Memorandum

To: Chair and Commissioners

Date: November 28, 2007

From: John F. Barna
Executive Director

File No: **5.1**
Agenda Item 33
ACTION

Ref: **Transbay Joint Powers Authority Request for Conveyance of State-Owned Properties for the Transbay Transit Terminal Redevelopment Area**

Issue:

Should the Commission convey 25 properties in San Francisco at no cost to the Transbay Joint Powers Authority (TJPA)?

As part of a redevelopment plan, the TJPA plans to use properties or sell them to generate revenues for a new Transbay Terminal. Caltrans and the TJPA have signed a cooperative agreement agreeing to the transfer of properties, contingent upon Commission approval, as directed by then-Governor Davis in his veto message of AB 1419 (Aaroner). Governor Davis felt it was appropriate that the regional transportation improvement proceed with the properties providing a source of revenues. He vetoed AB 1419, however, because he thought it could jeopardize the seismic retrofit of the West Approach of the Bay Bridge.

Recommendation: Commissioner Tavaglione recommends, after listening to the concerns, issues and advice of the REAP that the Commission conceptually approve all the conveyances with the following conditions:

- The properties cannot be transferred until Caltrans concludes it not longer needs the properties for its work on the Western Approach Seismic Safety Project for the Bay Bridge.
- The State's responsibility for the maintenance of the existing terminal ceases when it is demolished and the new temporary terminal is operational. Accordingly, the Commission is particularly interested in the TJPA:
  - Staying on schedule to demolish the existing terminal by March 31, 2010.
  - Completing construction of the temporary terminal by July 31, 2009.
- Should the TJPA fail to develop and operate a new Transbay Terminal by the project completion date, the State may exercise any unexpired "power of termination" detailed in the cooperative agreement. "Power of termination" permits the State, at its option, to reclaim parcels that have not been sold or take monies set aside in a trust account from the sales of those properties.
- The TJPA will report every six months on the progress and upcoming challenges facing it in implementing Phase 1, the above ground bus terminal, as well as progress on Phase 2, the underground rail terminal.

Actual conveyance of the properties may not occur all at the same time. Conceptual approval is for all of the properties and will allow Caltrans to convey the properties to the TJPA when appropriate.

Background Materials:

The information presented by the TJPA to the Commission's Real Estate Advisory Panel at its July and November meetings is attached for your information:

- Draft Funding Plan summarizing the costs and revenues for Phase 1 and Phase 2 when it was first reviewed by the REAP in July and then in November.
- Caltrans/TJPA Cooperative Agreement that was executed between the two agencies.
- Questions asked by the REAP at its July meeting and the written responses provided by the TJPA to the REAP at its November meeting.
- Land valuation projections for the TJPA by the Concord Group. This was requested by the REAP.
- Tax increment projections for the TJPA by Seifel Consulting. This was requested by the REAP.

Backgound:

The Real Estate Advisory Panel met twice to consider the TJPA proposal. As stated earlier, all the questions and issues raised in July by the REAP and the responses are attached to this memo. In summary, at its July meeting the REAP asked the TJPA to:

- Provide updated numbers from its presentation regarding how much it would cost to build the new Transbay Terminal and the revenue sources.
- Provide the assumptions used in generating the projected revenues and project costs.
- Provide financial assumptions regarding the bonding/capital capacity of the entities involved.
- Provide the assumptions for the funding and costs for Phase 1, the above ground bus terminal.
- Provide the assumptions for the funding and costs for the Phase 2, underground rail terminal. What happens if rail is never extended to the new terminal or the technology changes?
- Clarify what the cooperative agreement states if the TJPA cannot complete the new Transbay Terminal? What rights does the State have?
- Discuss the strategy for bringing the developed properties on line for sale.
- Discuss the targeted market with regard the TJPA assumption about the revenues raised from developing commercial, residential and hotel properties.

The REAP met in November to hear and discuss the TJPA responses.

Financial Assumptions

1. The TJPA discussed its consultants cost estimates for constructing new buildings around the Transbay Terminal. The REAP expressed concern that the estimates could be low for some of the proposed office and high-end luxury residential buildings. After some discussion, the REAP members concluded that the estimates may differ depending on the assumptions used.

The REAP was informed that the winning bid by the architect and developer for the signature 1200-foot tower would also include an offer of $350 million for the First and Mission property, $200 million more than its rivals. This changed the complexion of the Phase 1 funding and reduced the federal loans that would be paid back with future tax-increment revenues.

2. The TJPA information shows that Phase 1, the above ground bus terminal, is fully funded at $1.189 billion.

The REAP expressed concern about the size of the contingency fund. The 21% increase in cost and revenues between the July and November presentations generates concern that the costs and revenues may continue changing and that the contingency fund is too small. The project should be monitored on a periodic basis.

3. Phase 2, the underground rail facility, is estimated to cost $2.417 billion. Only about $949 million is committed, leaving a deficit of $1,468 million. The project has about 40% of its funding committed.

The REAP expressed concern about the funding for Phase 2, but realized that it was important to go forward with Phase 1. Waiting for additional funds for Phase 2 was not the tack to take; it would only cause the Phase 1 costs to continue escalating.

Land Use and Policy Issues:

4. Dean Marcis, City and County of San Francisco Planning Department Director, stated that San Francisco would work expeditiously to change the existing zoning that only permits from 850-foot building to permit the proposed 1200-foot tower by the winning bidder, Pelli Clarke Pelli Architects and the developer Hines. The City and County of San Francisco is supportive of the taller building and the revenue stream generated that would go towards funding the new Transbay Terminal.

Operational Issues:

5. The REAP was concerned about changes in rail technology negating the proposed underground work done in Phase 1. The TJPA stated that the civil works such as the tunnel are long-lived. Changes may occur in the signals and communications. The tunnel size will be a constant; trains have not changed in size for many decades. Power is likely to stay the same.

The REAP concluded that the operational issues would not prevent the TJPA from doing Phase 1 construction in a way to preserve the option for an underground rail facility.

Draft Funding Plan

	Phase 1		Phase 2	
(in Millions, YOE)	August 2006	November 2007	August 2006	November 2007*
Estimated Cost	**$983**	**$1,189**	**$2,376**	**$2,417**
Sources of Funds:				
SF Prop K	$145	$98	$3	$50
San Mateo Sales Tax	$31	$7		$22
Misc. Local	$6	$8		
Regional Measure 1	$54	$54		
Regional Measure 2	$142	$142	$8	$8
AB 1171	$24	$150	$126	
RTIP	$28	$28		
Land Sales	$165	$411	$195	$424
Federal Earmarks	$65	$64		
TIFIA Loan	$323	$227	$189	$445
Total Revenues	**$983 +**	**$1,189 +**	**$521 +**	**$949 +**
Surplus/(Deficit)	**$0**	**$0**	**($1,855)**	**($1,468)**

* Phase 2 cost estimate based on August 2006 estimate plus transfers from Phase 1. Estimate will be updated in early 2008.

4-SF-80-PM 5.1/5.4
Transbay Transit Terminal
4-400-0435V1
District Agreement No. 4-1981-C

015612

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT ("Agreement") is entered into effective July 11, 2003, by and between the State of California, acting by and through its Department of Transportation ("State"), the City and County of San Francisco, a body politic and a municipal corporation of the State of California ("City"), and the Transbay Joint Powers Authority, a joint powers agency created under California Government Code Sections 6500 *et seq.* ("Authority") in order to facilitate construction of the Transbay Terminal Project as set forth below.

RECITALS

WHEREAS, the State owns and operates the Transbay Transit Terminal ("Transbay Terminal") in the City as a regional transit hub utilized by several transit providers, including the San Francisco Municipal Railway, the Golden Gate Bridge, Highway and Transportation District ("GGBHTD"), the Alameda-Contra Costa Transit District ("AC Transit"), the San Mateo County Transit District, and Greyhound Lines; and

WHEREAS, in January 2001, the *Transbay Terminal Improvement Plan* report of the Transbay Panel of the Metropolitan Transportation Commission ("MTC Report") proposed the "Great Expectations" conceptual design plan for a new multimodal terminal because the existing Transbay Terminal does not meet projected transit operational needs and is in need of significant remodeling or replacement to improve transit services in the San Francisco Bay Area; and

WHEREAS, on October 4, 2002, a draft Environmental Impact Statement, Environmental Impact Report, and Section 4(f) Evaluation ("EIS/EIR") was issued by the City, the San Francisco Redevelopment Agency ("Agency"), the Peninsula Corridor Joint Powers Board, and the Federal Transit Administration for the *Transbay Terminal-Caltrain Downtown Extension-Redevelopment Project* which includes consideration of the Transbay Terminal Project within its alternatives; and

WHEREAS, the State also owns and operates a system of ramps ("Loop Ramps") that connect the Transbay Terminal with the San Francisco-Oakland Bay Bridge ("SFOBB"); and

WHEREAS, the Transbay Terminal and Loop Ramps were constructed as part of the SFOBB in the 1930s; and

WHEREAS, the State owns land adjacent to the Transbay Terminal and Loop Ramps which was formerly occupied by the Terminal Separator Structure ("TSS"); and

WHEREAS, damage from the Loma Prieta Earthquake of 1989 resulted in the demolition of the majority of the TSS, leaving the State with vacant parcels of land; and

WHEREAS, the Agency is a body politic, duly authorized and activated by the City on August 10, 1948, pursuant to the provisions of the California Community Redevelopment Law, California Health & Safety Code Sections 33000 *et seq.*; and

WHEREAS, the Agency and City have established a Transbay Redevelopment Survey Area ("Survey Area") to focus on blight and the feasibility of redevelopment in the area roughly bounded by Mission, Main, Folsom and Second Streets which includes the Transbay Terminal, Loop Ramps, and vacant parcels of State land; and

WHEREAS, the Agency has initiated preparation of a proposed Transbay Project Area Redevelopment Plan for the Survey Area ("Redevelopment Plan") that has identified the potential for a new regional transit terminal and for transit-oriented development on the vacant land within the Survey Area; and

WHEREAS, on April 4, 2001, the City, AC Transit, and the Peninsula Corridor Joint Powers Board created the Authority pursuant to the provisions of California Government Code Sections 6500 *et seq.*; and

WHEREAS, the Authority is authorized to develop, design, and construct and operate a new Transbay Terminal and ramps on the site of the existing structure; and

WHEREAS, the Transbay Terminal Project has the potential to provide expanded bus and rail service and direct access to and from the SFOBB, all of which would be more efficient and convenient for buses, trains, and the passengers utilizing those transit systems; and

WHEREAS, the Transbay Terminal Project has significant potential to ease traffic congestion on City streets and improve traffic flow to, from and on the SFOBB and City streets in and around the Survey Area; and

WHEREAS, the Transbay Terminal Project construction costs will be partly financed by funds generated by the adoption of the proposed Redevelopment Plan; and

WHEREAS, the proposed Redevelopment Plan will be structured to dedicate net tax increment and gross proceeds from sales of the State's vacant TSS and Transbay Terminal parcels to a new Transbay Terminal after adoption of a final Redevelopment Plan; and

WHEREAS, a new multimodal transit terminal which replaces the existing Transbay Terminal could benefit the State and the San Francisco Bay region by providing an improved mass transit hub and potential accommodation of future high-speed rail connections; and

WHEREAS, the State is already in the final bidding process for the West Approach Seismic Safety Project ("WASSP") which will seismically retrofit the West Approach to the

SFOBB, including the Loop Ramps (for purposes of this Agreement, retrofit of the east loop ramp shall be deemed to be an element of the WASSP notwithstanding the fact that some work is being processed as a separate project); and

WHEREAS, the WASSP is one of several separate seismic safety projects being performed by the State on separate elements of the SFOBB, all of which are designed to provide a lifeline connection between the East and West Bay areas in the event of a major earthquake and is critical to public safety and welfare; and

WHEREAS, the State requires use of some of the vacant TSS parcels, Loop Ramp parcels, and space within the existing Transbay Terminal buildings for purposes of construction, construction staging, storage and Resident Engineer offices, Public Information offices, and present and future parking for State operations in San Francisco during and after WASSP construction; and

WHEREAS, a portion of the TSS ("Folsom Leg") will be replaced on a portion of one of the vacant TSS parcels in a manner generally consistent with the plans set forth in the Final Environmental Impact Report and Statement prepared in 1996 to address demolition and/or replacement of the TSS; and

WHEREAS, the construction of the Folsom Leg has been combined with construction of the WASSP for purposes of construction efficiency and associated cost savings; and

WHEREAS, after construction of the WASSP and the Folsom Leg the State will no longer have a transportation need for any remaining vacant TSS parcels in the Survey Area and such parcels will no longer be a necessary part of the operating state highway system; and

WHEREAS, the State has determined that ownership and operation of a regional transit terminal is most appropriately a local or regional function; and

WHEREAS, sale or development of vacant and/or underutilized parcels represents a significant source of potential funding for a new Transbay Terminal; and

WHEREAS, the State is authorized by California Streets and Highways Code Section 30410 to dispose of property, originally acquired for construction of the SFOBB that is no longer needed for State transportation purposes on any terms and conditions deemed appropriate by the Director of the State Department of Transportation, subject to approval by the California Transportation Commission ("CTC"), provided such terms and conditions are in the public interest; and

WHEREAS, the State is authorized by California Streets and Highways Code Section 73 to relinquish to any county or city any portion of any state highway which has been deleted from the state highway system, subject to approval by the CTC; and

WHEREAS, the use of revenues derived from the sale and development of property purchased by the State with gas tax revenues for the Transbay Terminal Project is consistent with Article XIX of the California Constitution; and

WHEREAS, California Streets and Highways Code Section 104.12 authorizes the State to lease its airspace within the right of way of the state highway system; and

WHEREAS, the State wishes to assist local and regional authorities in planning for an improved regional transit hub in downtown San Francisco; and

WHEREAS, the State can assist the City and the Authority in developing financial plans and in implementing planning measures by transferring specified parcels of State-owned property to the City and the Authority for the Transbay Terminal Project, provided that the WASSP costs and construction schedules are protected and that appropriate terms and conditions are applied to any transfers; and

WHEREAS, the parties recognize that if the City, the Authority, or the Agency do not utilize transferred parcels or gross proceeds from their sale solely to fund Capital Costs of a new Transbay Terminal within a reasonable timeframe as set forth in this Agreement, all unsold transferred real property and/or the remaining unexpended gross sale proceeds from all sold transferred real property plus interest on such proceeds at the maximum return available consistent with prudent fiscal management of municipal investments will be returned to the State; and

WHEREAS, the parties wish to set forth their respective obligations with respect to the transfer of property and the development, construction, and maintenance of a new Transbay Terminal and the WASSP; and

WHEREAS, the parcels shown on Exhibit A for transfer to the City are proposed for purposes of development to raise funds for the Transbay Terminal Project, and the parcels shown on Exhibit A for transfer to the Authority are proposed for replacement of the existing terminal facility and replacement or redesign of ramps; and

WHEREAS, the City and Authority would not enter this Agreement unless, within the purview of each party, they retained absolute discretion to: (1) determine the nature, size and scope of any proposed development consistent with the Transbay Terminal Project; (2) determine the nature and configuration of any new Transbay Terminal; (3) exercise the authority to carry out any required environmental review pursuant to state and federal law; and (4) abandon all study and planning efforts and to forego any development effort whatsoever connected with the Transbay Terminal Project; and

WHEREAS, the City, Authority and State understand and agree that gross revenues from existing parking lot leases to be assigned to the City and the Authority under this Agreement are used by the State to fund the Public Transportation Account ("PTA"), a fund in the State Highway Account that is utilized to provide operating revenue to public transit providers; and

WHEREAS, the parties recognize that existing uses on transferred parcels must be maintained in order to protect revenues to the PTA pending imminent site development; and

WHEREAS, the State would not enter into this Agreement without assurance that: (1) construction and completion of the WASSP will be protected and prioritized above the Transbay Terminal Project; (2) a new Transbay Terminal consistent with the Transbay Terminal Project is likely to be constructed for the benefit of the region; (3) all State contributions to the Transbay Terminal Project will be adequately protected; and (4) the City and Authority will continue to fund the PTA by causing the deposit of gross lease revenues into the PTA as set forth herein.

IT IS NOW MUTUALLY AGREED AS FOLLOWS:

I. DEFINITIONS

A. "Transbay Terminal Project" or "New Transbay Terminal" means demolition of the existing Transbay Terminal and construction of a new multimodal transit terminal on the same site as set forth in the MTC Report and as augmented by the Caltrain Extension proposal adopted by the voters of the City as Proposition H in November, 1999, and as supported by the San Francisco Board of Supervisors in Resolution No. 104-01 in February, 2001, by the Alameda-Contra Costa Transit District in Resolution No. 984D in February, 2001, and by the Peninsula Corridor Joint Powers Board in Resolution No. 2001-70 in March, 2001; and

B. "Capital Costs" means expenditures for labor and materials used in the construction of the Transbay Terminal Project, as opposed to items other than labor and materials, such as fixtures, furniture and equipment; administrative costs; professional fees; relocation costs; financing costs and interest paid on permanent and construction loans; taxes and insurance during construction; and marketing, sales, or leaseup costs incurred to achieve occupancy or sale.

C. "Construction Contract Acceptance" or "CCA" means fulfillment of all construction contract obligations (completion of construction) for the WASSP by State's contractor, followed by acceptance of the work by the State, consistent with the terms of the contract.

D. "Operating Right of Way" means real property rights originally acquired for state highway purposes and continuing to be needed for such purposes lying within and directly beneath the drip-line boundary of a state highway or appurtenant ramp facility, and, for purposes of this Agreement, shall exclude property to be occupied by the Transbay Terminal or its ramps except in areas where those structures overlap with the operational boundaries of a state highway or appurtenant ramp facilities. For purposes of any transfer under this Agreement, the term "Operating Right of Way" shall also include, at the State's reasonable discretion, a border extending up to fifteen (15) feet from the drip-line boundary of any highway or ramp facility.

E. "Relocation Easement" means those easements which are of limited duration and are subject to potential relocation as set forth in Section III., Subsections E. and F. of this Agreement.

F. "Project Commencement Date" means the date on which the State has relinquished each and every temporary construction easement and Relocation Easement retained under Section III., Subsections C., E. and F. of this Agreement by (1) filing a Notice of Termination of Temporary Construction Easement with the City's Office of the Recorder, with a copy of the recorded Notice to the City, and by (2) delivering to City or Authority executed, and recorded quitclaim deeds extinguishing all such easement rights.

G. "Project Completion Date" means that date which is eight (8) years from the Project Commencement Date, taking into account any Permitted Delays as defined in Section III., Subsection H. below.

H. "State-owned Parcels" means certain State-owned property identified on Exhibit A, attached hereto and made a part hereof, together with all improvements and fixtures located on that real property, and any and all rights, privileges, and easements incidental or appurtenant thereto, including, without limitation, any and all development rights, air rights, subsurface mineral rights, easements, rights of way, or other appurtenances used in connection with the beneficial use and enjoyment of the real property, and further including any and all right, title, and interest in and to all roads and alleys adjoining or servicing the real property.

I. "Gross Sales Proceeds" means proceeds from the conveyance of State-owned Parcels from City, Authority or Agency to a third party, which proceeds are the result of City, Authority or Agency's good faith effort to obtain the fair market value from such third party for such State-owned Parcels, in light of applicable laws.

II. TRANSFER OF STATE-OWNED PARCELS

A. Transfer to City. Promptly and in no event later than one hundred twenty (120) days after City's written notice to State that the Federal Transit Administration has issued a Record of Decision on the EIS/EIR for the *Transbay Terminal - Caltrain Downtown Extension - Redevelopment Project*, together with a copy of said Record of Decision, State shall transfer to City all of State's right, title and interest in and to the State-owned Parcels designated as parcels A",B,C",I",M,N',O',O",P,P',Q,R, and S, as more particularly described in Exhibit A attached hereto and made a part hereof, together with any and all rights, privileges, and easements incidental or appurtenant thereto, excepting all reservations of easements for the benefit of the State as set forth in this Agreement. Transfers shall occur through execution and recordation of a Director's Quitclaim Deed by the Director of Transportation of the State of California or his designee in a form substantially similar to the document attached as Exhibit B. City agrees to accept all transferred parcels "as-is," subject to the terms and conditions of all existing written leases and written related agreements, whether recorded or unrecorded, copies of which shall be provided by State to City no later than the date of transfer of parcels, and the State shall in no event be responsible for any protected cultural items, human remains, or hazardous materials (the "Hazardous Materials" as defined in federal, state and local laws, ordinances, rules and regulations in any way regulating issues focused on human health or safety and industrial hygiene and pertaining to the protection of the environment or the pollution or contamination of the air, soil, surface water or groundwater) discovered on said State-owned Parcels except to the extent caused or contributed to by State, its agents, representatives, contractors, lessees, permitees, licensees or others acting under State authority after the effective date of this

Agreement. City's title shall be subject to the State's Power of Termination as set forth in Exhibit B.

