infrastructure was completed and accepted
- Property values and project momentum increased over time

## Original bonds were refinanced for savings in 2022

- Savings passed onto property owners through lower special tax bills



## ***Waterfront Development of a Life Sciences Campus: South San Francisco Oyster Point***

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- **Redevelopment of former landfill and business park into a life sciences campus**
  - Planned for 10 buildings, three parking garages, and recreational amenities
  - Property elevation was raised to protect against sea level rise projected through 2100
- **CFD formed on 44 acres with maximum bond authorization of \$105 million**
  - Special tax rate set at \$2 per sq. ft in 2021 escalating 2% annually thereafter
  - Special taxes levied on Kilroy entities but passed onto tenants through triple-net leases
- **First series of \$19.7 million Special Tax Bonds sold in April 2022**
  - Leveraged taxes on 3 completed, leased buildings in Phase 1 with appraised value of nearly \$870 million
- **Second series of \$28.7 million sold in June 2025**
  - Leveraged additional tax capacity of 3 completed, *unleased* buildings in Phase 2; aggregate value-to-lien ratio of 25-to-1 based on *assessed* value



## ***Transit-Oriented Residential Development: City of Fremont Warm Springs***

### ▪ **Warm Springs/South Fremont Community Plan**

- 879 acres surrounding the new Warm Springs BART station, formed in response to Nummi plant closures
- Planned for a mix of residential, commercial, industrial, office, hotel and other uses
- Lennar's Innovation Project plan
  - 958 attached for-sale residential units, 1,256 multi-family rental units, at least 750,000 sq.ft. commercial space
  - A new TK-6 public elementary school and 4-acre joint-use park

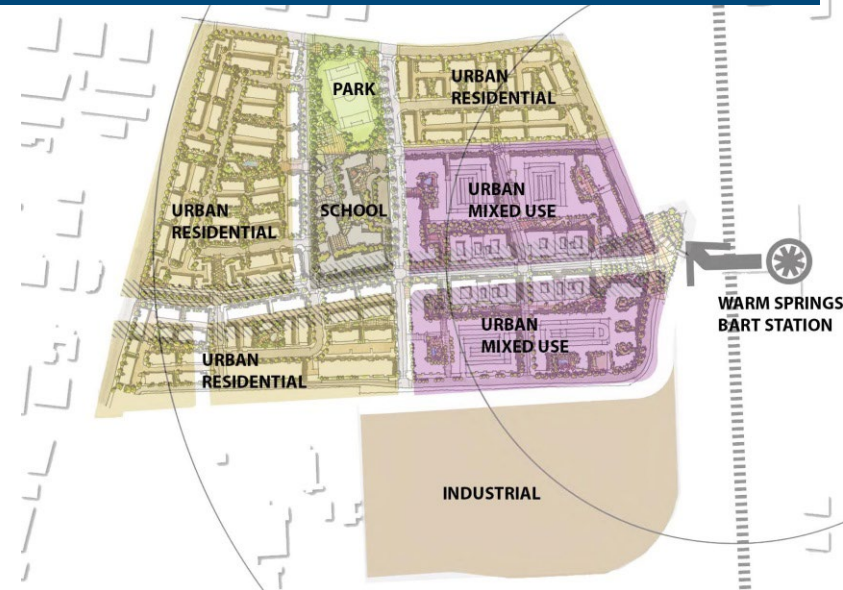
### ▪ **CFD No. 2 (Warm Springs Public Facilities)**

- CFD formed on the *for-sale* residential units only
- At the time of the bond sale, Shea and Lennar were active:
  - Building permits were pulled for 271 out of 958 planned units
  - 91 units in pending sales contracts and 36 closed escrows
  - Home price range: ~ \$875,000 to nearly \$1.4 million
  - Max annual tax rate range: \$1,080 to \$2,285 per unit

### ▪ **2019 Special Tax Bonds - \$16.575 million par**

- Appraised value \$309 million; value-to-lien > 18-to-1
- Non-rated, 30 year borrowing
  - 2.80% borrowing cost; 3.91% if held to maturity without refunding
- Bond proceeds generated \$17 million to acquire completed public streets from the developer
  - Balance of streets funded through transportation impact fee credits

