CASE STUDY

DEVELOPMENT FINANCE

JULY 7, 2021

$41,340,000 | SPECIAL TAX BONDS | SERIES 2021

City and County of San Francisco | San Francisco, California

TREASURE ISLAND

Client Profile

Stifel lead-managed the $41.34 million sale of Special Tax Bonds for Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island).

The Project & Structure

Improvement Area No. 1 encompasses the development planned for 266 luxury residential units and a hotel on Yerba Buena Island, the first phase of the larger Treasure Island project, redeveloping the former military base on islands, located in the middle of San Francisco Bay. The non-rated, tax-exempt bonds are secured by special taxes levied on property planned for 252 market-rate residences on parity to the District's inaugural $17 million bond sale in October 2020. (The 14 below-market units are not subject to the special tax.) Construction of the a 5-story condominium building with 110 taxable units, is nearing completion later this year, while construction of the next 31 units beginning later in 2021. Appraised property values provide an aggregate value-to-lien of 4.2 on the 2021 and 2020 Bonds.

Pricing Results

More than 20 institutions placed orders for the 2021 Bonds and individual retail investors placed approximately $6.5 million of orders. After aggressive re-pricing, the City and County locked in an true interest cost of 3.17% for the 30 year financing.

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