B. Transfer to Authority. Promptly and not to exceed one hundred twenty (120) days following Authority's written notice to State that it is ready to accept conveyance of the State-owned Parcels, and provided that the City has given the written notice of issuance of a Record of Decision under Section II., Subsection A., State shall transfer to the Authority, all of State's right, title and interest in and to the State-owned Parcels designated as parcels A',C,D,E,F,G,H',I,N,O,P", and T as more particularly described in Exhibit A attached hereto and made a part hereof, together with any and all rights, privileges, and easements incidental or appurtenant thereto, excepting all reservations of easements for the benefit of the State as set forth in this Agreement. Authority may issue multiple notices, each one for conveyances of fewer than the total number of State-owned Parcels. Transfers shall occur through execution and recordation of a Director's Quitclaim Deed by the Director of Transportation of the State of California or his designee in a form substantially similar to the document attached as Exhibit B. Authority agrees to accept all transferred parcels "as-is," subject to the terms and conditions of all existing written leases and written related agreements, whether recorded or unrecorded, copies of which shall be provided by State to Authority no later than the date of transfer of parcels, and the State shall in no event be responsible for any protected cultural items, human remains, or hazardous materials (the "Hazardous Materials" as defined in federal, state and local laws, ordinances, rules and regulations in any way regulating issues focused on human health or safety and industrial hygiene and pertaining to the protection of the environment or the pollution or contamination of the air, soil, surface water or groundwater) discovered on said State-owned Parcels except to the extent caused or contributed to by State, its agents, representatives, contractors, lessees, permitees, licensees or others acting under State authority after the effective date of this Agreement. Authority's title shall be subject to the State's Power of Termination as set forth in Exhibit B.

C. Assignment of Leases. On the date of recordation of each Quitclaim Deed under Section II., Subsections A. and B., the State shall transfer all right, title and interest in and to existing leases on State-owned Parcels to the City or the Authority as applicable, except on those portions of the State-owned Parcels where the State will retain fee ownership as set forth in Section III., Subsection A. of this Agreement. The State will assign said leases by executing an "Assignment of Lease" in the form attached hereto as Exhibit C, which is made a part hereof, at the time of each transfer. With respect to all leases so assigned, the City and Authority agree to the following:

1. All gross lease revenues received by City and Authority shall be remitted to the State for deposit in the PTA for the terms of the leases;

2. City and Authority shall provide updated copies of all lease agreements to the State as part of the semi-annual audit set forth in Section IV., Subsection A.

3. City and Authority shall only terminate or fail to renew the subject leases (a) for cause or, (b) for imminent (construction within 90 days) construction and development of the property for purposes of the Transbay Terminal Project, or, (c) for imminent (sale within 90 days) development to create funding for the New Transbay Terminal. In the event the lease is not renewed or is terminated for cause, or the premises subject to the lease otherwise becomes unoccupied, City and Authority shall use good faith, diligent efforts to enter into a new lease

with another party for substantially the same leasehold area on substantially the same terms and conditions, subject to termination under clauses (b) and (c) of the preceding sentence, and the City or Authority shall remit all gross lease revenues received under such new lease to the State in the same manner as the original lease.

4. Upon lease termination as permitted under clauses (b) and (c) of Section II., Subsection C.3. above, the State shall have no further right to any revenue from the formerly leased property.

5. City or Authority shall use their good faith, diligent efforts to reinstate any leasehold uses which are temporarily suspended by the State pursuant to its temporary construction easements as set forth herein, upon termination of such easements, until such time as the lease may be terminated as provided in Section II., Subsection C.3. above. Leasing and reinstatement efforts shall be in accordance with procedures set forth in Chapter 11 of the Caltrans Right of Way Manual, except that City or Authority shall offer displaced tenants first right to reoccupy only if the new use is the same as the previous use. All gross lease revenues collected by City or Authority from such reinstated leases on the transferred parcels shall be remitted to the State for deposit in the PTA.

6. If City transfers any ownership interest in any State-owned Parcels to Agency or Authority, or if Authority transfers any such interest to the City or Agency, the transfer must bind City, Agency or Authority to accept all parcels as-is (as set forth in Section II., Subsections A. and B. above), to accept assignment of leases (as set forth in Section II., Subsection C. above), to accept all relocation obligations set forth in Section III., Subsections E. and F. below, to accept the prohibition of Transfer of Development Rights set forth in Section III., Subsection

J. below, and must contain a Power of Termination as set forth in Section II., Subsections A. and B. above and Section III., Subsection G. below, all for the benefit of the State.

D. State Limitation on Leases. From and after execution of this Agreement until the date of transfer of title provided herein, State agrees that it shall not enter any new leases, extend any existing leases, or otherwise encumber any State-owned Parcels for a term of more than one year unless the State has a legally binding obligation, existing as of the date of execution of this Agreement to enter into such leases or lease extensions, and the State has disclosed such obligation(s) to City and Authority in writing on or before the date of execution of this Agreement. Such new leases and lease extensions shall be subject to Section II., Subsection C. above. All new leases(s) or lease extension(s) shall utilize State's standard form of lease agreement and include legally enforceable tenant waivers of relocation assistance in a form substantially similar to Exhibit E, attached hereto and made a part hereof.

III. LIMITATIONS ON TRANSFER. All transfers to City and Authority shall be subject to the following limitations:

A. State Fee Retained. State shall retain fee ownership for all portions of the State-owned Parcels which will remain part of the Operating Right of Way for Interstate Route 80, including all appurtenant ramps, after completion of CCA of the WASSP, as shown on Exhibit A.

B. Ramp Easements. With respect to State owned operating right of way adjacent to parcels A' and I, the State will convey any necessary easements to the City or Authority for purposes of construction, maintenance and operation of any ramps associated with the New

Transbay Terminal. Said conveyance will occur within 180 days from the date of submission of a request by the City or Authority to the State for the issuance of such an easement, and said easement will be issued subject to all reasonable terms and conditions deemed necessary by the State and the California Transportation Commission for the protection, operation and maintenance of adjacent State highways or ramps. Any request for such an easement must be accompanied by all necessary design information, as determined by the State.

C. Temporary Construction Easements. State shall retain temporary construction easements over parcels A',A",C,C",D,H',I,I",N,N',O,O",P',P",Q, and S, shown on Exhibit A, together with all necessary rights of access, for the purpose of constructing the WASSP and for operation of the Loop Ramps prior to retrofit or demolition. Said temporary construction easements shall terminate immediately upon CCA of the WASSP. The State shall record a Notice of Termination of Temporary Construction Easement in the office of the County Recorder within sixty (60) days of Construction Contract Acceptance and provide City with a conformed copy of the recorded Notice. City or Authority may request early termination of easements on parcels D,N,N',O,O",P', and P" related to retrofit of the east loop ramp provided that the request will not unduly delay completion of the WASSP. Early termination will be at the discretion of the State. All temporary construction easements, with the exception of any temporary construction easement on Parcel D, shall require the State to remove all construction equipment, materials and debris and return the site to a smoothly paved surface prior to recording any Notice of Termination.

D. Legal Office Parking Easement. State shall retain an easement over a portion of Parcel E shown on Exhibit A for twenty-eight (28) reserved, covered parking spaces in the New

Transbay Terminal garage for use at no cost by the State Department of Transportation Legal Office for so long as the Department's Legal Office remains in San Francisco. In the event said easement is temporarily unusable due to activity associated with the Transbay Terminal Project, comparable temporary alternate parking within one-half mile of the easement area will be provided by the City and/or Authority at no cost to the State.

E. Terminal Offices Relocation Easements – (Public Information and Resident Engineers). The State is currently using 1,400 square feet on a portion of Parcel T, shown on Exhibit A, for office space, and 12,000 square feet of Parcel D, shown on Exhibit A, for office space, including eighty (80) parking spaces. Transfer of these parcels will be subject to these existing uses until thirty (30) days after CCA of the WASSP for Parcel T, and 180 days after CCA of the WASSP for Parcel D and the State will reserve a Relocation Easement for such uses upon transfer. If City or Authority wish to relocate the State from Parcel T or Parcel D prior to 30 days and/or 180 days after CCA of the WASSP, respectively, then City or Authority shall provide State, at City's or Authority's sole expense, replacement office and contiguous parking facilities within one-half mile of existing facilities meeting State's reasonable approval as being functionally equivalent, with all tenant improvements, utilities, furniture, machinery and equipment in place, fully operational and ready for State's immediate occupancy and uninterrupted use until thirty (30) days after CCA of the WASSP for Parcel T and 180 days after CCA of the WASSP for Parcel D. Upon the sooner of relocation in accordance with this provision, or the above-referenced number of days after CCA of the WASSP, State shall execute, acknowledge and deliver to City or Authority quitclaim deeds extinguishing all easement rights to Parcel T and Parcel D.

F. Trailer Offices – Relocation Easement (Resident Engineers). The State is currently using 12,036 square feet of office space in temporary trailers and eighty (80) parking spaces for WASSP Resident Engineers on a portion of Parcel P shown on Exhibit A. The State will reserve a Relocation Easement for these uses which will expire 180 days after CCA of the WASSP. If City or Authority wish to relocate the State from Parcel P prior to 180 days after CCA of the WASSP, then City or Authority shall provide State, at City's or Authority's sole expense, replacement office and contiguous parking facilities within one-half mile of existing facilities meeting State's reasonable approval as being functionally equivalent, with all tenant improvements, utilities, furniture, machinery and equipment in place, fully operational and ready for State's immediate occupancy and uninterrupted use until 180 days after CCA of the WASSP. Upon the sooner of relocation in accordance with this provision, or 180 days after CCA of the WASSP, State shall execute, acknowledge, record and deliver to City or Authority a quitclaim deed extinguishing all easement rights to Parcel P.

G. State Power of Termination. The State shall retain a Power of Termination, in substantially the form set forth in Exhibit B, attached hereto, over every transferred parcel to assure that the City and Authority develop and operate the New Transbay Terminal by the Project Completion Date defined herein. The Power of Termination shall survive the Agency's exercise of any option to take a parcel from the City or the Authority. When the City, Authority or Agency subsequently sells any parcel for development, the Power of Termination on a particular parcel shall expire upon deposit of all Gross Sales Proceeds defined herein associated with the sale of a particular parcel into a trust account ("Trust Account") accessible only by the Authority for purposes of paying Capital Costs associated with the development of the New Transbay Terminal and access ramps. Concurrently with its deposit of a quitclaim deed to a

State-owned Parcel into escrow, the State shall execute, acknowledge and deposit into escrow a Relinquishment of the Power of Termination in substantially the form of Exhibit D hereto. The Trust Account shall be administered by a commercial or professional escrow agent and shall be interest bearing. Trustee shall be instructed to obtain the maximum return available consistent with prudent fiscal management of municipal investments. In the event the New Transbay Terminal facility is not constructed or operational, as set forth below, by the Project Completion Date for any reason other than a Permitted Delay, as defined in Section III., Subsection H. below, the State may exercise any unexpired Power of Termination and may take all monies in the Trust Account. The Power of Termination for every parcel transferred from State to City or Authority shall expire and the escrow agent shall be instructed to record the Relinquishment of Power of Termination as follows:

1. With respect to each State-owned Parcel or portion thereof transferred from City, Agency or Authority to a third-party, thirty (30) days from the date that the City, Agency or Authority provides written notice to the State of (i) the terms of the transfer and (ii) that the required deposit into the Trust Account (as set forth in this section) has occurred, provided that the State has not filed an objection within the thirty-day period. In any case where the State has filed an objection to recordation, the escrow agent may record appropriate documents upon receipt of notice that objections have been removed.

2. With respect to all other State-owned Parcels transferred from State to City or Authority, upon the sooner of (i) thirty (30) days from the date the Authority provides written notice to the State of the passing of the Project Completion Date unless the State has filed a written notice objecting to recordation with the agent, City, Agency and Authority, or (ii) thirty

(30) days from the date that the City or Authority provides written notice to the State that actual passenger bus service has commenced at the New Transbay Terminal constructed on the site of the existing terminal, provided that the State has not filed an objection within the thirty-day period set forth in 2(i) above and this paragraph. In any case where the State has filed an objection to recordation, the escrow agent may record appropriate documents upon receipt of notice that objections have been removed.

H. Permitted Delays. Except for acts or conditions caused by City or Authority, the Completion Date shall be extended:

1. For the length of the applicable construction contract extension, upon State's receipt of written notice prior to the Completion Date and within sixty (60) days of the date that an extension is granted to the contractor, that City or Authority have determined that a construction contractor on the Transbay Terminal Project or its access ramps is legally entitled to a delay of work for force majeure under the terms of the construction contract; or

2. For the length of time that State, in its sole discretion, determines should be granted to City or Authority to complete the Transbay Terminal Project for any other reason.

I. Tax Increment. The City covenants that all Net Tax Increment (defined below) generated from the development of State-owned Parcels, shall be provided to the Authority to use for any costs associated with the construction and design of the New Transbay Terminal and access ramps. As used in this Agreement, the term "Net Tax Increment" means all property tax increment revenues attributable to the State-owned Parcels allocated to and received by Agency, but specifically excluding therefrom the following: (i) charges for County administrative charges, fees, or costs; (ii) the portion of the tax increment revenues that Agency is required by law to set-aside in Agency's Affordable Housing Fund, pursuant to the Community Redevelopment Law; (iii) a portion of the tax increment revenues equal to the percentage of such revenue that Agency is required to pay to all governmental entities as required by the Community Redevelopment Law; and (iv) the portion of the tax increment revenues equal to the percentage of such revenues that the State may mandate Agency to pay from time to time in the future, including, for example, any payments which Agency may be required to pay to the Education Revenue Augmentation Fund pursuant to Section 33681 *et seq.* of the Community Redevelopment Law.

J. Transfer of Development Rights. Prior to relinquishment of the State's Power of Termination on a particular State-owned Parcel, City, Agency and/or Authority shall not transfer development rights separately from title to any State-owned Parcel, and all such development rights shall run with the land.

IV. MISCELLANEOUS PROVISIONS

A. Audit Provision. City and Authority shall provide the Department with semi-annual audit level reports prepared by a reputable independent accounting firm in accordance with Generally Accepted Accounting Principles (GAAP) covering all business transactions related to the Trust Account and all lease revenue associated with Section II., Subsection C. State reserves the right to inspect, upon reasonable notice, all records of City and Authority relating to the Transbay Terminal Project.

B. California Environmental Quality Act/California Register. City and Authority will not make any substantial physical modifications to any State-owned Parcels or transfer any ownership interests in any State-owned Parcels, prior to appropriate environmental review and approval pursuant to the provisions of the California Environmental Quality Act and the California Register.

C. Airspace Leases to GGBHTD and Authority. The State shall lease State-owned Parcels J and K shown on Exhibit A to the GGBHTD and the Authority respectively, for purposes of bus staging and parking, for a period not to exceed 99 years, at a rate to be determined by the State pursuant to Streets and Highways Code Section 104.12 with input from the Airspace Advisory Committee of the California Transportation Commission, subject to all terms and conditions deemed reasonably necessary by the State for the protection, operation, maintenance and potential reconstruction of all State Highway facilities located within the leasehold area. Said leases shall be executed in time to commence upon the Project Completion Date or, if sooner, by the date passenger bus service commences at the New Transbay Terminal.

D. Indemnity (City). City and Authority will indemnify, defend and hold State harmless from any and all claims, losses, damages, suits, penalties, costs, expenses or liabilities (hereafter "Loss" or "Losses"), including, but not limited to, reasonable investigation costs, remediation costs, witness fees, and attorney's fees, excluding consequential damages, which arise out of or are connected with the actions of City, or Authority or their agents during any entry to or possession of the State-owned Parcels, including those State-owned Parcels for which State retains its temporary construction easements and leasehold rights, pursuant to the terms of this Agreement, or which Losses arise from City's or Authority's possession of the transferred

State-owned Parcels, except to the extent such Losses are caused or contributed to by the State, its agents, representatives, contractors, lessees, licensees, permitees or others acting under State authority.

E. Indemnity (State). Except to the extent Losses are attributable to City's or Authority's actions or ownership, State will indemnify and hold City and Authority harmless from any and all Losses, including claims or injury or death or damage to property, but excluding consequential damages, which are claimed or filed against City or Authority by virtue of State's ownership of the State-owned Parcels and which result from any event (excluding Hazardous Materials spilled, generated or discharged except to the extent caused or contributed to by State, its agents, representatives, contractors, lessees, licensees, permitees or others acting under State authority after transfer of the State-owned Parcels to City or Authority) occurring before recordation of the Deed relating to the State-owned Parcel on which the Loss occurred, and any and all Losses arising out of or connected with any actions of the State its agents, representatives, contractors, lessees, licensees, permitees or others acting under State authority during the State's use or possession of any State-owned Parcel pursuant to any easement or leasehold, regardless of whether the State has recorded any quitclaim deed or notice of termination of easement.

F. Amendments. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

G. Maintenance of the Property. Between the date of execution of this Agreement and the date a deed for a particular State-owned Parcel is recorded, the State shall maintain that property in good order, condition and repair, reasonable wear and tear excepted and, except as otherwise provided herein, shall perform all work reasonably required to be done by the landlord under the terms of any lease and shall make all repairs, maintenance and replacements and otherwise operate the property in the same manner as if State were retaining said property for operating purposes.

H. Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one day after being deposited with a reliable overnight courier service, or (iii) five (5) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

For State –

State of California
Department of Transportation
P. O. Box 23440
Oakland, CA 94623-0440
Attention: Deputy District Director
Right of Way

State of California
Department of Transportation
Legal Division
P.O. Box 7444
San Francisco, CA 94120
Attention: Deputy Chief Counsel

For City –

Director of Economic Development
City and County of San Francisco
Room 448, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

For Authority –

Secretary
Transbay Joint Powers Authority
Room 448, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

I. Approval by City. Notwithstanding anything to the contrary contained in this Agreement, this Agreement and any obligation or liability of City hereunder is contingent upon approval of this Agreement and the transactions contemplated hereby by City's Board of Supervisors and Mayor, which they may give or withhold in their sole discretion.

J. Approval by Authority. Notwithstanding anything to the contrary contained in this Agreement, this Agreement and any obligation or liability of Authority hereunder is contingent upon approval of this Agreement and the transactions contemplated hereby by the Authority Board of Directors, which they may give or withhold in their sole discretion.

K. Approval by State. All of the State's obligations hereunder are contingent upon the approval of the California Transportation Commission, consultation with the State's Historic Preservation Officer, and all of State's obligations other than the obligation to transfer the State-owned Parcels to the City and Authority are also subject to the passage of annual State Budget Acts funding this process and budget capacity to expend funds allocated to State.

L. Severability. If any provision of this Agreement is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of the Agreement, and the remaining portions of this Agreement shall continue in full force and effect.

M. Interpretation. In the event of any ambiguity in this Agreement concerning transfer of any State-owned Parcel, or the relinquishment, termination or expiration of any easement or Power of Termination, this Agreement shall be interpreted in the manner most protective of the construction and completion of the WASSP.

N. Merger of Prior Agreements. This Agreement, including the attached exhibits, constitutes the complete and exclusive statement of the subject matter of this Agreement, and supersedes all negotiations or previous agreements between or among the parties with respect to all or any part of the terms and conditions contained herein. No extrinsic evidence of any kind (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial or administrative proceeding to contradict or vary the terms of this Agreement.

District Agreement No. 4-1981-C

015612

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

JEFF MORALES
Director of Transportation

By:
BIJAN SARTIPI
District Director

Approved as to form and procedure:

Attorney
Department of Transportation

Certified as to budgeting of funds:

District Budget Manager

Certified as to financial terms
and conditions:

Accounting Administrator

CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN
Mayor

Recommended:

By:
Director of Property

Approved:

Clerk of the Board of Supervisors

Approved as to form:

DENNIS J. HERRERA
City Attorney

By:
Deputy City Attorney

TRANSBAY JOINT POWERS AUTHORITY

By:
MARIA AYERDI
Executive Director

TJPA
TRANSBAY JOINT POWERS AUTHORITY
Maria Ayerdi • Executive Director

November 5, 2007

Mr. Robert Chung
Deputy Director
California Transportation Commission
1120 N Street (MS-52)
Sacramento, CA 95814

Dear Mr. Chung:

On September 7, 2007 you provided us with the California Transportation Commission Real Estate Advisory Panel's (REAP) information request and questions regarding the Transbay Transit Center Program. The REAP's information request and questions were based on the TJPA's presentation to the Panel on July 18, 2007.