### **Warm Springs Innovation Project Site Map**



### **Warm Springs Innovation Project Underway**



## ***Stacked and Staggered Use of CFD and IFD Financings: San Francisco Treasure Island***

- **Redevelopment of a former naval base planned for new, high-density, mixed-use community**
  - Multi-phased project planned for up to 8,000 homes, commercial, hotel, open space
- **CFD No. 2016-1 (Treasure Island) with \$5 billion bond authorization**
  - Special taxes used for capital, transitions to services tax after bonds repaid and sea level rise reserve funded
  - Four bond sales issued to date - two each for Improvement Areas No. 1 and No. 2 - raised \$93 million for infrastructure
- **IRFD formed in January 2017 with \$780 million bond authorization**
  - Leveraged City and County share of property tax revenues (~65%) with ~17% used for affordable housing
  - Three IRFD bond sales to date (2022, 2023 and 2025) raised \$66 million for infrastructure and housing
- **Stifel used drone video, site tour and presentations to generate interest in early stage financings**



Photo as of November 7, 2023.



Photo from Sept 2022 by Andrew Campbell Nelson

## ***Intertwined Use of CFD and IFDs: San Francisco Mission Rock Bond Sales***

- **New waterfront, mixed use neighborhood planned on former SF Giants' parking lot**
  - Four-phased project on 11 development blocks, entitled for up to 1.4 million sq ft of office space and more than 1,100 rental, residential units on leasehold interests on Port-owned land
- **CFD security enabled earlier stage borrowings at lower borrowing costs and debt service coverage**
  - Development Special Tax offset by tax increment, as available; max tax rate set at 80% of expected tax increment
  - Overlapping Office, Shoreline and Services special taxes increase capacity for eligible facilities and services
- **First three series of Special Tax Bonds, totaling \$107 million, sold in 2021**
  - Early stage project with construction just starting on pre-leased Visa offices and a rental residential building
  - Stifel generated an extraordinarily deep investor book among bond funds flush with inflows; more than \$900 million in orders from 30+ institutions, 21 times the \$41 million first sale resulted in true interest cost of 3.30%
- **2023 Special Tax Bonds, totaling \$46 million, sold in November 2023**
  - Robust marketing effort led to successful sale despite weak San Francisco real estate market and partially leased project; 10 funds placed orders of nearly \$220 million for a true interest cost of 5.97%



Source: Stifel produced drone video



Source: Developer. Photo credit: Jason O'Rear.

## **VI. Team Credentials**

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# Stifel is the Sector Expert for California Land-Secured and Tax Increment Bonds

## Most active underwriter by number and par

- 180 California land secured financings totaling over \$3.5 billion in par since 2022
- Stifel underwrites **more by number** of bond issues and **more by par** than any other firm
- Consistent presence is all cycles

## Dominant underwriter of Tax Allocation Bonds

- 184 financings totaling over \$6.7 billion since 2015 – **nearly half** of all TABs
- While issuance has diminished over the last decade, Stifel remains active in the sector

## Cultivated network of investors

- Credibility with institutional investors and sophisticated retail investors
- Consistent volume provides our desk with key insights on investors and investor interests

