

Financing Plan – Description of Changes

The Financing Plan establishes all of the terms of how the Project is funded. The principal changes to the Financing Plan include the following:

- **Section 1.2(a) (Funding Sources).** Eliminate references to “Excess Increment” which is no longer applicable.
- **Section 1.4 (Purpose and Use of Summary Proforma).** Update the Summary Proforma framework (elimination of Major Phase Increment Allocation) to reflect the changes to the Major Phases and clarify that the amounts shown in the Summary Proforma are only intended to be estimates.
- **Section 1.5 (Development of Project Site).** Remove reference to Section 26.7 of the DDA which is being eliminated pursuant to the Fourth Amendment to the DDA.
- **Section 1.5(b) (Application of Major Phase Allocation Amounts).** Eliminate the Major Phase Increment Allocation framework and Excess Increment concept.
- **Section 1.8(a) (Recordkeeping).** Clarify that the first Annual Report submitted after the Fourth Amendment Reference Date will include data for each Fiscal Year from 2018.
- **Section 2.1 (Formation of CFDs).** Provide Developer with the option for the first 1.7 million square feet of non-residential development at the Candlestick Site whether to include or annex such square footage into a new CFD or CFD No. 9 for purposes of paying Project Special Taxes, and if annexed, whether to exempt those Taxable Parcels from payment of Project Special Taxes.
- **Section 2.7(b) (Maintenance CFDs).** Modified the escalator from existing 2% per year to the lesser of (i) the increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland—San Jose region (base years 1982-1984=100) published by the Bureau of Labor Statistics, or if such index is no longer published, a similar escalator that is determined by the Successor Agency to be appropriate in its reasonable discretion; and (ii) five percent (5%)
- **Section 3.1(d) (Reassessment Proceeding).** City’s public financing counsel proposed provisions requiring notice of any proposed reassessment which are consistent with other recent San Francisco projects involving significant public financing.
- **Section 3.2 (Shipyard Net Available Increment) and 3.3 (Candlestick Net Available Increment).** Implement SB 143 by authorizing tax increment revenue to flow between Candlestick Point and the Shipyard Site.