Enclosed are three documents responding to the September 7th request:

- Answers to the REAP questions
- Summary of Land Valuation Projections for State-Owned Parcels
- Summary of Tax Increment Projections for State-Owned Parcels

We look forward to providing a brief update of the project and funding plan and answering any additional questions about the Transbay Program at the November 14, 2007 REAP meeting. Please contact me at 415-597-4620 if you need any further information.

Very truly yours,

Maria Ayerdi
Executive Director

Enclosures

201 Mission Street, Suite 1960, San Francisco, CA 94105 • 415.597.4620 • transbaycenter.org

TRANSBAY JOINT POWERS AUTHORITY
Maria Ayerdi • Executive Director

TRANSBAY JOINT POWERS AUTHORITY

RESPONSE TO

CALIFORNIA TRANSPORTATION COMMISSION REAL ESTATE ADVISORY PANEL

QUESTIONS AND REQUESTS

November 5, 2007

Question 1: What is the current view of the Governor and the Legislature now, in 2007?

The Governor strongly supports improving the State's air quality, alleviating traffic congestion, and building new housing, all of which the Transbay Project provides. AB 32, which has been endorsed by Governor Schwarzenegger, sets an aggressive target of reducing the State's greenhouse gas emissions to 1990 levels by the year 2020. Transit oriented development projects such as the Transbay Project are essential if the State is to reach this goal. The Transbay Project will permit commuters to abandon their cars in favor of public transit and reduce the length and number of vehicle trips by increasing the supply of affordable housing close to employment, shopping, and other amenities. The Transbay Project will create 3,460 new housing units in Downtown San Francisco, 35 percent of which will be affordable. Moreover, the Legislature has always been supportive of the Transbay Project, as evidenced by the bills passed in support.

The rationale for transferring the properties was to renovate this part of the regional transportation system and to redevelop that part of San Francisco. If the properties were transferred to the San Francisco Redevelopment Agency, it also would remove the state's burden of the maintaining and/or rehabilitating the existing structures.

Question 2: What are the current costs and projected costs for rehabilitating the structures? How much of the lands are actually under the structures, and how much is separate and could be used for alternative activities?

Renovation of the existing Transbay Terminal was studied by the Office of the State Architect (OSA) in 1992. That study identified major deficiencies in code compliance, operational function and appearance. The OSA study developed a "minimum recommended project", a plan to address only the most basic deficiencies. The OSA viewed this plan as "…an interim solution …" and noted, "*The best interest of the public would be served by the demolition of the existing facility and its replacement with a new facility*".

The OSA study provided an advance-planning estimate of $63 million for work necessary to implement this basic plan. After completion of the OSA study, some seismic retrofit work was completed as well as basic ADA upgrades to restrooms and fountains. The seismic retrofit work was designed to provide protection for moderate earthquakes.

In 1998, new regional efforts were underway to consider replacement of the Transbay Terminal. The Department estimated that the remaining basic deficiencies would cost $35 million to address. This estimate remained based on the 1992 OSA analysis – no updates were prepared. The Department deferred implementation of remaining elements of the OSA basic plan as it appeared prudent to avoid further expenditures in the event a plan for a new terminal was developed by the region. Escalated to current dollars, the cost of the remaining basic work from the 1992 OSA plan would be in the range of $50 million in 2007 dollars.

Actual costs will be well in excess of this amount for several reasons. First, the estimate remains an advance-planning estimate. Second, building and seismic code requirements have substantially changed (increased) since1998. Finally, the ADA was new at the time of the 1992 OSA estimate (the ADA was passed in 1990) and has substantially expanded in scope since 1992. Additional work beyond the OSA basic plan would be required to increase/improve functionality and aesthetics of the existing Transbay Terminal. No estimates have been prepared by the Department for such work.

If the Department maintained ownership of the Transbay Terminal, seismic retrofit of the East Loop ramp into the terminal would be required. The scope of this work was included in the original scope of the Sam Francisco-Oakland Bay Bridge West Approach Seismic Safety Project. The estimated cost of the retrofit in place for the East Loop ramp is $20 million. This is in addition to the $50 million discussed above. These costs would address only the basic deficiencies. They would not address future bus operation demands and would make no provision to bring rail to the Transit Center.

The attached exhibit map displays the locations of State-owned parcels and their relationship to highway structures. Properties not under structures will be developed for housing as part of the San Francisco Redevelopment Plan only if the Transbay Transit Project moves forward.

Question 3: Clarify the agreement between Caltrans and the TJPA. Several questions were raised concerning what happened if the project failed. Would the properties and the liabilities come back to the state? (Based on the responses at the July meeting, the answer is no. The liabilities remain with the TJPA or the City and County of San Francisco.) TJPA and Caltrans please verify your responses.

Under Section III.G of the Cooperative Agreement among Caltrans, the TJPA, and the City and County of San Francisco (City), entitled "State Power of Termination," and under Exhibit B to the Cooperative Agreement entitled "Form of Director's Deed & State Power of Termination," if the Transbay Program is not completed, Caltrans Parcels transferred to the TJPA, the City, or the San Francisco Redevelopment Agency and not sold to a third party will revert to Caltrans. The proceeds from the sale of Caltrans Transfer Parcels to a third party will be deposited into a trust account for use for capital (construction) costs for the Transbay Program. If the Program is not completed, any unused funds will revert to Caltrans.

The TJPA has sole responsibility for the design, construction, operation, and maintenance of the Transbay Transit Center and Caltrain Downtown Extension. Because the TJPA and City will not use Caltrans Transfer Parcels to secure any obligations of the Program, and mechanics liens cannot be imposed on public property, the State of California would have no liability for the TJPA's obligations if the Program were not completed and Caltrans Transfer Parcels revert to the State.

The only potential exposure to the State that was identified during development of the cooperative agreement was the highly unlikely event that the new terminal project would be partially constructed but not completed and the State would have to take back the partially constructed facility. This was dealt with by the Cooperative Agreement in two ways. First, the property could only be transferred from the State to the TJPA and City and County of San Francisco after the issuance of a Record of Decision (ROD) by the Federal Transit Administration (FTA) for the new terminal project. Federal law requires FTA to make a formal finding that there is a reasonable probability of full funding for the proposed project before it can issue a ROD. Second, the reversionary interest created in favor of the State is not automatic - the State can choose not to take back the property if it believes it would not be in the best interest of the State to assume ownership.

Question 4. What are the bases for the assumptions? Every major project (i.e. Bay Bridge, etc.) seems to have massive overruns.

The TJPA has implemented a number of project control procedures to contain costs and ensure that the program will be delivered within the established estimate.

Change Management

One of the keys to good project cost performance is the implementation of a budget control system. Increases in project cost are frequently the result of incorporating many smaller successive changes during design, a condition known as "scope creep". Controlling scope creep means identifying potential changes early, evaluating their estimated cost, and controlling the sum of all changes within a contingency budget.

The TJPA has adopted a Change Management Procedure to identify changes during the design process that will materially affect the project budget. The procedure requires the design team to identify and formally submit to the TJPA for approval any changes during the course of design that will increase the design and construction costs of the project. This will allow the TJPA to evaluate the changes and decide in a timely manner whether to incorporate them into the project. Where the TJPA elects to proceed with changes or the changes are mandated by code or driven by external economic factors, it will allow the TJPA and the designers to evaluate options for mitigating the impacts of the change as early and economically as possible. Mitigation could include changing or eliminating a different element of the design to offset cost increases.

In addition to tracking changes during the course of design, multiple detailed estimates will be prepared as the design progresses to ensure that construction costs are not exceeding our budget. Our architectural and engineering design consultant for the Transit Center Building and other major construction projects will be contractually required to prepare a minimum of six complete detailed estimates during the course of the Schematic Design, Design Development and Construction Document phases.

The TJPA will engage a contractor or cost estimating consultant to provide additional, entirely independent estimates during the course of design. Each estimate prepared by the design firm and the 'third party' estimator will be reviewed by the estimating consultant responsible for preparing the estimates in the Baseline Budget. Any significant differences between the progress estimates and the Baseline Estimate will be reconciled as the design progresses to keep the total cost within the Baseline Budget.

Risk Management

In developing the Baseline Budget it was important that the TJPA consider the range of issues that might arise that would change our estimating assumptions and significantly change costs. The TJPA has engaged Golder Associates to conduct a Risk Analysis for both the Transit Center and Rail Extension components of the program to identify potential changes or circumstances that could increase the cost of the project or delay its completion.

The identified issues included regulatory, scope, technical, inflationary, and other potential impacts. The TJPA is preparing a Risk Mitigation Plan to track and control these potential problems and to minimize their impact should they occur, but we are also carrying in our estimate a Risk Valuation on the assumption that not all of these conditions will be avoidable.

This exercise has proved to be very successful in controlling outcomes in past projects and is similar to the efforts currently being performed by Caltrans on the Caldecott Tunnel Project to identify and control the scope and cost of that project.

Estimate Verification

The recently concluded Design & Development Competition required each bidder to submit a construction cost for their proposal verifying that their concept for the Transit Center Building could be constructed within the TJPA's construction estimate. Although the three teams presented widely differing design concepts, their independent estimates verified that their proposals could be constructed within the current budget. With the TJPA estimate prepared prior to the cost estimate, these four independent estimates demonstrate that the budget prepared by the TJPA is a highly reliable budget for the cost to construction of the Transit Center Building and that the budget will encompass a wide range of design alternatives and solutions as the project progresses.

Major Projects without Cost Overruns

Although there are examples of projects that have experienced significant cost overruns in the past, there are many recent examples of well-executed mega-projects, completed on schedule and within budget. Members of the TJPA's Program Management/Program Controls team for the Transbay Transit Center Program and the design team for the Caltrain Downtown Extension (DTX) have direct professional experience on the projects described below:

- Sheppard Subway, Toronto. A $945 million subway extension comprising a 4-mile-long, twin tunnel subway extension in Toronto including five stations. After eight years in the works, the subway opened in November 2002, both within its budget and with a remarkable record of safety.

- LA Metro Red Line North Hollywood Extension. A $1.323 billion subway extension comprising a 3-mile-long, twin tunnel subway through the Santa Monica Mountains and two major urban stations. The project was delivered $100 million under budget and 6 months ahead of schedule.
- Hiawatha Light Rail Transit. A 12-mile-long, $715.3 million light rail system in Minneapolis, Minnesota's largest-ever public works project. The line went into full service in December 2004, on budget and one month ahead of schedule.
- The Transportation Expansion (T-REX) Project, which added 19 miles of light rail and improved 17 miles of highway through the southeast Denver area. The $1.67 billion construction project began in fall 2001 and finished on time and within budget in 2006.

The change, risk and cost control procedures adopted by the TJPA should ensure that the Transbay Transit Center Program replicates the success of these projects.

BASIS OF COST ESTIMATE

The cost estimate prepared by the TJPA is based upon well developed design concepts and well researched material costs and labor rates. Our budget includes appropriate contingencies and reserves consistent with the level of design development to ensure that the program will be delivered within the overall program budget.

Cost Estimate Organization

The construction estimate in our Baseline Budget was prepared according to the UNIFORMAT II Classification of Building Elements. A separate summary in the MASTERFORMAT 16 Division (CSI) format was also prepared by coding each line item appropriately. The intent is to continue to use the UNIFORMAT II Classification during conceptual and preliminary design, and switch to the MASTERFORMAT Classification during final design.

Scope – Transbay Transit Center Building

Quantities of bulk construction materials were determined by direct take-off from concept drawings prepared by HOK. These include:

- Caissons
- Excavation
- Structural Steel
- Concrete
- Roofing
- Stairs
- Doors
- Curtain Wall
- Partitions
- Floor, Wall, & Ceiling Finishes
- Conveyances
- Plumbing
- HVAC
- Fire Protection
- Electrical Distribution
- Lighting
- Communication & Security Systems
- Site Preparation & Site Improvements

Allowances were added for items to be included but not specified on the drawings. These include:

- Soil Testing
- Building Demolition
- Hazardous Component Abatement
- Utility Relocations

Scope – Caltrain Downtown Extension

Quantities of bulk construction materials were determined by direct take-off from concept drawings prepared by Parsons. These include:

- Excavation Shoring
- Excavation/Disposal
- Temporary Traffic Decking
- Steel – Structural and Bar Reinforcement
- Concrete
- Shotcrete
- Formwork
- Waterproofing
- Backfill
- Road & Sidewalk Demolition/reinstatement
- Track
- Platforms
- Canopies
- Overhead Contact System
- Signals
- Communications Systems
- Drainage
- Plumbing
- Fire Suppression
- Ventilation
- Power Supply & Distribution
- Lighting
- Security Systems
- Elevators & Escalators
- Finishes
- Wayfinding

Allowances were also included for other items not currently specified on drawings, including the following:

- Building Demolition
- Hazardous Materials Disposal
- Utility Relocations
- Temporary support of MUNI Central Subway Trackwork at 4th and Townsend Streets
- Historic Building façade preservation
- Project Artwork
- Environmental Mitigation

Pricing

Pricing for installation of bulk construction commodities was based on “all in” rates that include material, labor and subcontract overhead and profit and were provided by different estimating consultants working in the Bay Area market. The rates used come from databases that are continually updated from information obtained from contractors and subcontractors for similar types of work. Certain specialty items such as the foundation slurry walls not typically included in the pricing database were priced through direct contact with contractors specializing in that type of work.

Design Contingency

In addition to the direct costs calculated from the quantity and pricing development mentioned above, a Design Contingency was calculated and included in the Total Cost of Construction. The Design Contingency is an estimator's reserve for design development not clearly indicated on the conceptual design drawings. The values were calculated based on FTA guidelines shown below:

- Demolition and Earthwork – 35%
- Hazardous Materials Removal and Disposal – 25%
- Site Utilities – 25%
- Station Building, Site Work and Systems – 20%

Project Professional Services

- Design Fees were calculated as a percentage of the Total Cost of Construction as follows:
    - Transit Center – 12.4%
    - Temporary Terminal, Bus Storage, Bus Ramps – 15%
    - Caltrain Downtown Extension – 7%
- Construction Management Fees were calculated as 7.5% of Total Cost of Construction.
- Owner's Cost (project direct fees and services not included elsewhere) were identified, and separate allowances provided.

Construction Contingency

Construction Contingency was calculated as 10% of the Total Cost of Construction to cover the cost of change orders during construction.

Right-of-Way Acquisition

Right-of-Way Acquisition cost was calculated based on preliminary planning level estimates and the actual cost of the first parcel acquired.

Program-wide Costs

- PMPC Services were calculated based on the required staffing level and the schedule duration.
- TJPA Administration was calculated based on the TJPA Annual Budget Forecast.
- Other Professional Services were calculated based on the TJPA Annual Budget Forecast.

- A Program Reserve was included at the FTA recommended rate of 8% of the Total Cost of Construction
- Escalation was calculated at a rate of 4% per year on a cash flow developed by spreading the total estimated costs over the Program schedule.

Question 5: What are the financial assumptions re: the bonding/capital capacity of the entities involved. At this point, project financing in CA is challenging. What are the factors that would speak to this issue?

The financial plan assumes receipt of a loan from the federal Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) of 1998, which provides secured loans, loan guarantees and standby lines of credit for surface transportation projects of national or regional significance. All improvements to the Transbay Transit Center / Caltrain Downtown Extension program could be classified as Transportation Improvements under Title 23 and are therefore eligible for a TIFIA loan, which was reauthorized under SAFETEA-LU in 2005. This program may provide credit support to large transportation projects for up to 33% of a project's total cost. A direct loan under this program will be very important in the financing plan for the project given the variety of credit support available from a single source. Additionally, the program would provide maximum leverage of project revenues that are expected during the next 40 years. TJPA will undergo a credit analysis as a part of the TIFIA loan process. The primary source~~s~~ for repayment of the TIFIA loan will be tax increment, which will be augmented by Passenger Facility Charges (PFC).

Tax increment is the increase in tax revenue generated by any increases in property value as assessed after the base year within the redevelopment area. The base year for the Transbay Redevelopment Area is 2005. The tax increment (net of the housing set-aside fund, pass through payments and other obligations) generated by the state-owned parcels is dedicated to the Transbay Transit Center Program. Because the state-owned parcels are currently zoned as public uses, the base assessed value of this land is $0. Annual estimates of tax increment revenue have been developed based on the land sales valuation, proposed improvements, and schedule. The financial plan assumes that tax increment revenues will be used to partially repay the debt service for a construction loan. The components of the estimated tax increment growth include general inflation capped at two percent per year, the statutory maximum rate, and no annual increases in reassessments through FY 2018, with a one-half percent per year reassessment increase thereafter. Additional detail on tax increment projections has been provided as a separate document to the REAP members.

A Passenger Facility Charge or terminal use fee for each major transit operator using the TC Building is included in the financial plan. AC Transit has discussed various payment options with the TJPA, with the amount based on a PFC calculation. A draft agreement is being discussed and consideration for approval by the AC Transit Board of Directors is planned for Winter 2007/08. For financial planning purposes, this contribution has been calculated as a terminal use fee or PFC applied to each transit service's passengers using the TC Building. The fee per AC Transit bus passenger would be $0.25 in FY 2001 dollars, or approximately $0.29 in FY 2007 dollars, as the financial plan assumes the PFC would escalate at three percent per year.

TJPA has recently completed an updated ridership modeling exercise to better estimate future bus and Caltrain ridership to the Transbay Transit Center. The financial plan assumes that PFC or other revenues would be available starting in FY 2014, and would be used to partially repay the debt service for a construction loan for the Transit Center building and rail foundation components of the program.

TIFIA provides greater flexibility than the conventional tax-exempt bond market given that its mandate is to provide credit support for transportation projects of national or regional significance. Two key features of the proposed TIFIA loan structure included in the financial plan are 1) repayment terms of up to 40 years and 2) a repayment schedule that can increase over the life of the bond. Such a repayment schedule would correspond with the projected increases in the tax increment and PFC revenues that would be pledged as the sources of repayment. The TIFIA loan program has pioneered a bond structure that evaluates a borrower on a Project Life basis rather than the traditional annual coverage basis. This Project Life approach provides that the borrower can structure bond repayment to correspond to their projected income plus restricted fund balances over the life of the loan, provided that some excess fund balance remains each year. This feature allows the TJPA to leverage its future revenues more effectively, as these revenues are expected to grow over time. The loan repayment structure included in the preliminary financial plan utilizes the Project Life approach. It sets forth the goals of maintaining annual debt service coverage of no less than 1 times (i.e., current year revenue equals current year debt service) and an average Project Life coverage of 1.4 times (current year revenue plus restricted fund balances is 140% of current year debt service).

Question 6. If rail never comes, what happens? The numbers seem to assume that the rail is there, but there is no evidence that says that this is realistic.

The TJPA was created with a mandate to build a new Transbay Transit Center that will accommodate commuter and intercity rail as well as buses. To support the TJPA in fulfilling this mandate, the State designated certain property be transferred to the TJPA and the City so that the proceeds from those properties would help fund the construction of the new terminal and the extension of the Caltrain commuter rail system. While the properties provide significant funding for the program, the TJPA has worked with local, State and Federal agencies and legislators to identify additional funding. These efforts have been largely successful and to date \$2.1 billion of the \$3.5 billion required funding has been identified. The first phase of the program (above ground bus station) is 100% funded and 40% of the funds required for the second phase (below ground rail extension) have also been identified.

With the support of State and Local legislation mandating the rail extension and establishing it as a policy objective, the remaining funding required for the rail extension will be identified. To adhere to our current schedule, the second phase will not need to be fully funded until 2010 – after conceptual engineering of the rail components. The progress of the program cannot be delayed until all of the funding is secured because it would unnecessarily increase costs for the first phase of work and make completion of the entire program prohibitively expensive with escalation.

The TJPA, in phasing the project, is adopting a well established and successful Caltrans and industry practice of building in phases with useable segments. In the past, there was general agreement the State should build the freeway system in segments under a master plan. For short periods of time the freeway would flow into smaller roads but there was always public benefit and the strategy was ultimately successful. The Transbay Transit Center project is utilizing the same approach and will be equally successful.