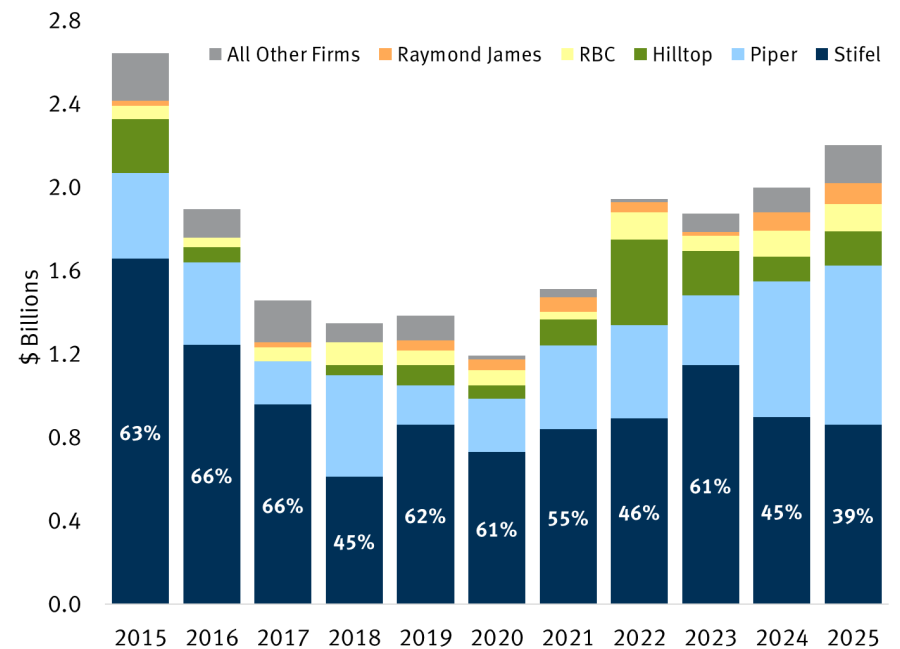
## Innovating on structuring options

- First CFDs sold with IFD tax increment offset
- First infrastructure financing district bonds sold in the public capital markets

Senior Managed CA Land Secured Ranking Since 2022				
Rank	Underwriter	# of Issues	Par (\$B)	Mkt. Share (%)
1	STIFEL	180	\$3.5	46%
2	Piper Sandler	123	1.9	31
3	Hilltop	26	0.8	7
4	RBC	24	0.3	6
5	Raymond James	14	0.2	4

Source: SDC Negotiated (Ranked by # of issues) as of 1/2/2026

## California Land Secured Volume by Underwriter (Par Amount)



Source: SDC; As of 01/08/2026

## Appendix

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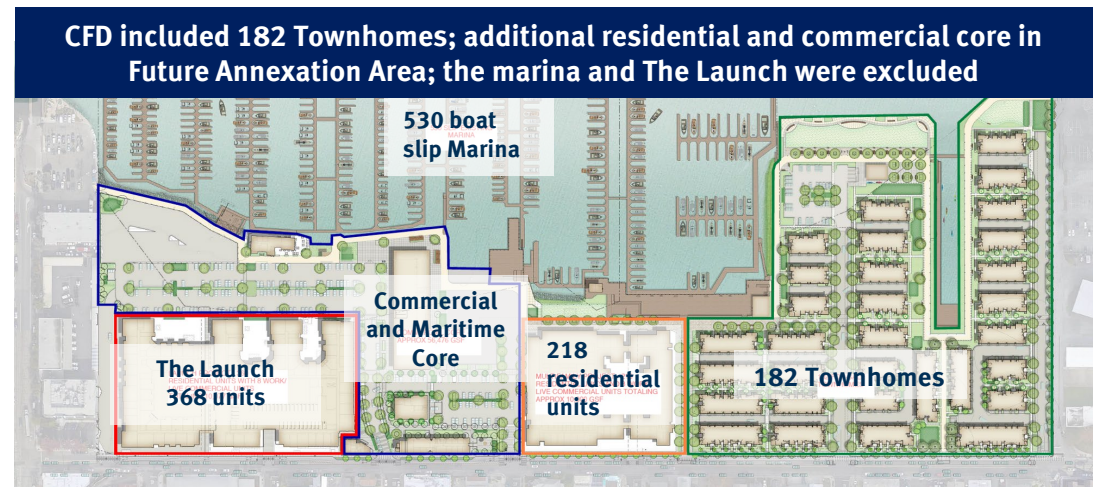
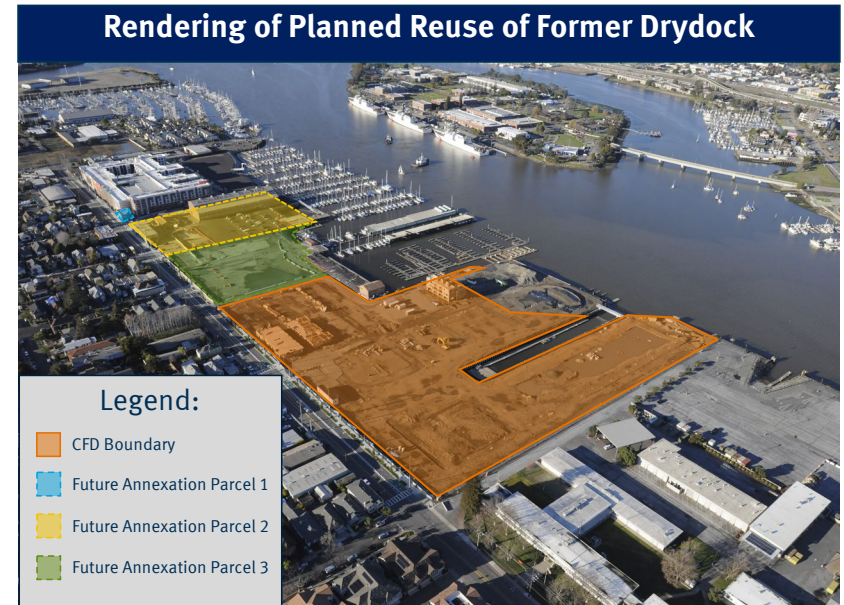
# Waterfront Resiliency Green Bonds: Alameda Marina