TJPA is committed to extending rail to the Transbay Transit Center as soon as possible and meeting the voter and legislative mandates enacted in recent years. The 2004 Regional Measure 2 toll bridge legislation, SB 916 (Perata) provides funding for "A new Transbay Terminal at First and Mission Streets in San Francisco providing added capacity for transbay, regional, local, and intercity bus services, the extension of Caltrain rail services into the terminal, and accommodation of future high speed passenger rail line to the terminal and eventual rail connection to the east bay."

In 2003, San Francisco voters overwhelmingly approved Proposition K, a half-cent sales tax for transportation improvements. The Proposition K expenditure plan identifies the Caltrain Downtown Extension to a Rebuilt Transbay Terminal as: "Construction of a grade-separated extension of Caltrain to a rebuilt Transbay Terminal at the current site (Mission and 1st Streets) near BART and MUNI Metro. The extension and terminal are to be built as a single, integrated project. If the Caltrain Downtown Extension portion of the project is cancelled, this project shall not be eligible for any funds from the sales tax program." If we do not build the rail component of the Project, we will not meet this voter mandate and the project could lose up to $148 million in San Francisco half-cent sales tax revenue.

AB 812 (Yee) was passed in 2003, approving the demolition of the existing Transbay Terminal building "for construction of a new terminal at the same location, designed to serve Caltrain in addition to local, regional, and intercity buslines, and designed to accommodate high-speed passenger rail service."

In 2002, SB 1856 (Costa) authorized the issuance of general obligation bonds, subject to voter approval, for the development and implementation of intercity high-speed rail service. The bill states that funding shall be used first for "the segment of the high-speed train system between San Francisco Transbay Terminal and Los Angeles Union Station."

In 1999 San Francisco voters passed Proposition H, making it City law to extend Caltrain to a new or rebuilt regional transit station on the site of the Transbay Terminal. Specifically, Section 2 of the proposition states: "As part of the extension of Caltrain downtown, a new or rebuilt terminal shall be constructed on the present site of the Transbay Transit Terminal serving Caltrain, regional and intercity bus lines, MUNI, and high speed rail, and having a convenient connection to BART and MUNI Metro. Said terminal shall be so designed and constructed as to:

(a) yield the highest possible transit use by residents and commuters;
(b) afford senior citizens, persons with disabilities, and other commuters with the most convenient connections between regional bus lines, MUNI, Caltrain, and BART;

(c) produce the highest density of foot traffic, in conjunction with foot traffic from the Caltrain station, to accommodate mixed-use retail development;
(d) provide the lowest possible operating costs for MUNI and regional public bus lines; and
(e) result in the lowest feasible combined costs for construction of the bus terminal and the Caltrain station, without sacrificing the aesthetic qualities of the terminal and station and their interface with surrounding development."

While the phasing approach was being developed, an Interagency Working Group was convened by the City and County of San Francisco (composed of representatives of the Mayor's Office of Economic Development, San Francisco Planning Department, San Francisco Redevelopment Agency (SFRA), San Francisco Municipal Transportation Agency, and San Francisco County Transportation Authority) to address phasing and funding issues for the Transbay project. The Intercity Working Group supported the phased approach and recommended that additional funding for the rail should be sought through upzoning certain parcels in the Transbay Redevelopment Area and creating a Mello Roos/Community Facilities District. Conservatively the SFRA has estimated $150 million would be available as additional funding for the rail component of the project. The City's Planning Department is studying zoning heights in the vicinity of the Transit Center and is expected to have results by March 2008.

The TJPA and its member agencies are under legal and policy mandate to proceed with the rail component of the Project. The Association of Bay Area Government's (ABAG) projections indicate that San Francisco employment will increase by about 230,000 over the next 25 years. However, the supply of housing within San Francisco will increase at a much lower rate than job growth, leading to additional commuting from outside San Francisco. Improving and expanding the bus terminal meets the needs for commuting from the East Bay, especially considering that the Bay Bridge is at capacity and BART is projected to reach its Transbay capacity by 2025. Additionally, the region needs to invest in additional rail capacity to better connect San Francisco jobs with new in-fill housing in San Mateo and Santa Clara Counties. The Caltrain extension to San Francisco's new Transbay Transit Center allows the transportation system to keep up with the Bay Area's growing population, growing workforce and growing transportation needs. It is imperative that we invest to provide significant passenger rail capacity and build the new terminal.

TJPA, its funding partners, and stakeholders are working diligently to identify additional revenues needed to close the funding gap on Phase 2 of the project, but again, the TJPA has the funds secured to meet Phase 1 funding needs, a plan which allows for future rail needs as required by law. We are confident that full funding of Phase 2 will be accomplished given the tremendous support for extending rail to the Transbay Transit Center.

Question 7. At the recent REAP meeting, I believe there was a consensus that if rail ever came, it is likely to be many, many years in the future. **How much of the total dollar cost for the terminal is to provide for infrastructure to handle the rail component.** As a sideline, years ago, my hometown built the infrastructure for an underground subway system that never happened. **This raises the question, can rail technology change prior to rail becoming a reality at the Transbay Terminal that could in turn create issues in planning and constructing the underground rail terminals?**

Cost of Terminal Related to Rail

Approximately $323 million of the current cost estimate for Phase 1 Transbay Transit Center is for costs associated with infrastructure required for underground rail connectivity in the terminal. The Caltrain Downtown Extension and completion of the underground rail station is included in Phase 2 of the project. The Phase 1 costs related to rail connectivity include the costs of foundations, basement walls, limited excavation, floors, utility relocation, right of way, program management, and contingency. These systems are required to allow the provision of rail in Phase 2, but are not temporary structures. All of the elements constructed in Phase 1 will support and preserve the Transit Center Building and be incorporated into the final structure of the Phase 2 rail facilities.

Rail Technology Changes

The civil components – the foundations, tunnels and other structures – are the longest-lived components of an underground transportation system. Deterioration of the physical condition is not a ruling factor for future use of these structures. Vehicles, rail, signaling, communications and other subsystems will be upgraded or replaced several times during the life of the system while the civil components will typically exceed the system's useful design life. As such, successive generations of the subsystems are designed to work within existing civil structures and do not necessitate significant alterations to those very expensive and long-lived structures. There is no risk that changes in rail system or vehicle design or technology between the construction of Phase 1 and Phase 2 would significantly diminish the value of the Phase 1 work or require extensive re-engineering of the structure.

The foundation system proposed for the first phase of construction is essential to allow construction of the rail facilities beneath the Transit Center Building. The system will provide the exterior shell of the rail station and is needed to support and preserve the structure constructed in the first phase during the excavation and construction of the underground rail station. The cost of building a support system beneath the Transit Center Building after it is built would be prohibitive. Similarly, rerouting utilities and continuing the foundation system beneath Beale, Fremont, and First Streets in the first phase of construction will greatly reduce the cost and disruption that would be incurred if the work were done when the Transit Center was completed and operational.

Between 2007 and the date the Downtown Extension construction is scheduled to begin, some changes or advances in rail technology are likely. However, such changes will not compromise the utility of the Transit Center's Phase 1 investment for the following reasons:

The primary rail technology components are:

- Signals and Train Control
- Communications
- Traction Power – Overhead Contact System
- Rolling Stock
- Track

It is likely that the most significant changes in technology will occur in the areas of signaling and communications. The latter in particular has seen dynamic change over the last few years, and continues to evolve through the development and implementation of wireless technologies. While the communications and signaling infrastructure may change, it will not impact the civil infrastructure constructed as part of the Transit Center.

The Traction Power supply voltage for the Caltrain and high-speed rail rolling stock has been selected as 25 kilovolt AC. This voltage is becoming a globally adopted standard for the commuter and high-speed rail industries. Although it is unlikely that the supply voltage will change before the construction of the Downtown Extension, a change would not impact the civil infrastructure constructed as part of the Transit Center.

Since rail lines are typically boxed in by commercial and residential development and pass through tunnels and beneath numerous bridges, clearances are strictly limited. The capital cost associated with purchasing additional right-of-way and reconstructing tunnels and bridges to allow the passage of wider or taller rolling stock would be prohibitively high for any operating railroad. Correspondingly, there has been little change in the size of rolling stock for many decades, and there is no indication of a future rolling stock size change.

Illustrative of the above points are Amtrak, Metro-North, Long Island Rail Road, and New Jersey Transit commuter fleets operating into Manhattan using current rail technology in tunnels constructed approximately 100 years ago. Similarly, current subway fleets in New York, Boston, London and Paris continue to operate in infrastructure constructed in the early 1900s.

A 'composite' rail vehicle outline has been developed for the Downtown Extension project, derived from the cross sections of several in-service vehicles to define a worst-case scenario for train size. This 'worst-case' vehicle profile has been used to size the rail facilities to ensure that the infrastructure will accommodate the equipment ultimately selected by Caltrain and California High Speed Rail.

The concept of constructing infrastructure for subsequent use is not unique to the Transbay Program. Examples where this approach has been employed include New York City with the proposed construction of Metropolitan Transportation Authority's Second Avenue Subway and East Side Access projects, and internationally with the construction of the Second Bangkok International Airport. These examples demonstrate that there is minimal risk involved with constructing civil infrastructure for the Transit Center train station as part of the Phase 1 construction.

Second Avenue Subway

The current Second Avenue Subway project was originally proposed in 1929 as part of an expansion of the Independent Subway System. However, no construction took place until the 1970s. After the City secured a grant for initial construction, a groundbreaking ceremony was held on October 27, 1972. Construction began shortly thereafter at 2nd Avenue and 113th Street.

The current proposal for Second Avenue Subway makes use of the two completed northern sections between 99th and 105th and between 110th and 120th streets. These completed sections of tunnel are still usable to current rail technology 30 years after their construction.

East Side Access

The East Side Access project will provide commuter rail service from Long Island and Queens to Manhattan's Grand Central Station. Similar to the Second Avenue Subway Project, the existing tunnels can accommodate current rail technology some 30 years after their initial construction.

Second Bangkok International Airport (Suvarnabhumi Airport)

Construction of the airport terminal included the installation of foundation elements—slurry walls, which will ultimately comprise the walls of a proposed below-grade train station and tunnel for a rail link between Bangkok and the airport. Installation of the walls as part of the terminal construction will allow future excavation of the train station and running tunnels to occur with no disruption to terminal operation. The airport was opened for revenue service in 2006. Construction of the airport express rail link is currently underway, and revenue service is scheduled to commence in 2011. This is precisely the division of construction being proposed in the phasing plan of the Transbay Program; slurry walls and caissons will be constructed Phase 1 to provide the structural foundation that will allow the excavation of the rail station in Phase 2.

Question 8. In reading the documents prepared by Transbay JPA, the projections of tax increment depend upon the build-out of new, market-rate high rises early in the coming decade. For example, the announcement of the competition for a skyscraper on the Transbay site indicated the selected version would be constructed in 2014, while the second of the Rincon Hill towers has been announced as starting construction next year. Given that the actual absorption of currently under-construction and completed high-rise condominiums include a high proportion of investor buyers, it would seem prudent to prepare projections to test the feasibility of marketing the tax increment bonds assuming alternative absorption rates, and therefore, development schedules for the anticipated high-rise sources of the tax-increment revenue base. **Has this been done? What do the projections show?**

A current market analysis including absorption rates for the state-owned parcels was performed by The Concord Group and reviewed by Keyser-Marston, Seifel Consulting, and San Francisco Redevelopment Agency staff. The analysis includes buildings in the surrounding area that are under construction or are in development. A summary of the market analysis including absorption rates has been submitted to the REAP members.

Underlying demand for high-rise residential units in downtown San Francisco neighborhoods remains strong despite problems in the national real estate market. Although majority of the Bay Area has experienced a 12% drop in new home sales volume in the three months ending July 2007 versus the prior quarter (February through April 2007), absorptions at San Francisco condominium communities have been resilient. The Concord Group projects annual demand potential of more than 1,800 units per year in the City of San Francisco. Importantly, based on the highly segmented product array and staggered Request For Proposal releases the typical absorption figures for the Transbay area will be 300 housing units or less, a capture rate of the broader market that will be easily supportable given planned development intensity and the timing of the select competition.

Over the next few weeks TJPA will perform sensitivity test on the tax increment projections changing various growth assumptions. The results of the sensitivity tests will be used to establish a range of tax increment revenue streams that will be used to support the TIFIA loan.

Question 9. What current market work has been done regarding:

- Land use and zoning assumptions?
- The funding of the redevelopment?
- The targeted market for the residential properties?
- The estimated revenues generated by the sales of the residential properties?

Current market work on land use, redevelopment (tax increment) funding, the target market(s) for residential properties, and estimated sales revenues from the residential properties on the State Owned Parcels in the Project Area was performed by the Concord Group, and Seifel Consulting Inc. A summary of this work has been submitted to the REAP members.

Question 10. Has Dean Macris, San Francisco Planning Director, given the property owners different directions? If so, what are they?

Director Macris has not given the property owners different directions. Director Macris has been a consistent supporter of the project and has led the effort just started by the Planning Department to rezone the properties immediately adjacent to the Transbay Terminal. The key objective of this effort, known as the Transbay Transit Center District Plan, is to increase height limits around the Transbay Terminal in order to generate additional revenue for the project from the two State Owned Parcels adjacent to the terminal site and also from Non-State Owned Parcels through the establishment of a Mello-Roos Special Tax District or other methods.

Question 11. Who is profiled to be the user/buyer? What is the support for these numbers?

The residential properties developed on the State Owned Parcels in Zone One of the Project Area will target a wide range of users/buyers. The Concord Group has completed a detailed market analysis, a summary of which has been submitted to the REAP members. Details of the user/buyer profiles are provided in the Exhibits to The Concord Group's report and an overview is provided below.

1. Office – Typical downtown/SOMA class A office users
    a. Financial and consulting services, law firms, etc.
    b. Majority (80%) of ±1MMsf of annual new office space demanded from "professional and business services" and "financial activities" employment
2. Retail – Office and Residential Serving Retail
    a. Retail users defined given scale and physical location in plan.
    b. Support for ±30,000 square feet of retail from future on-site households, remainder supported by local influx, new housing units coming on line in SOMA over next 10 years.
    c. Majority (67%) of demand for "Foodservice and Drinking Places" and "Food and Beverage Stores"
3. Hotel – Business travelers and office users.

Question 12. How does this translate into the housing and commercial components?

The residential zoning on the State Owned Parcels in Zone One of the Project Area was established after a year-long community outreach process during which it was determined that the best use of the properties was as a residential neighborhood adjacent to the growing residential neighborhoods in Rincon Hill and South Beach. Zone Two of the Project Area is currently zoned to allow either residential or commercial use. The Transbay Transit Center District Plan will determine whether and how this zoning will be changed to target more commercial or more residential uses. The winning proposal from Hines Corporation for the Transit Tower is an all-office development, with an option for residential use if the TJPA and the City and County of San Francisco desires. Agency staff believes that the area surrounding the Transbay Terminal should be used to accommodate future expansion of the commercial uses in the Financial District, especially given that Zone One of the Project Area has been zoned for residential development.

Question 13. Did the TJPA consider a finer planning mix where large buildings of exclusively affordable are avoided in favor of higher percentages of inclusionary affordable categories in all buildings? This tactic may be well worth the effort in terms of long-term project viability**. Did the TJPA consider this approach? If not, why not?**

The Redevelopment Plan for the Transbay Redevelopment Project Area (the "Redevelopment Plan") was developed by the San Francisco Redevelopment Agency (the "Agency"). The affordable housing requirements in the Redevelopment Plan are based on State Law, specifically Section 5027.1 of the Public Resources Code, which sets minimum affordable housing requirements for any redevelopment plan adopted to finance the demolition of the Transbay Terminal and construction of a new terminal. This state law requires that at least 35 percent of all units developed within the Project Area be affordable.

The Redevelopment Plan achieves the 35 percent affordable housing requirement while at the same time maximizing the value of the State Owned Parcels. The tower parcels, which are by far the most valuable due to the views and other amenities typical in high-rise units, will be required to include at least 15 percent inclusionary affordable units. In order to achieve the 35 percent affordable housing level, most of the low- and mid-rise buildings surrounding the towers will be 100 percent affordable. By putting as few affordable housing units in the towers as possible, the value of the land and the future development is maximized.

The REAP question #13 suggests that increasing the inclusionary housing requirement in the towers and reducing the amount of affordable housing in the low- and mid-rise buildings would be a preferable option. This option was analyzed during the development of the Redevelopment Plan. Increasing the amount of affordable housing in the towers would reduce the overall value of the State Owned Parcels because the units in the towers are the most valuable units in the Project Area, a conclusion which has been confirmed by all of our market analyses, including the recent analysis completed by The Concord Group. Moreover, due to the high cost of construction of towers, a 35 percent inclusionary requirement (or even a 25 percent inclusionary requirement) would likely make the tower projects financially infeasible.

Therefore, in order to maximize the value of land, the inclusionary requirement for the towers was reduced to 15 percent, the lowest level that would still enable the Agency to achieve the 35 percent affordability requirement in State Law. The number of affordable units is the same in the current plan as it would be with an across-the-board 35 percent inclusionary requirement. However, in the current plan, more of the tower units are market-rate units, thus enabling the project to achieve the maximum revenue from these valuable developments.

The materials provided to the REAP for the July 18 meeting indicate that the San Francisco Redevelopment Agency anticipates that it can meet the local subsidy requirements for the 800 stand alone affordable units with about $125 million of tax increment cash assistance (see bottom slide on page 41 of the July 18 presentation materials that were handed out at the July 18 meeting).

Question 14a. Please provide the back-up information and assumptions for this conclusion, including development budget estimates, sources and uses funding estimates, and related materials for the 800 stand alone affordable units.

Question 14b. Please provide a further discussion of other affordable housing funding sources that have been assumed to be available for these units in order to minimize the RDA's tax increment contribution, including a discussion of the assumed availability of 9% tax credits, 4% tax credits, tax exempt multifamily revenue bond proceeds, other state and federal funding sources, and private debt sources.

The purpose of requesting this information is to help assure that the amount of RDA tax increment needed for the affordable units is within the amount of tax increment that is required to be set-aside for affordable housing (the 20% set aside requirement). If the actual amount of required RDA assistance for the 800 stand alone affordable housing units exceeds the RDA's assumptions (due to higher development costs and/or lower levels of other potential funding sources), there is a concern that additional tax increment revenues beyond the 20% set aside amount may be required for the affordable housing component of the project, thereby reducing the estimated amount of remaining tax increment revenue that is being counted on to support the TIFIA loan, which is one of the key funding sources for both the Phase 1 and Phase 2 components of the actual transportation improvements (see the bottom slide on page 44 of the July 18 presentation materials that were handed out at the July 18 meeting).

In this way, it seems that there is a direct relationship between the soundness of the affordable housing funding component of the project to the soundness of the funding plan for the transportation component.

Question 14c. Consequently, any back-up materials that would help the REAP assess the reasonableness of the affordable housing funding plan would contribute to achieving a reasonable comfort level with the overall transportation funding plan.

Question #14b states that the reason for requesting additional information is due to concern that additional tax increment revenues beyond the 20 percent set-aside from the State Owned Parcels may be required for the affordable housing. However, the Agency is not allowed to use additional tax increment from the State Owned Parcels beyond the 20 percent set-aside for affordable housing. This restriction is described in detail in the Redevelopment Plan and the Tax Increment Allocation and Sales Proceed Pledge Agreement between the TJPA, the City and the Agency. This restriction is also described in the Cooperative Agreement between Caltrans, the TJPA and the City. If the Agency requires additional funds to pay for the 800 stand-alone affordable housing units in the Project Area, it must come from sources other than the tax increment from the State Owned Parcels. And the Agency does have other sources of funding to pay for the affordable housing. In addition to the 20 percent set-aside from the State Owned Parcels, the Agency has access to all of the tax increment from the Non-State Owned Parcels. The Agency also has access to Jobs-Housing Linkage Program Fees, which must be used for affordable housing, from office developments in the Project Area.

A sample pro-forma for what is likely to be the typical financing structure for the stand-alone affordable housing projects in Transbay is shown in Attachment A. This structure combines Agency tax increment subsidy with 4% Low Income Housing Tax Credits and Tax-Exempt Mortgage Revenue Housing Bonds. Using this structure, we estimate that the amount of Agency subsidy will be approximately $244,000 per unit. While 9% Tax Credits would generate more equity for the project, and therefore reduce the overall Agency subsidy requirement, the timing issues associated with developing the affordable housing projects on a shared podium with a market rate tower make using 9% Tax Credits more challenging. However, the Agency is looking at using 9% Tax Credits on any truly stand-alone affordable housing developments, such as Blocks 11 and 12, as they would be better suited towards competing in the 9% Tax Credit queue. In that case, the Agency's subsidy for those projects would likely be significantly less than the $244,000 figure mentioned above.

In addition to the Tax Credits and Bonds, many of the affordable housing projects may also pursue funding from the State's Multifamily Housing Program (MHP) as well as the Federal Home Loan Bank's Affordable Housing Program (AHP).

Based on our most recent projections, both the Agency subsidy for affordable housing projects and the total tax increment for the Project Area have increased from the 2004/05 figures that were presented to the REAP on July 18, 2007. If one assumes an average of $244,000 per unit in Agency subsidy, the 800 stand-alone affordable housing units would use approximately $195 million in tax increment. Based on Seifel Consulting Inc.'s recent projections, approximately $121 million (FY 2008 dollars) in tax increment will be coming to the Agency for housing from the State Owned Parcels as part of the 20% housing set-aside. This portion of the tax increment is solely for housing in the area. Another 60% of the tax increment is dedicated to the Transbay Transit Center and rail extension and will be used to repay construction loans. In addition, all of the approximately $190 million in tax increment will be available to the Agency from the Non-State owned Parcels (based on the 2005 projections) which will be used for both affordable housing and non-housing programs, such as infrastructure and open space. Combined with the fees generated from the Jobs-Housing Linkage Program, which must be used to develop affordable housing, the Agency is confident that it will have the subsidy required to develop the 800 stand-alone affordable housing units.

Question 15. Please provide an assessment of the impacts on the timing and completion of the private development components of the TJPA project in light of the recent court decision that strikes down the City's General Plan on CEQA grounds.

The recent court decision regarding San Francisco's General Plan 2004 Housing Element will have no effect on development of private parcels in the vicinity of the Transbay Transit

Center. The Redevelopment Plan divides the Redevelopment Area into two zones: Zone 1 is generally the residential development on Folsom Street. That development is subject to the Redevelopment Plan and the Design and Development Guidelines, not the SF Planning Code or General Plan. Zone 2, which includes the Transit Center and some private development sites on Howard and on Main Street, is subject to the City's Planning Code and General Plan. The court decision invalidated parts of the Housing Element of the City's General Plan.

Meanwhile, the San Francisco Planning Department is studying another amendment to the General Plan and its zoning ordinances to increase heights and make other zoning changes on a neighborhood-wide basis, called the Transbay District Plan. It is presumed that those changes will supersede the 2004 Housing Element in any event. All private development within Zone 2 of the Redevelopment Area that occurs after the Transbay District is adopted will be subject to, and must be consistent with, the new General Plan Housing Element. Until the Transbay District Plan becomes law, however, the Planning Department's policy is to require development to be consistent with both the previous Housing element (1990) and the 2004 Housing Element. As each version of the element is very general, it appears that there is little difficulty in achieving consistency with the General Plan.

Question 16. Finally, in addition to addressing any specific questions from the REAP, it was the REAP members' understanding at the conclusion of our July 18 meeting that the Transbay Terminal JPA team will be providing the REAP (by early November) with a comprehensive update of the funding program, including updated market studies and development pro formas for various product types, and updated tax increment projections.

The Concord Group has conducted detailed strategic market analyses for residential (for-sale and for-rent), office, retail and hospitality land uses in the Transbay area. This work included:

- A detailed analysis of the subject parcels, surrounding land uses, strengths/weaknesses, opportunities/threats
- An economic and demographic overview of the project neighborhood and relevant sub-regional and regional markets,
- A Competitive Supply Analysis for each candidate land use type
    - Current and projected trends and performance, unfulfilled needs, comparable/competitive inventory analysis, price/rent/room rate potential
- A Competitive Demand Analysis for each candidate land use type
    - An analysis of pent up demand due to supply constraints (if applicable)
    - An assessment of annual demand for new units/sf/rooms by product type generated through: demographic changes (population, households, household composition); employment growth and obsolescence.
- Price positioning and absorption recommendations by product type
- Land residual analyses detailing revenues and development costs by product type.
- Summaries of all the above

A summary of the The Concord Group's report has been submitted to the REAP.

Seifel Consulting has updated the tax increment projections based on the recently updated land values, market analysis, and absorption schedules. The tax increment projections have been summarized and submitted to the REAP.

These key revenue updates have been incorporated into the TJPA's updated financial plan that will be presented to the REAP on November 14, 2007.

EXHIBIT MAP

DECEMBER 2002
(REVISION: 4/02/03)

SCALE: NONE

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4

SHEET 1 OF 6

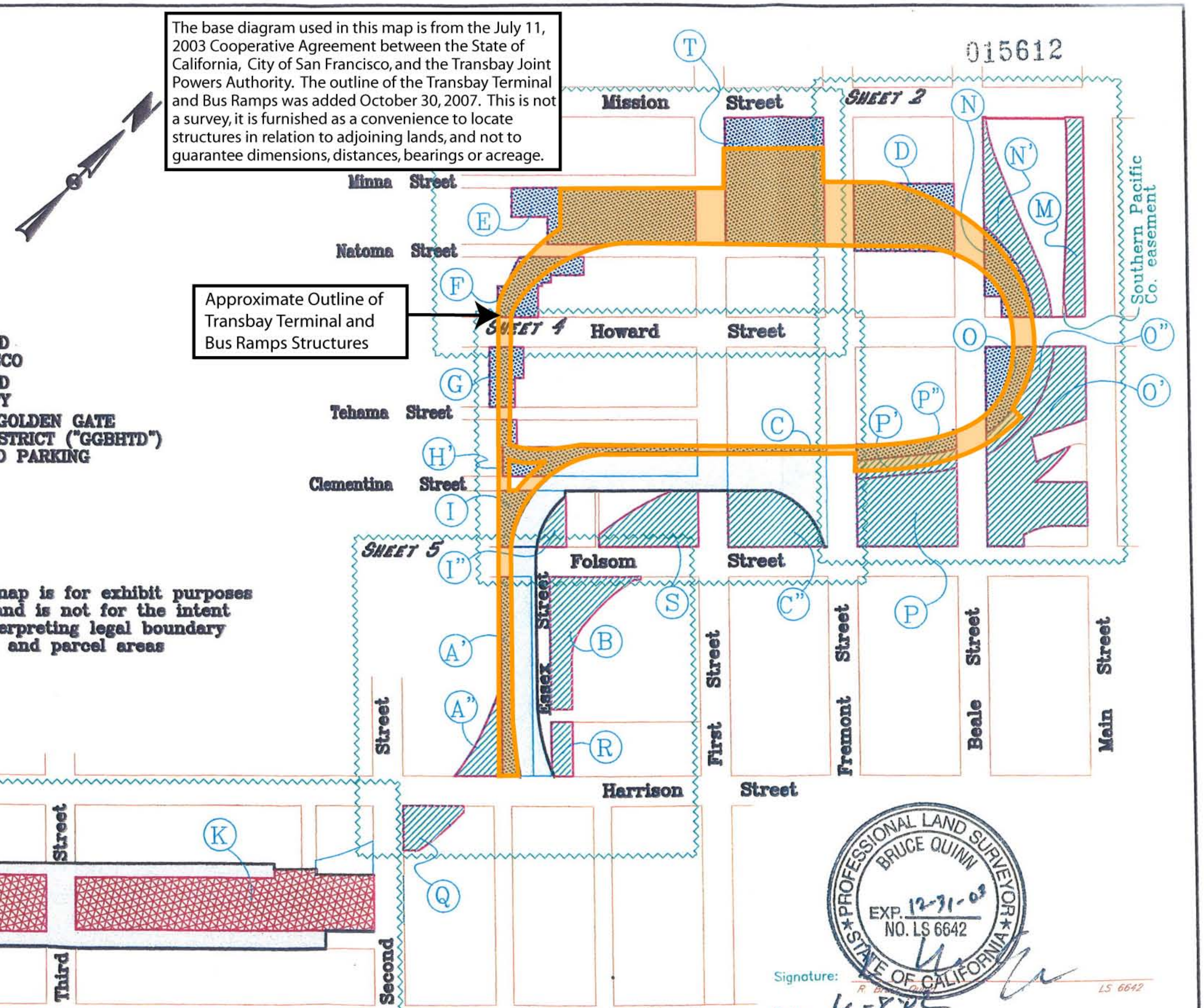
PARCEL LEGEND

- STATE OWNED PARCELS TO BE TRANSFERRED TO THE CITY AND COUNTY OF SAN FRANCISCO
- STATE OWNED PARCELS TO BE TRANSFERRED TO THE TRANSBAY JOINT POWERS AUTHORITY
- STATE OWNED PARCELS TO BE LEASED TO GOLDEN GATE BRIDGE, HIGHWAY, AND TRANSPORTATION DISTRICT ("GGBHTD") AND THE AUTHORITY FOR BUS STAGING AND PARKING
- STATE OPERATING RIGHT OF WAY

PARCEL INFORMATION

PARCEL NO.	APN
A'	3749-052
A"	3749-052
B	3749-064
C	3737-005,-012,-027
C"	3737-005,-012,-027
D	3719-003
E	3721-006
F	3721-015A
G	3736-089
H'	3736-007
I	3736-018
I"	3736-018
J	3762-004
K	3763-112
M	3718-027
N	3718-025
N'	3718-025
O	3739-008
O'	3739-008
O"	3739-008
P	3738-004
P'	3738-004
P"	3738-004
Q	3764-068
R	3749-061
S	3736-120
T	3720-001

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas



THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION FROM EXISTING RECORDS IN THE OFFICE OF RIGHT-OF-WAY ENGINEERING.

ASSUMPTIONS	
Number of Units	100
Unit Type	2-Bedrm
Unit Square Footage	800
Total Residential Square Footage	80,000
Total Project Square Footage	100,000
Affordability	50% AMI (CITY)
Rent (Monthly, Net)	$930
Expenses (PUPY)	$7,000

DSC	1.25
Bond Interst Rate	6.50%
Bond Term	30

Credit Price	$1.00
Credit Rate	3.60%
Threshold Basis Limit (Elevator)	$165,897

BASIS CALCULATION

Total Eligible Costs	$40,717,000	95% of TDC less land
Threshold Basis	$16,589,700	Threshold Basis
20% Boost (Prev Wage)	$3,317,940	
4% Boost (Energy Efficiency)	$663,588	
120% Boost (>50% units TC restr)	$19,907,640	
Adjusted Threshold Basis	$40,478,868	
Max Annual Credit Amount	$1,457,239	
Max 10 Yr Credit Amount	$14,572,392	
TOTAL EQUITY	**$14,572,392**	

CONSTRUCTION SOURCES	PROJECT	UNIT	SF	
CONSTRUCTION LOAN/BONDS	$21,430,000	$214,300	$214	50% TDC
SFRA SUBSIDY	***$21,430,000***	$214,300	$214	
TOTAL CONSTRUCTION SOURCES	**$42,860,000**	$428,600	$429	
PERMANENT SOURCES	PROJECT	UNIT	SF	
1st MORTGAGE/BONDS	$3,910,435	$39,104	$39	
TAX CREDIT EQUITY	$14,572,392	$145,724	$146	
SFRA SUBSIDY	***$24,377,172***	$243,772	$244	
TOTAL PERMANENT SOURCES	**$42,860,000**	$428,600	$429	

	PROJECT	UNIT	SF	
USES				
ACQUISITION	$0	$0	$0	
CONSTRUCTION	$30,000,000	$300,000	$300	
CONSTRUCTION CONTINGENCY	$3,000,000	$30,000	$30	10%
INFRASTRUCTURE	$2,500,000	$25,000	$25	
ARCH/ENGINEERING	$1,785,000	$17,850	$18	5.95% Constr
FEES&PERMITS	$850,000	$8,500	$9	
FINANCING	$1,400,000	$14,000	$14	
DEVELOPER FEE	$2,000,000	$20,000	$20	
CAPITALIZED OPERATING RSRV	$175,000	$1,750	$2	
OTHER COSTS	$1,150,000	$11,500	$12	
TOTAL USES	**$42,860,000**	$428,600	$536	

INCOME	PROJECT	PUPY
GROSS RENTS	$1,116,000	$11,160
VACANCY @ 5%	($55,800)	($558)
EFFECTIVE GROSS INCOME	**$1,060,200**	
EXPENSES		
Operating Expenses	($700,000)	($7,000)
Replacement Reserve Deposits	($40,000)	($400)
TOTAL EXPENSES	**($740,000)**	
NOI	$320,200	
AVAILABLE FOR DEBT	$256,160	
MAX SUPPORTABLE DEBT	$3,910,435	

Financing Costs		
Issuer Fee (0.5%)	$107,150	
Bond Counsel	$50,000	
TCAC fee (1% of Annual Credit Amt)	$14,572	
Construction Interest	$1,044,713	(50% loan outstanding, 18 months)
Construction Loan Fees (0.75%)	$160,725	
	$1,377,160	

SFRA Sample TB Rental Proforma - 4% & Bonds

30 YEAR CASH FLOW

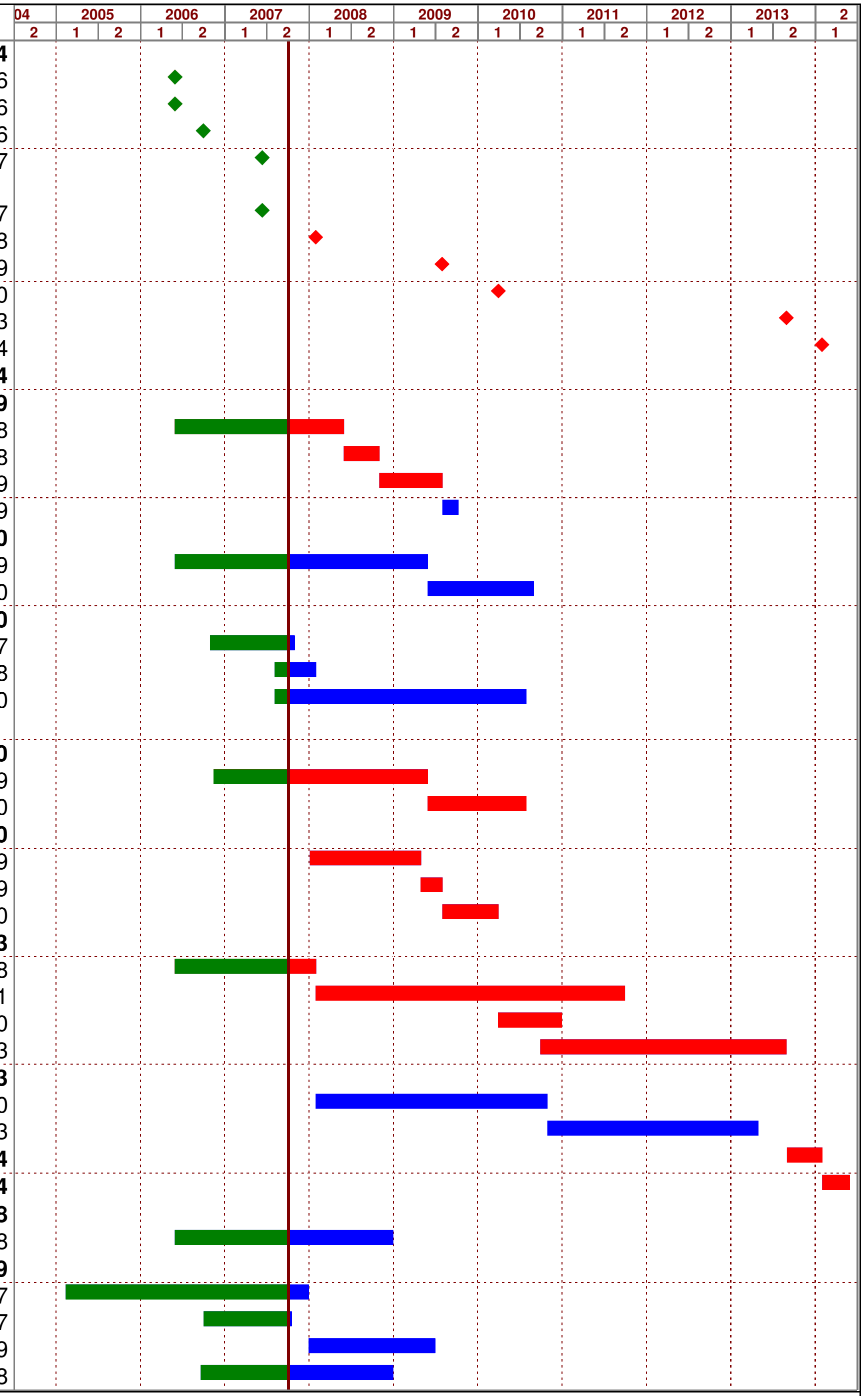
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
INCOME (increases at 2.5%)														
Gross Rental Income	$1,116,000	$1,143,900	$1,172,498	$1,201,810	$1,231,855	$1,262,652	$1,294,218	$1,326,573	$1,359,738	$1,393,731	$1,428,574	$1,464,289	$1,500,896	$1,538,418
Vacancy @ 5%	($55,800)	($57,195)	($58,625)	($60,090)	($61,593)	($63,133)	($64,711)	($66,329)	($67,987)	($69,687)	($71,429)	($73,214)	($75,045)	($76,921)
EFFECTIVE GROSS INCOME	**$1,060,200**	**$1,086,705**	**$1,113,873**	**$1,141,719**	**$1,170,262**	**$1,199,519**	**$1,229,507**	**$1,260,245**	**$1,291,751**	**$1,324,045**	**$1,357,146**	**$1,391,074**	**$1,425,851**	**$1,461,497**
EXPENSES (increases at 3.5%)														
Operating Expenses	($700,000)	($724,500)	($749,858)	($776,103)	($803,266)	($831,380)	($860,479)	($890,595)	($921,766)	($954,028)	($987,419)	($1,021,979)	($1,057,748)	($1,094,769)
Replacement Reserves	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)
TOTAL OPERATING EXPENSES	**($740,000)**	**($764,500)**	**($789,858)**	**($816,103)**	**($843,266)**	**($871,380)**	**($900,479)**	**($930,595)**	**($961,766)**	**($994,028)**	**($1,027,419)**	**($1,061,979)**	**($1,097,748)**	**($1,134,769)**
NET OPERATING INCOME	**$320,200**	**$322,205**	**$324,015**	**$325,617**	**$326,996**	**$328,139**	**$329,028**	**$329,649**	**$329,984**	**$330,016**	**$329,727**	**$329,095**	**$328,103**	**$326,728**
DEBT SERVICE														
1st Mortgage/Bonds	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)
DSC Ratio	1.25	1.26	1.26	1.27	1.28	1.28	1.28	1.29	1.29	1.29	1.29	1.28	1.28	1.28
CASH FLOW AFTER DEBT SERVICE	**$64,040**	**$66,045**	**$67,855**	**$69,457**	**$70,836**	**$71,979**	**$72,868**	**$73,489**	**$73,824**	**$73,856**	**$73,567**	**$72,935**	**$71,943**	**$70,568**
FEES (Above the Line)														
Asset Management Fee	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)
NET CASH FLOW	**$49,040**	**$51,045**	**$52,855**	**$54,457**	**$55,836**	**$56,979**	**$57,868**	**$58,489**	**$58,824**	**$58,856**	**$58,567**	**$57,935**	**$56,943**	**$55,568**
Partnership Management Fee	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)
AVAIL. FOR RESIDUAL RCPTS	**$34,040**	**$36,045**	**$37,855**	**$39,457**	**$40,836**	**$41,979**	**$42,868**	**$43,489**	**$43,824**	**$43,856**	**$43,567**	**$42,935**	**$41,943**	**$40,568**
1/3 - GP Incentive Mgmt Fee	$11,347	$12,015	$12,618	$13,152	$13,612	$13,993	$14,289	$14,496	$14,608	$14,619	$14,522	$14,312	$13,981	$13,523
2/3 - SFRA	$22,693	$24,030	$25,237	$26,305	$27,224	$27,986	$28,579	$28,993	$29,216	$29,238	$29,044	$28,624	$27,962	$27,045