## City of Alameda CFD No. 22-1 (Alameda Marina)

- Redevelopment of former industrial waterfront
- Planned for 182 townhomes in 31 buildings
  - Adjacent property planned for 218 apartments and commercial development included in a future annexation area
- Bond proceeds were used for sea wall construction, protecting against future sea level rise up to 7 feet

## \$17.5 million 2023 Special Tax Bonds (Green Bonds)

- Appraised value of \$58.75 million, value-to-lien of 3.36-to-1
  - At the time of the sale, no units had been sold and construction had just begun on three of the 31 buildings
- Five institutions placed orders totaling \$50.4 million
- 146 separate individual retail orders totaling \$12.7 million



## **Redevelopment of Industrial Waterfront With Parks and Housing: Oakland Brooklyn Basin**

- **Redevelopment of historic industrial site into master-planned, waterfront community**
  - 65 acres located along the Oakland Estuary, southeast of downtown Oakland and adjacent to Jack London Square
  - Planned for approximately 3,700 residential units (mix of affordable, market rate, and senior housing units), up to 200,000 square feet of ground floor commercial space, and approximately 32 acres of parks and open space
  - Environmental remediation and infrastructure for the first 2 of 4 planned development phases complete
  - First 8 buildings with 1,696 residential units have been completed, only 2 of which are in the CFD
- **CFD No. 2023-1 (Brooklyn Basin Facilities and Services)**
  - Formed in 2023 with maximum bond authorization of \$50 million, special tax levied only on completed buildings
- **Inaugural \$5 million non-rated bond sale in August 2025**
  - Secured by special taxes of two apartment buildings open and substantially leased; up to 6 more parcels could become taxable



## ***Use of CFD to Enhance IFD: City of Sacramento Aggie Square***

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### ▪ **Innovation hub planned for UC Davis' Sacramento campus**

- Planned private development of life sciences buildings, Alice Waters Food Institute, and Lifelong Learning complex on leasehold interest on a portion of UC Davis' Sacramento campus

### ▪ **City added an overlapping CFD to EIFD**

- Earlier bond sale will accelerate reimbursements for public infrastructure
- Lower interest rates and debt service “coverage ratio” for CFD vs IFD bonds will increase project funds
- EIFD revenues will be split – 80% to reduce CFD special tax levy, 20% to City for affordable housing



# ***Mixed Use Redevelopment of Former Industrial Brownfields: Sacramento Railyards Project***

## ▪ **Mixed-use redevelopment in Sacramento**

- Approximately 244-acre site immediately north of central business district, bounded by Interstate 5
- Planned for a medical campus, a 25,000-seat capacity sports and entertainment stadium, up to 10,000 residential units, 3.9 million sq. ft of office, 1,100 hotel rooms and other mixed uses

## ▪ **CFD formed in 2018**

- Includes 117.83 taxable acres
- \$75 million max bond authorization
- Maximum annual special taxes based on acreage
  - FY26 rate of \$21,766 per acre, escalating 2% annually

## ▪ **\$30 million inaugural bond sale in 2022**

- Brownfield remediation of site and significant infrastructure completed
- Two residential buildings completed, Kaiser land purchase complete but project lagging
- Aggregate value-to-lien of 5-to-1, but nearly 80% of lien on developer-held property at 2-to-1