SFRA Sample TB Rental Proforma - 4% & Bonds

30 YEAR CASH FLOW

	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
INCOME (increases at 2.5%)																
Gross Rental Income	$1,576,879	$1,616,301	$1,656,708	$1,698,126	$1,740,579	$1,784,094	$1,828,696	$1,874,413	$1,921,274	$1,969,306	$2,018,538	$2,069,002	$2,120,727	$2,173,745	$2,228,088	$2,283,791
Vacancy @ 5%	($78,844)	($80,815)	($82,835)	($84,906)	($87,029)	($89,205)	($91,435)	($93,721)	($96,064)	($98,465)	($100,927)	($103,450)	($106,036)	($108,687)	($111,404)	($114,190)
EFFECTIVE GROSS INCOME	**$1,498,035**	**$1,535,486**	**$1,573,873**	**$1,613,220**	**$1,653,550**	**$1,694,889**	**$1,737,261**	**$1,780,693**	**$1,825,210**	**$1,870,840**	**$1,917,611**	**$1,965,552**	**$2,014,690**	**$2,065,058**	**$2,116,684**	**$2,169,601**
EXPENSES (increases at 3.5%)																
Operating Expenses	($1,133,086)	($1,172,744)	($1,213,790)	($1,256,273)	($1,300,242)	($1,345,751)	($1,392,852)	($1,441,602)	($1,492,058)	($1,544,280)	($1,598,330)	($1,654,271)	($1,712,171)	($1,772,097)	($1,834,120)	($1,898,315)
Replacement Reserves	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)
TOTAL OPERATING EXPENSES	**($1,173,086)**	**($1,212,744)**	**($1,253,790)**	**($1,296,273)**	**($1,340,242)**	**($1,385,751)**	**($1,432,852)**	**($1,481,602)**	**($1,532,058)**	**($1,584,280)**	**($1,638,330)**	**($1,694,271)**	**($1,752,171)**	**($1,812,097)**	**($1,874,120)**	**($1,938,315)**
NET OPERATING INCOME	**$324,949**	**$322,742**	**$320,083**	**$316,947**	**$313,308**	**$309,138**	**$304,409**	**$299,091**	**$293,152**	**$286,560**	**$279,281**	**$271,280**	**$262,519**	**$252,961**	**$242,564**	**$231,287**
DEBT SERVICE																
1st Mortgage/Bonds	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)	($256,160)
DSC Ratio	1.27	1.26	1.25	1.24	1.22	1.21	1.19	1.17	1.14	1.12	1.09	1.06	1.02	0.99	0.95	0.90
CASH FLOW AFTER DEBT SERVICE	**$68,789**	**$66,582**	**$63,923**	**$60,787**	**$57,148**	**$52,978**	**$48,249**	**$42,931**	**$36,992**	**$30,400**	**$23,121**	**$15,120**	**$6,359**	**($3,199)**	**($13,596)**	**($24,873)**
FEES (Above the Line)																
Asset Management Fee	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($6,359)	($6,359)	($6,359)	($6,359)
NET CASH FLOW	**$53,789**	**$51,582**	**$48,923**	**$45,787**	**$42,148**	**$37,978**	**$33,249**	**$27,931**	**$21,992**	**$15,400**	**$8,121**	**$120**	**$0**	**($9,558)**	**($19,955)**	**($31,232)**
Partnership Management Fee	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($8,121)	($120)	($120)	($120)	($120)	($120)
AVAIL. FOR RESIDUAL RCPTS	**$38,789**	**$36,582**	**$33,923**	**$30,787**	**$27,148**	**$22,978**	**$18,249**	**$12,931**	**$6,992**	**$400**	**$0**	**$0**	**($120)**	**($9,678)**	**($20,075)**	**($31,352)**
1/3 - GP Incentive Mgmt Fee	$12,930	$12,194	$11,308	$10,262	$9,049	$7,659	$6,083	$4,310	$2,331	$133	$0	$0	($40)	$0	$0	$0
2/3 - SFRA	$25,859	$24,388	$22,615	$20,525	$18,098	$15,319	$12,166	$8,620	$4,661	$267	$0	$0	($80)	$0	$0	$0

ID	Task Name	Start	Finish
1	**Transbay Transit Center (TTC) Program - Phase 1 Milestones**	**6/2/06**	**1/31/14**
2	TJPA Board approves Recommended Program Implementation Strategy	6/2/06	6/2/06
3	TJPA Board approves Design and Development Competition	6/2/06	6/2/06
4	MTC Adopts TIP for Phase 1 Program (Preliminary Engineering and ROW)	10/2/06	10/2/06
5	Receive FTA approval to proceed showing "a fully funded phase 1 project in the TIP"	6/14/07	6/14/07
6	TIP amendment approved (Final Design and Construction)	6/14/07	6/14/07
7	Issue NTP - TC Building A/E	1/31/08	1/31/08
8	Bus Operations commence in Temporary Terminal	7/31/09	7/31/09
9	Start TC Building Construction	4/1/10	4/1/10
10	Complete TC Building Construction (41 months)	8/30/13	8/30/13
11	Bus Operations commence in Transit Center Building	1/31/14	1/31/14
12	**Transit Center Project**	**6/2/06**	**5/30/14**
13	**Temporary Terminal**	**6/2/06**	**10/9/09**
14	A/E Selection, Design, and Agency Coordination and Permitting	6/2/06	5/30/08
15	Bid & Award Construction	6/2/08	10/31/08
16	Construction - Phase 1	11/3/08	7/31/09
17	Construction - Phase 2 after Ramps are demolished	8/3/09	10/9/09
18	**Bus Storage**	**6/2/06**	**8/31/10**
19	A/E Selection, Design, Bid & Award Construction	6/2/06	5/29/09
20	Construction	6/1/09	8/31/10
21	**As-needed Environmental Assessment Services**	**11/1/06**	**7/30/10**
22	Consultants Selection, Award and Issue NTPs	11/1/06	10/31/07
23	Environmental Site Assessment Reports for TC Project Facilities	8/8/07	1/31/08
24	Environmental Site Assessment Reports for Real Estate Transactions (as needed)	8/8/07	7/30/10
25	**Relocation of Utilities**	**11/16/06**	**7/30/10**
26	Consultant Selection, Design, Bid & Award Construction	11/16/06	5/29/09
27	Construction	6/1/09	7/30/10
28	**Existing Terminal and Ramps Demolition**	**1/8/08**	**3/31/10**
29	Demolition Bid Package, Bid & Award Construction	1/8/08	4/30/09
30	Contractor Demolition Plan and Approval	5/1/09	7/31/09
31	Existing Terminal and Ramps - Demolition	8/3/09	3/31/10
32	**Transit Center Building**	**6/2/06**	**8/30/13**
33	A/E Selection, Award and Issue NTP	6/2/06	1/31/08
34	Design, Bid & Award Construction	2/1/08	9/30/11
35	Foundations	4/1/10	12/30/10
36	Grade Slab, Superstructure and Finishes	10/1/10	8/30/13
37	**Bus Ramps**	**2/1/08**	**4/30/13**
38	Design, Bid & Award Construction	2/1/08	10/29/10
39	Construction	11/1/10	4/30/13
40	**Testing & Commissioning**	**9/3/13**	**1/31/14**
41	**Temporary Terminal Demolition**	**2/3/14**	**5/30/14**
42	**Right of Way**	**6/2/06**	**12/31/08**
43	Acquire Balance of Parcels	6/2/06	12/31/08
44	**Downtown Extension (DTX) Project**	**2/14/05**	**6/30/09**
45	Preliminary Engineering - Part 1	2/14/05	12/31/07
46	Value Management (VM) and Loop Study Report to TJPA Board	10/4/06	10/18/07
47	Loop EIS/EIR Supplemental Process	1/2/08	6/30/09
48	Right of Way - Early Acquisition of Properties	9/22/06	12/31/08



TJPA

Transbay Transit Center Program
Phase 1 Program Master Schedule Summary

File Name: Program Master Schedule Phase 1 Summary 093007
File Location:T:\A Programwide\3 Schedule\3.101 Ph 1 Program Master Sch
1 of 1; September 30, 2007 Update

THE CONCORD GROUP

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RESIDENTIAL, OFFICE RETAIL AND HOTEL MARKET ANALYSIS, PRODUCT PROGRAMMING AND LAND PRICING FOR THE STATE OWNED PARCELS IN THE TRANSBAY REDEVELOPMENT AREA IN SAN FRANCISCO, CALIFORNIA

EXECUTIVE SUMMARY
NOVEMBER 5, 2007

PREPARED FOR:
TRANSBAY JOINT POWERS AUTHORITY

Land Valuation Projections for State Owned Parcels
Summary of Methodology, Assumptions and Conclusions

Valuation Methodology

Market, Segmentation and Positioning Analyses

TCG completed market, segmentation and positioning analyses for residential, office, retail and hotel uses in the Transbay development district. The analytical approach to current market metrics and opportunity lead to product program recommendations (within the context of San Francisco Redevelopment Agency ("SFRA") plans for specific parcels), positioning by product and building type in 2008 dollars, and absorption projections given market-driven supply and demand dynamics as well as site strengths and challenges in the greater regional context. The analyses were based on current conditions as well as the potential opportunity throughout the properties' development timeframe.

Land Residual Analysis

Based on revenue conclusions described above, TCG projected land value for each of the subject parcels using a revenue/cost based development model or land residual. Values are calculated at finished pad condition – a clear, graded, site with utilities to perimeter, primed for vertical construction.

Major Assumptions

Pricing – Pricing for each individual product type or building assumes the overall development plan is achieved in a timely manner. Without the 'master planned' urban community concept, individual building pricing and value would be significantly discounted.

Product Types – Product types (height, gross floor area, etc.) have been defined by SFRA input, based on unit calculations to meet specific density goals and affordability requirements, and were accommodated by TCG product programming and price recommendations.

FS/FR Values – Based on the current market environment, high construction costs and relatively low rents, large-scale for-rent buildings are not financially feasible. As such, they are eliminated from the current development plan.

Affordable Units – Affordable units in stand alone configurations are assumed to have no value. Affordable units in inclusionary buildings are valued based upon maximum allowable sales price – per the 2007 San Francisco Inclusionary Housing Program guidelines and market average cost inputs.

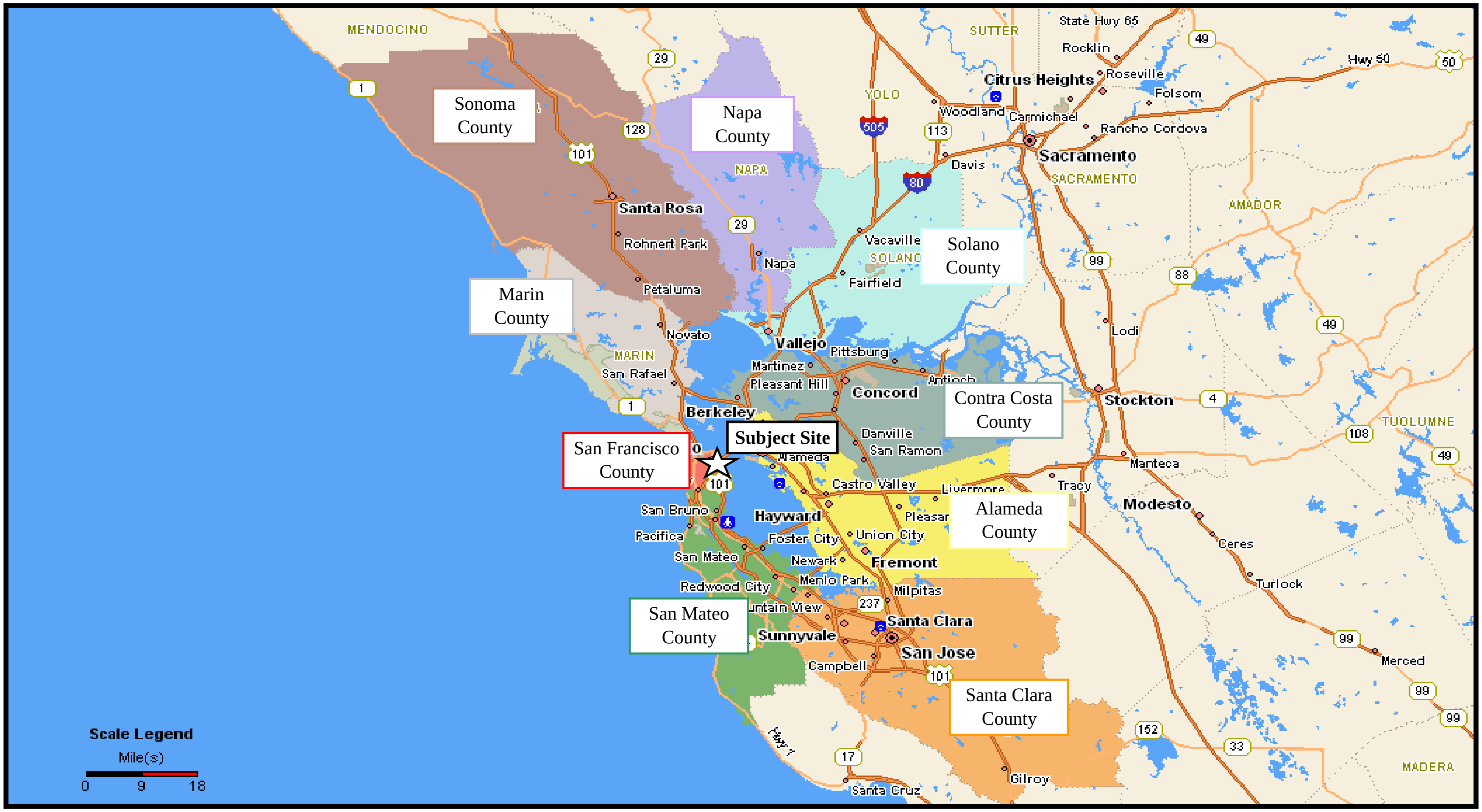
Conclusions

Based on above methodology, total top-line revenue potential is $4.32 billion (2008 dollars). Overall finished pad value is $744.5 million. Please see the attached exhibit package for more detail, specifically Exhibit I-17 for revenue and land value conclusions by development block and land use type.

I. MARKET OVERVIEW

EXHIBIT I-1

REGIONAL LOCATION
SAN FRANCISCO BAY AREA, CALIFORNIA
OCTOBER 2007



07316.00 RegLoc: Sheet1

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EXHIBIT I-2

REGIONAL MARKET PERFORMANCE
NINE COUNTY BAY AREA, CALIFORNIA
OCTOBER 2007

County	San Francisco	Alameda	Contra Costa	Santa Clara	San Mateo	Sonoma	Solano	Marin	Napa	Total/ Average
General Information										
Population 2007	761,122	1,474,731	1,034,758	1,738,070	708,657	473,043	419,075	249,131	134,421	**6,993,008**
Households 2007	322,318	525,204	370,765	576,536	250,609	178,597	138,238	102,295	48,928	**2,513,490**
% of Total	*13%*	*21%*	*15%*	*23%*	*10%*	*7%*	*5%*	*4%*	*2%*	***100%***
Annual Household Growth Rate (2007 - 2012)	0.2%	0.4%	1.1%	0.6%	0.1%	0.7%	1.0%	0.3%	1.1%	**0.6%**
Average Household Size 2007	2.30	2.76	2.76	2.97	2.79	2.58	2.91	2.32	2.64	**2.73**
Median Household Income 2007	$64,696	$66,367	$73,950	$84,157	$80,265	$63,270	$66,405	$82,490	$63,990	**$73,130**
% of Total	*88%*	*91%*	*101%*	*115%*	*110%*	*87%*	*91%*	*113%*	*88%*	***100%***
Annual Income Growth Rate (2007 - 2012)	1.6%	1.8%	1.9%	1.5%	1.5%	1.9%	2.2%	1.7%	2.1%	**1.7%**
All New Homes For-Sale (LTM) (1)										
New Home Sales	1,503	2,269	3,962	2,709	272	509	1,064	22	153	**12,463**
% of Total	*12%*	*18%*	*32%*	*22%*	*2%*	*4%*	*9%*	*0%*	*1%*	***100%***
% Change from Previous Quarter (2)	*10%*	*5%*	*-17%*	*-21%*	*1%*	*-1%*	*-23%*	*-45%*	*-11%*	***-12%***
Home Sales Per 1,000 Households	4.7	4.3	10.7	4.7	1.1	2.8	7.7	0.2	3.1	**5.0**
Average Price	$808,894	$650,722	$707,489	$708,982	$769,476	$630,786	$584,724	$1,382,083	$715,020	**$697,540**
% of Total	*116%*	*93%*	*101%*	*102%*	*110%*	*90%*	*84%*	*198%*	*103%*	***100%***
% Change from Previous Quarter (2)	*-1%*	*-3%*	*4%*	*1%*	*0%*	*-2%*	*1%*	*12%*	*-3%*	***1%***
Average Size (sf)	943	1,591	2,340	1,646	1,445	1,972	2,253	3,476	2,451	**1,853**
Average PSF	$858	$409	$302	$431	$533	$320	$260	$398	$292	**$376**
Units Remaining in Active Projects	1,297	4,799	9,185	3,533	390	870	3,262	16	438	**23,790**
Months Supply	10	25	28	16	17	21	37	9	34	**23**
All Resale Home Sales (LTM) (2)										
Resales	5,424	16,366	13,904	20,663	7,907	5,720	5,412	3,406	1,236	**80,038**
% of Total	*7%*	*20%*	*17%*	*26%*	*10%*	*7%*	*7%*	*4%*	*2%*	***100%***
% Buy New vs. Existing	22%	12%	22%	12%	3%	8%	16%	1%	11%	**13%**
Median Resale SFD Home Price	$791,141	$594,994	$561,861	$690,642	$770,373	$527,454	$433,873	$836,032	$572,092	**651,282**
Resale Price as a Percentage of New Home Pr	NA	91%	79%	97%	100%	84%	74%	60%	80%	**93%**

(1) Last 12 Months August 2006 - July 2007
(2) Last 12 Months July 2006 - June 2007
Sources: Claritas, Inc., DataQuick Data Services, California Employment Development Department, and Hanley-Wood

EXHIBIT I-2

REGIONAL MARKET PERFORMANCE
NINE COUNTY BAY AREA, CALIFORNIA
OCTOBER 2007

County	San Francisco	Alameda	Contra Costa	Santa Clara	San Mateo	Sonoma	Solano	Marin	Napa	Total/ Average
Office										
Total Inventory RBA	110,035,136	68,196,142	35,651,155	101,489,579	46,009,354	NA	6,991,741	NA	2,178,226	370,408,851 (4)
% of Total	*30%*	*18%*	*10%*	*27%*	*12%*	*NA*	*2%*	*NA*	*1%*	*100%*
Deliveries (4Q2004-3Q2007)	10,560	1,357,175	953,194	881,281	307,045	NA	239,742	NA	264,058	5,637,769 (4)
% of Total	*0%*	*24%*	*17%*	*16%*	*5%*	*NA*	*4%*	*NA*	*5%*	*100%*
Direct Vacancy Rate	8%	10%	11%	9%	8%	NA	20%	NA	15%	9%
Variance from Total	*-1%*	*1%*	*2%*	*0%*	*-1%*	*NA*	*10%*	*NA*	*6%*	*0%*
Direct Vacant Space (1)	9,144,101	6,820,364	3,920,087	9,386,644	3,774,054	NA	1,367,016	NA	326,512	34,712,822 (4)
Net Absorption (4Q2004-3Q2007)	422,061	1,465,224	234,567	5,186,991	4,309,923	NA	978,826	NA	86,366	12,683,958 (4)
Direct Average Asking Rent	$34.13	$23.30	$25.90	$25.66	$36.39	NA	$16.23	NA	$25.16	$27.97 (4)
% Total	*122%*	*83%*	*93%*	*92%*	*130%*	*NA*	*58%*	*NA*	*90%*	*100%*
Retail										
Consumer Expenditures (000s)	$17,694,250	$30,531,232	$23,322,585	$38,992,033	$16,466,253	$10,149,453	$7,986,891	$6,846,088	$2,846,365	$154,835,149
% Total	*11%*	*20%*	*15%*	*25%*	*11%*	*7%*	*5%*	*4%*	*2%*	*100%*
Retail Expenditures (000s)	$13,251,652	$24,167,734	$18,617,319	$30,326,470	$12,829,908	$8,301,834	$6,589,954	$5,213,574	$2,314,879	$121,630,875
% Total Consumer Expenditures	*75%*	*79%*	*80%*	*78%*	*78%*	*82%*	*83%*	*76%*	*81%*	*79%*
% Total	*11%*	*20%*	*15%*	*25%*	*11%*	*7%*	*5%*	*4%*	*2%*	*100%*
Retail Spending per Capita	$17,411	$16,388	$17,992	$17,448	$18,105	$17,550	$15,725	$20,927	$17,221	$17,393
% Above/Below Total	*100%*	*94%*	*103%*	*100%*	*104%*	*101%*	*90%*	*120%*	*99%*	*100%*
Retail Sales (000s)	$15,375,858	$22,166,187	$14,640,269	$27,283,954	$11,021,177	$8,305,646	$6,197,697	$4,719,869	$2,551,934	$120,452,052
% Total	*13%*	*18%*	*12%*	*23%*	*9%*	*7%*	*5%*	*4%*	*2%*	*100%*
Retail Sales per Capita	$20.20	$15.03	$14.15	$15.70	$15.55	$17.56	$14.79	$18.95	$18.98	$17.22
% Above/Below Total	*117%*	*87%*	*82%*	*91%*	*90%*	*102%*	*86%*	*110%*	*110%*	*100%*
Gap/(Surplus) (000s) (3)	($2,124,206)	$2,001,547	$3,977,050	$3,042,516	$1,808,731	($3,812)	$392,257	$493,705	($237,055)	$1,178,823
Total Inventory (MMs)	40.9	41.5	14.5	32.4	13.8	NA	7.8	NA	1.1	152.0
% Total	*27%*	*27%*	*10%*	*21%*	*9%*	*NA*	*5%*	*NA*	*1%*	*100%*
Retail Sales / SF	$376	$534	$1,009	$843	$797	NA	$792	NA	$2,418	$793

(3) Gap represents fewer store sales than store expenditures; surplus represents inverse.

(4) Does not include Marin and Sonoma Counties.

Sources: Claritas, Inc., DataQuick Data Services, Costar Group, and Hanley-Wood

EXHIBIT I-3

REGIONAL GROWTH MAP
SAN FRANCISCO BAY AREA
2007 THROUGH 2012

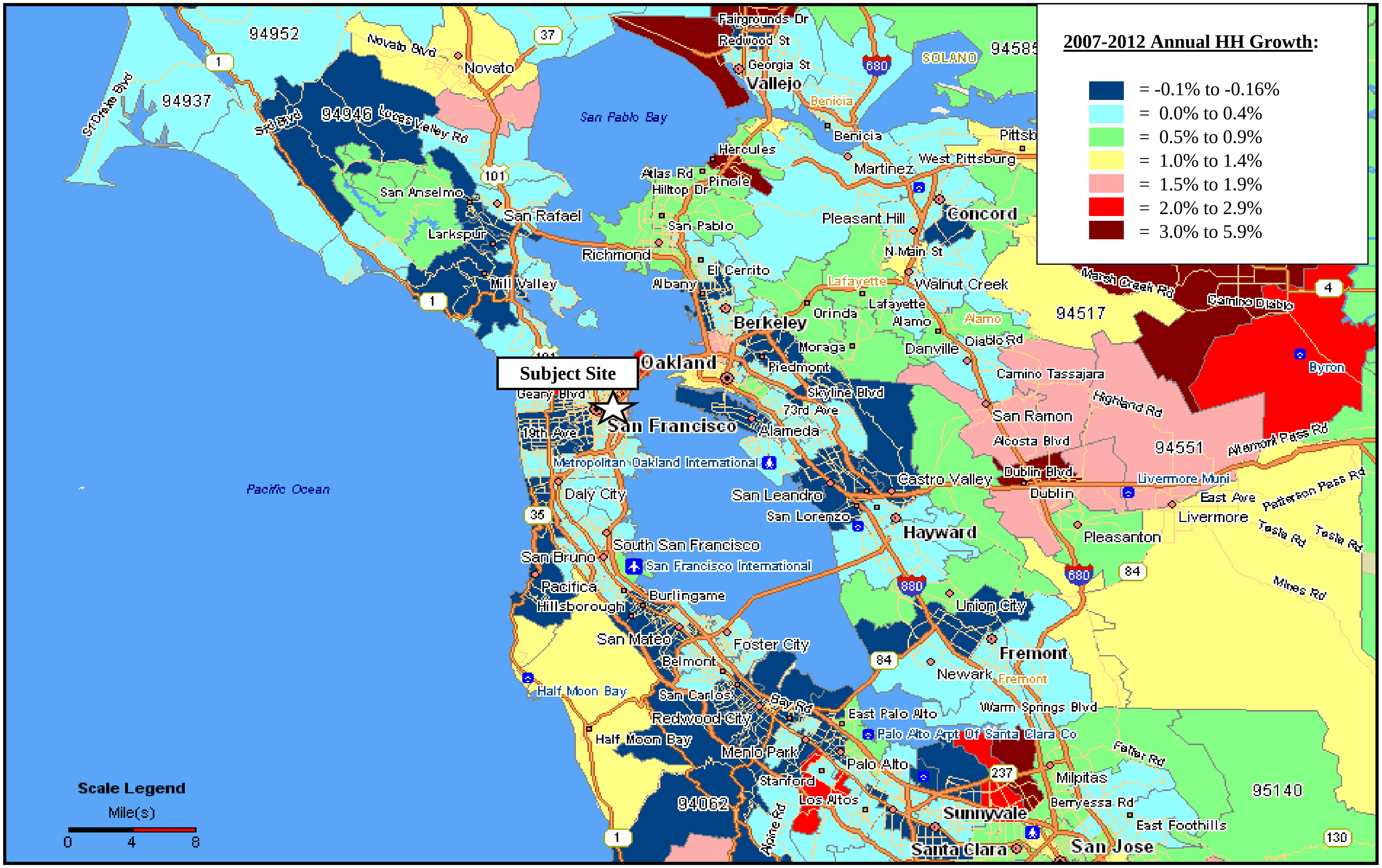


EXHIBIT I-4

REGIONAL INCOME MAP
SAN FRANCISCO BAY AREA
2007

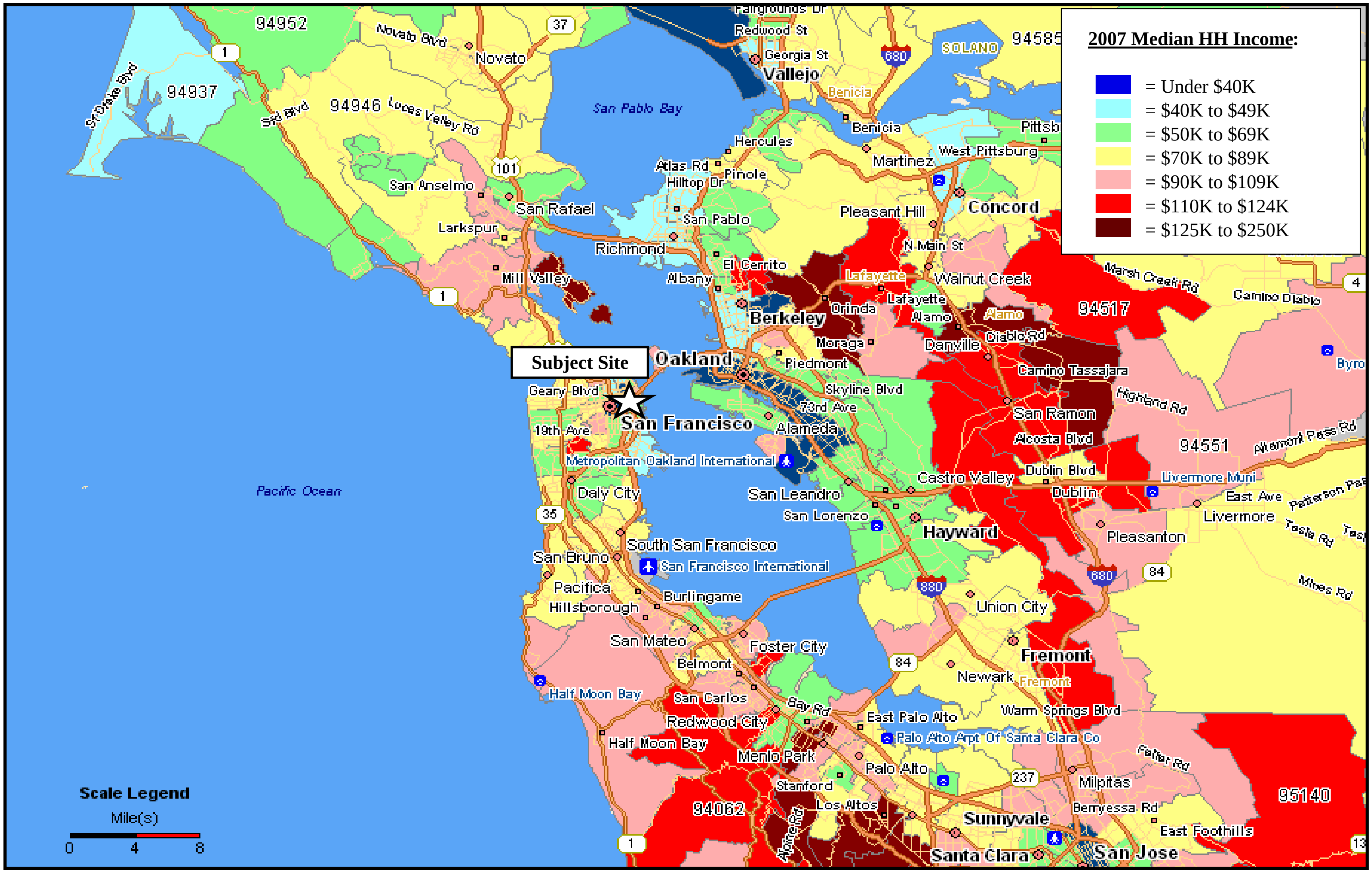


EXHIBIT I-5

LOCAL SETTING
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
SEPTEMBER 2007

THE CONCORD GROUP

EXHIBIT I-6

SITE PLAN - SUBJECT PARCEL MAP
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

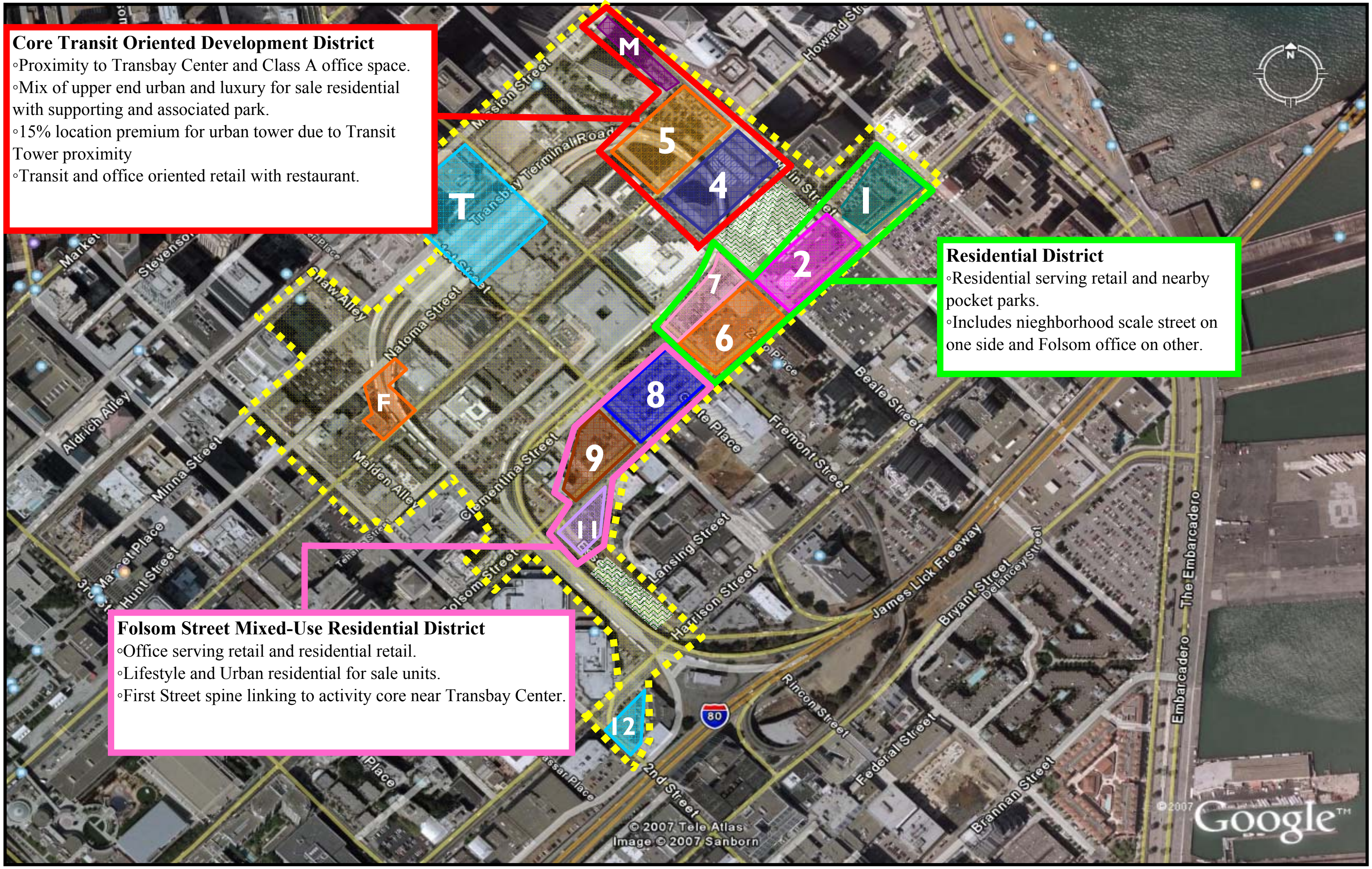


EXHIBIT I-6

SITE PLAN - SUBJECT PARCEL MAP
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

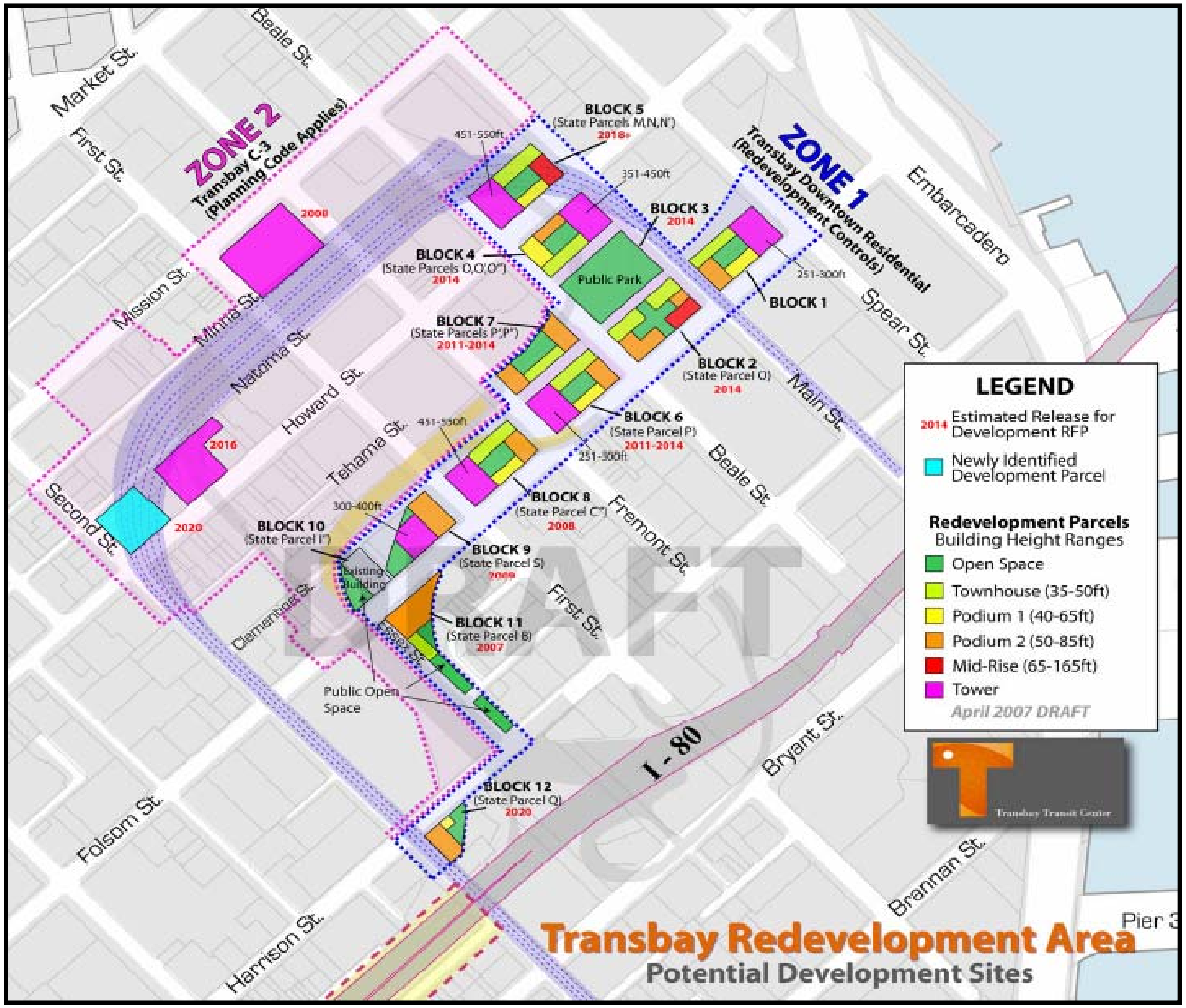


EXHIBIT I-6

SITE PLAN - SUBJECT PARCEL MAP
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