**Aerial View of the Railyards as of 2022**



**Railyards Rendering**





# Land Use Up-Zoning to Shape Development: San Francisco Transbay

## San Francisco's Transit Center District Plan

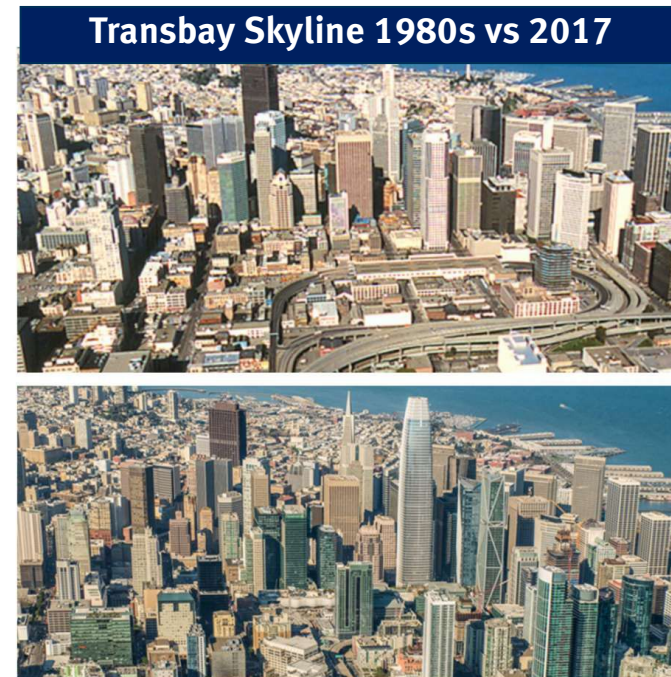
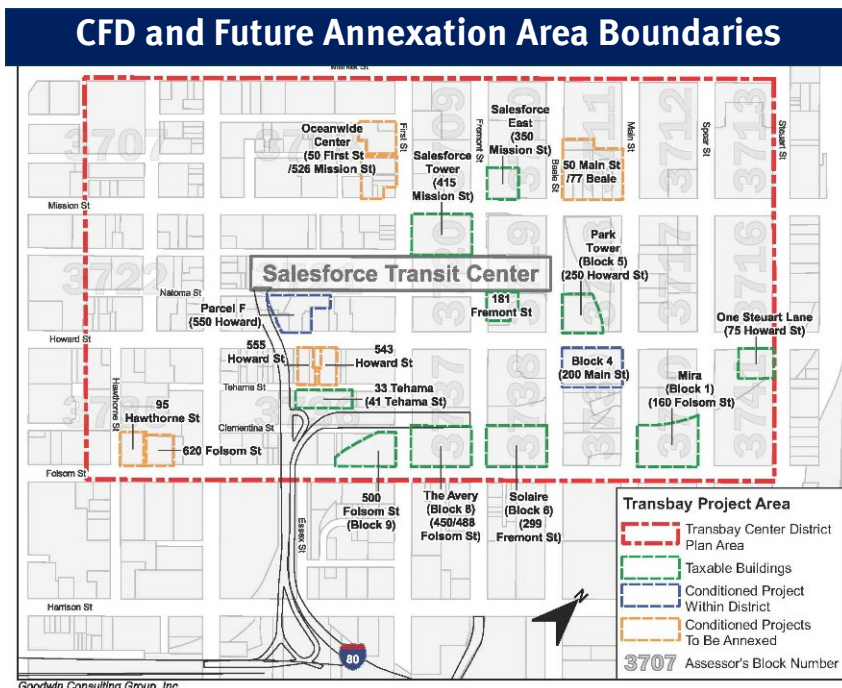
- Increased height limits and eliminated certain density caps around planned new transit hub

## San Francisco's CFD No. 2014-1 (Transbay Transit Center)

- Formed in 2014 on *non-contiguous* parcels; future annexation area covers Transit Center District Plan area
- Special taxes levied only on *completed* buildings; projects using up-zoning bonuses *must* join CFD
- More than \$592 million of \$1.4 billion total authorization issued in 2017, 2019, 2020, 2021 and 2022

## Transbay Joint Powers Authority

- Leverages tax increment from 7 development blocks, issued \$271 million Tax Allocation Bonds in 2020
- OCII has separately leveraged tax increment from other parcels, primarily for affordable housing



Source: SFGate

## Enhanced Protection From Flooding: Sacramento Area Flood Control Agency

### ▪ SAFCA Mission

- Provide at least “200 year” flood protection for region at the confluence of the Sacramento and American Rivers

### ▪ Flood Protection Program

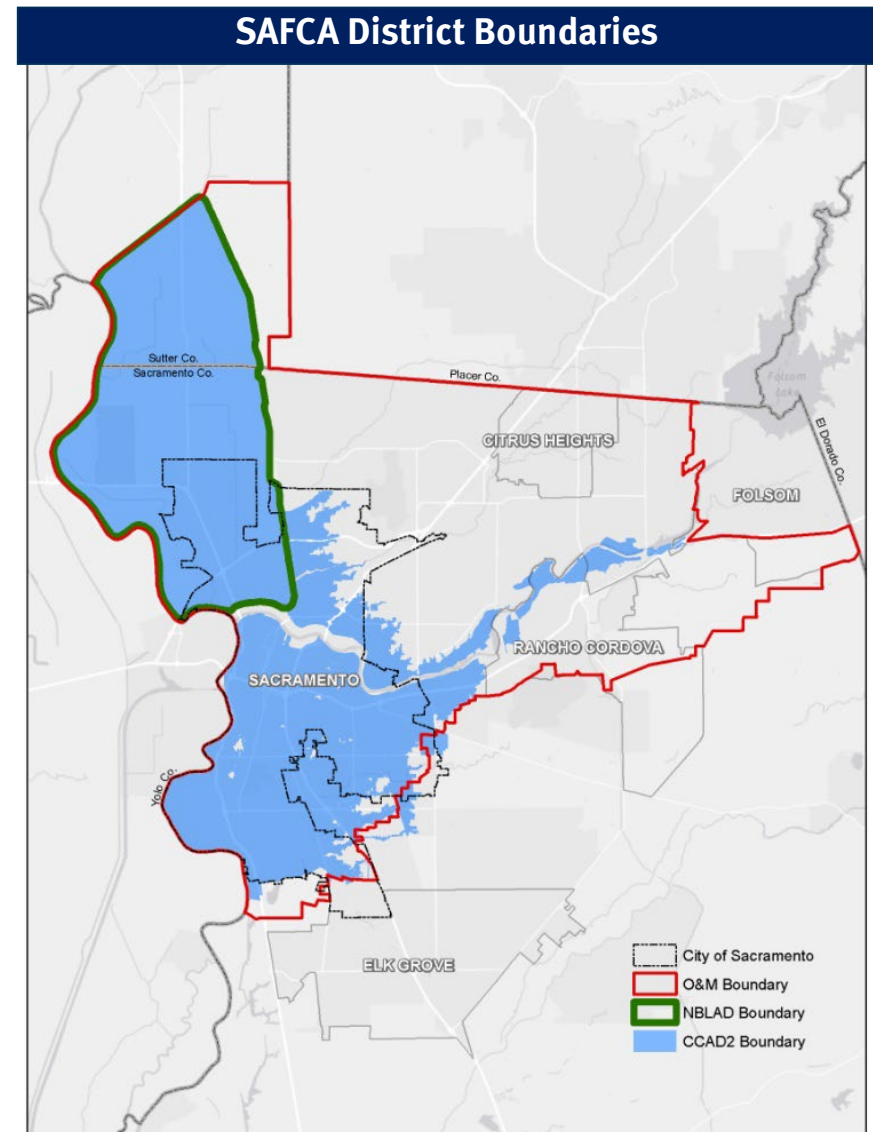
- \$3.6 billion total cost, local share about \$500 million
- Development impact fees and overlapping assessment districts fund local capital share and operating costs

### ▪ Consolidated Capital Assessment District No. 2

- Benefit assessment district formed in 2016 with 75% voter support
- Annual levy of approximately \$28 million levied on over 162,000 parcels spanning 144 square miles
- **Assessments apportioned among parcels based on benefits received from flood control projects**
  - All benefiting properties must pay “fair share”
- Annual assessments average about \$105 per single family home, \$890 per commercial parcel and \$1,500 per industrial parcel

### ▪ Multiple bond sales completed

- Strong investment grade rating due to size and diversity of tax base



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