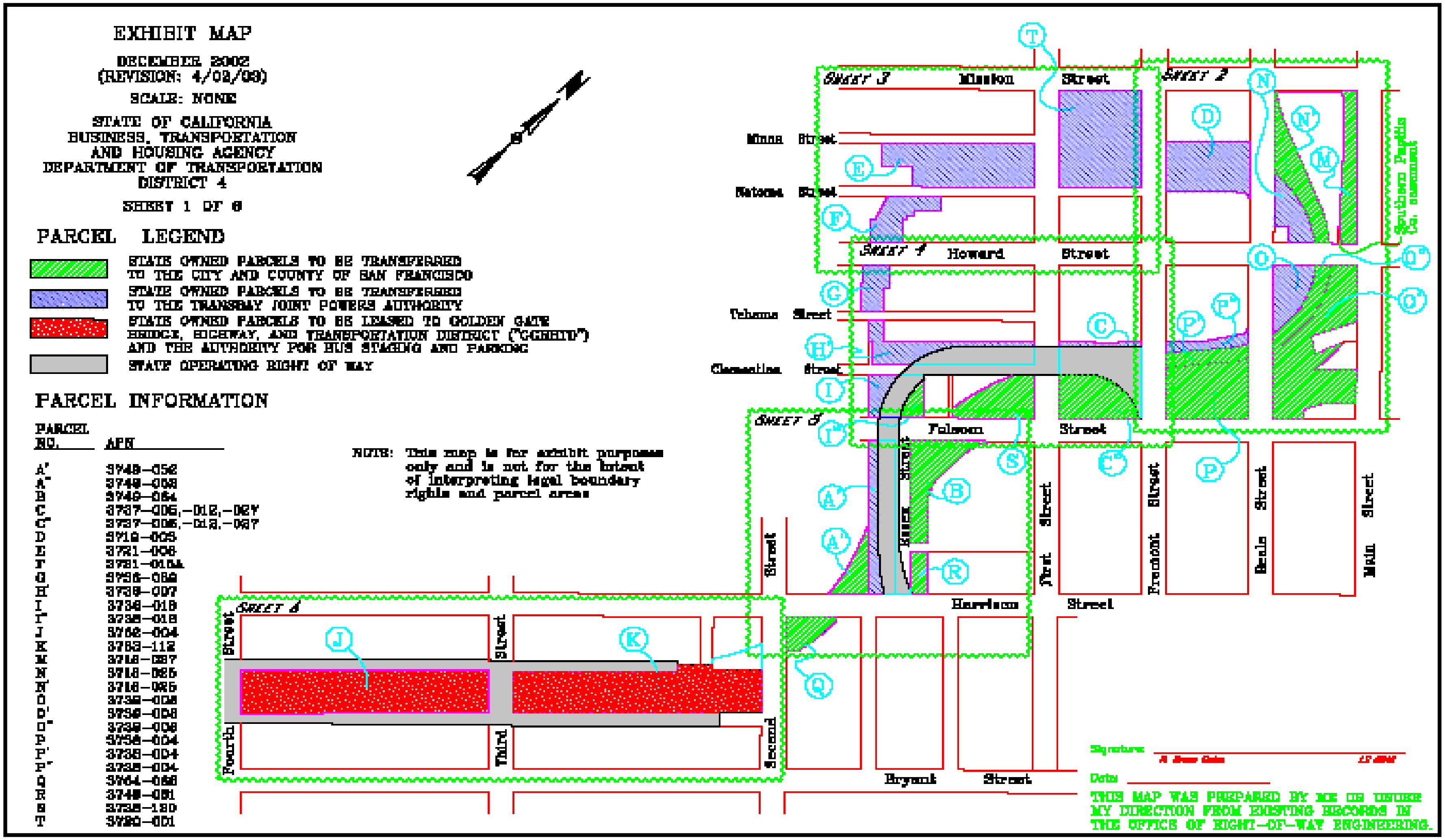
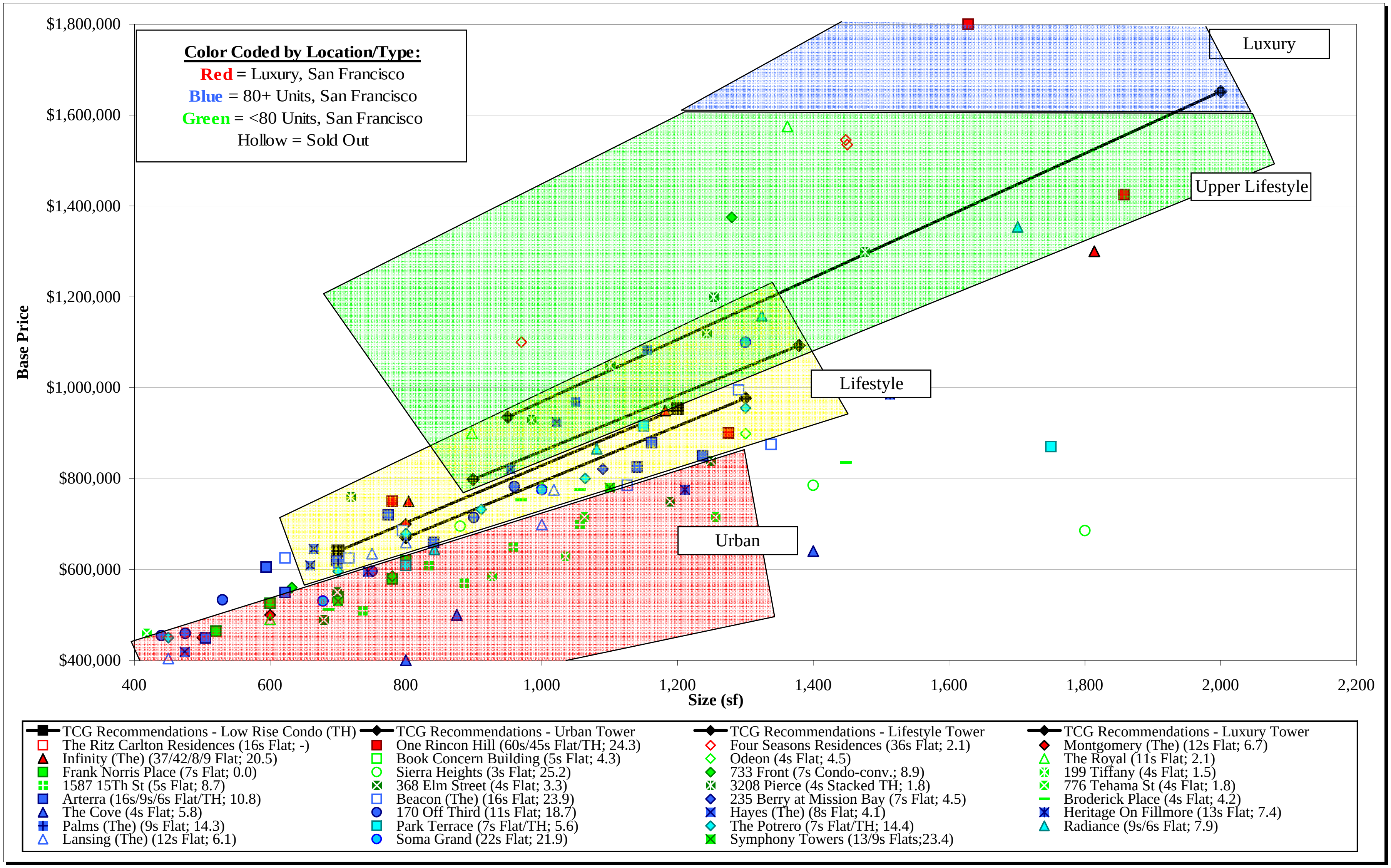


EXHIBIT I-7A

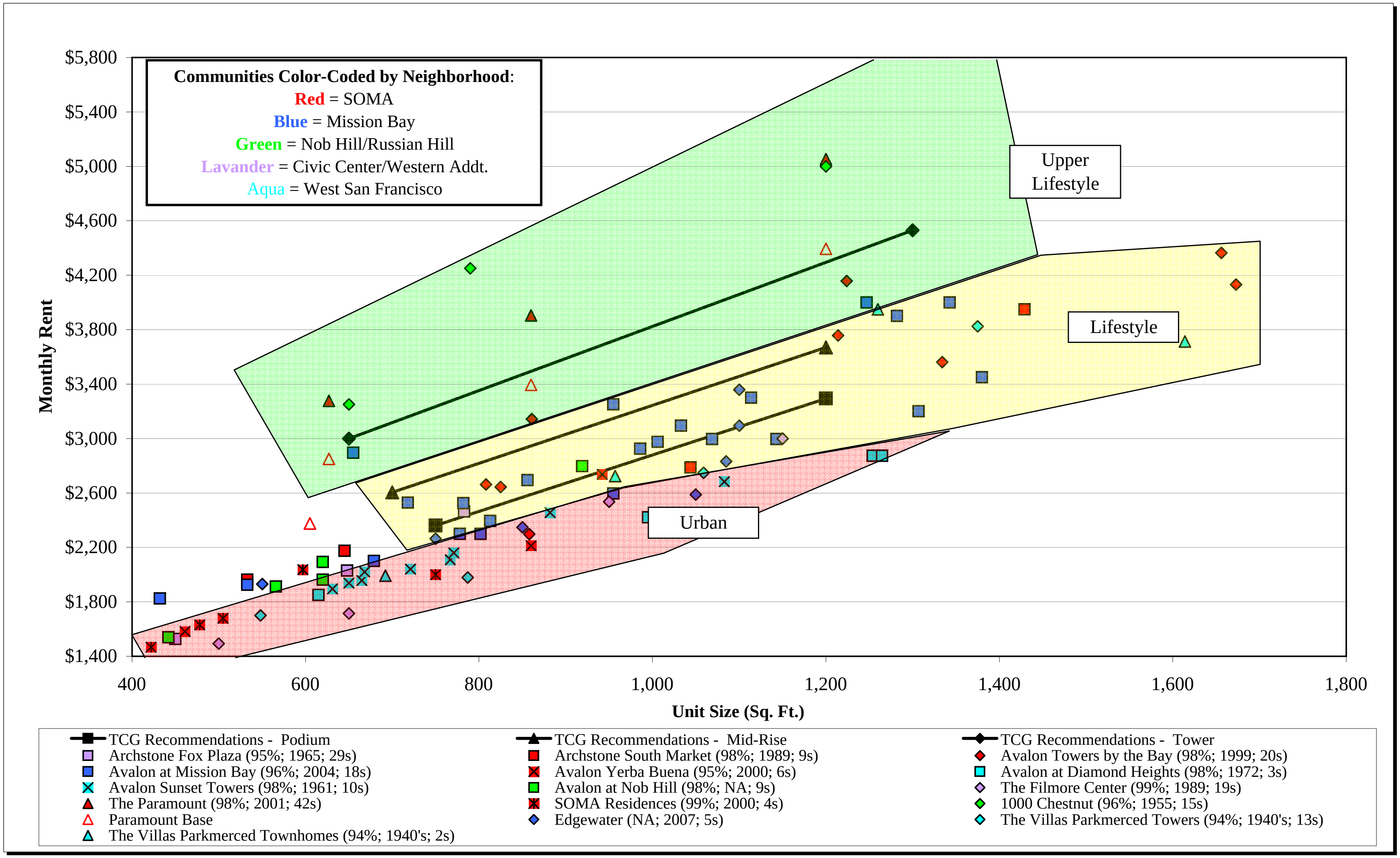
PRODUCT POSITIONING - FOR SALE RESIDENTIAL
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007



Note: The figures in parentheses represent product type and average monthly absorption, respectively.

EXHIBIT I-7B

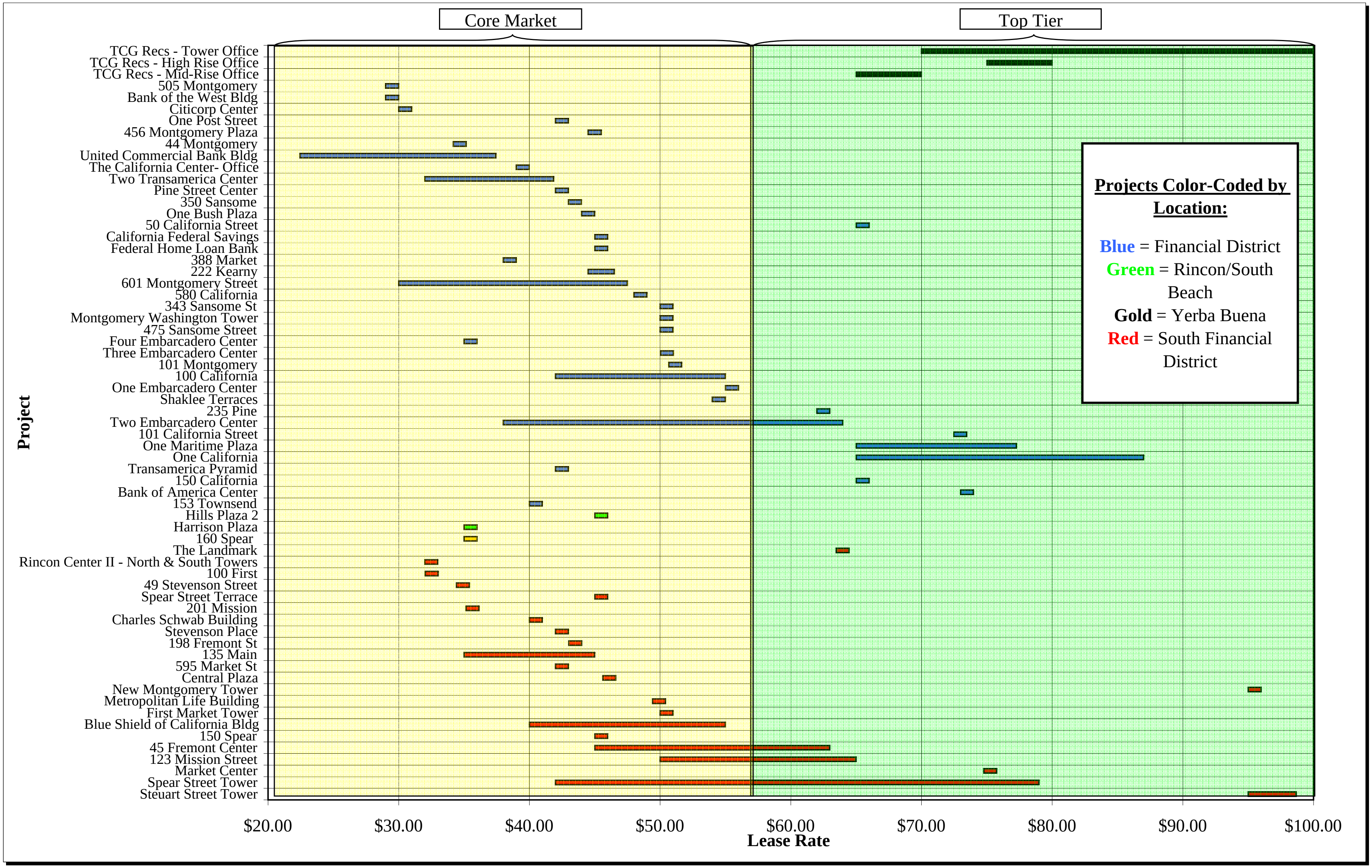
PRODUCT POSITIONING - APARTMENT
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007



Note: Figures in parentheses represent occupancy rate; year built; number of stories

EXHIBIT I-7C

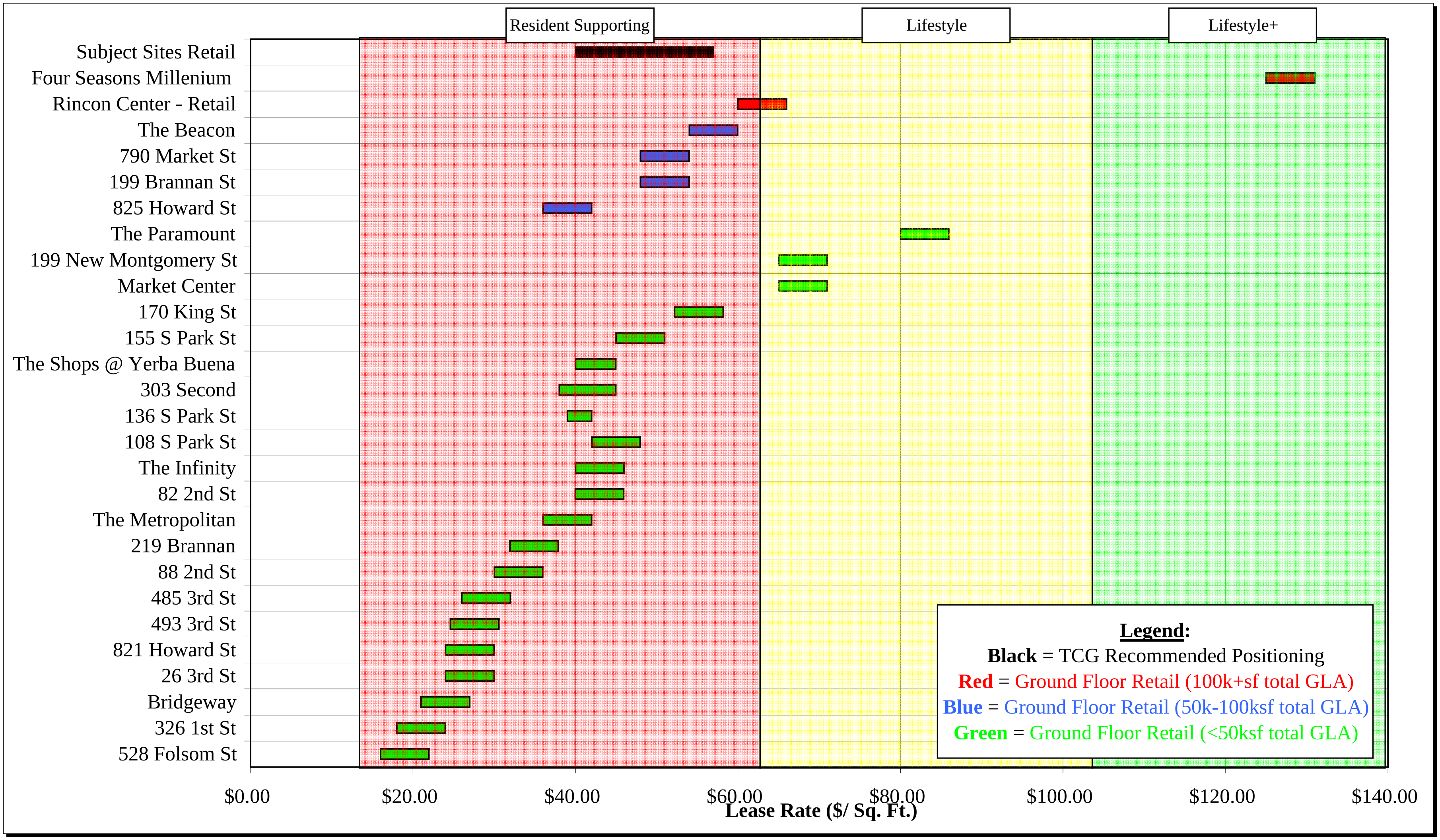
PRELIMINARY CLASS A OFFICE PRODUCT POSITIONING
OFFICE MARKET AREA
OCTOBER 2007



THE CONCORD GROUP

EXHIBIT I-7D

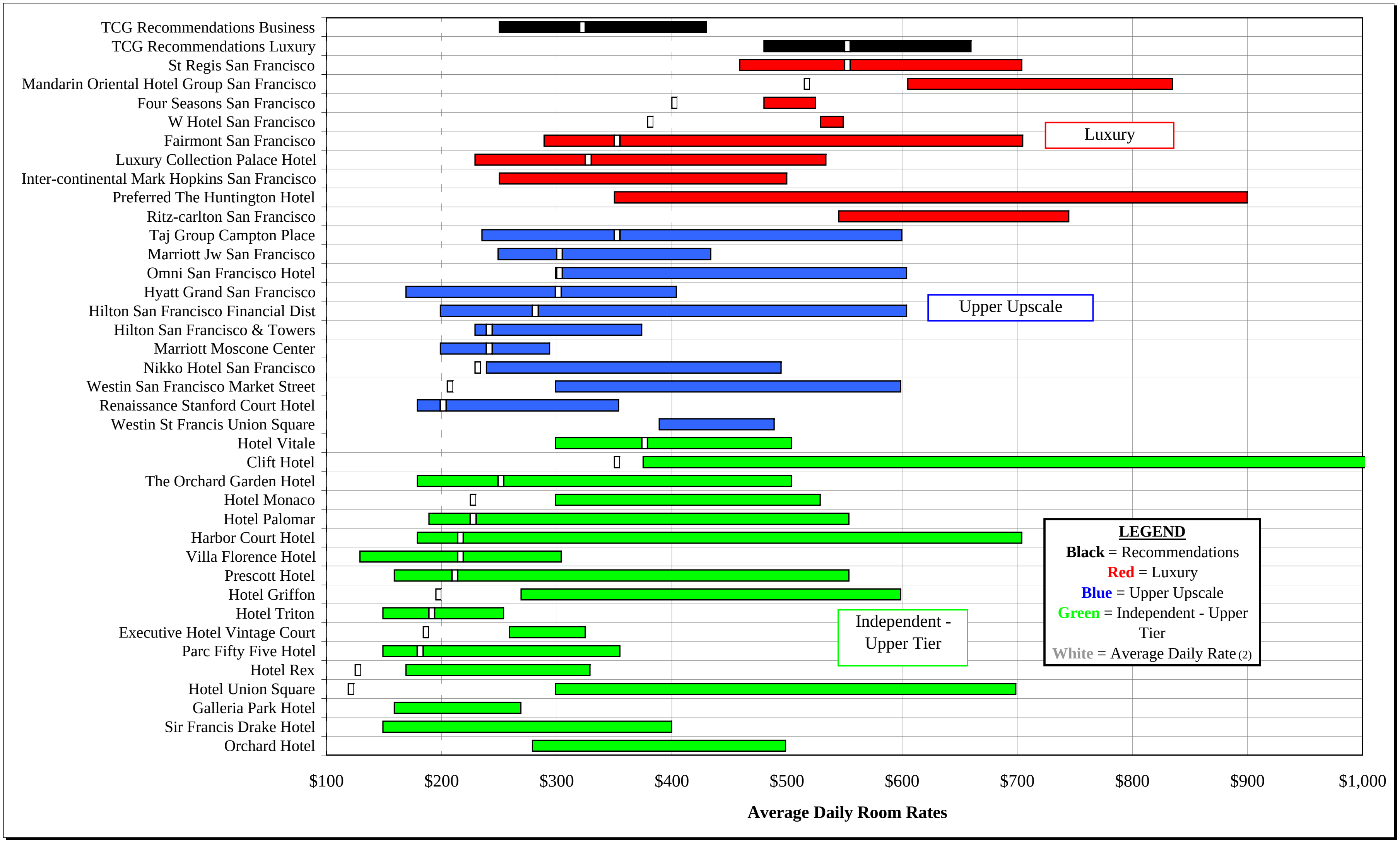
PRELIMINARY RETAIL PRODUCT POSITIONING
RETAIL TRADE AREA
OCTOBER 2007



Note: All lease rates are NNN and exclusive of NNN expenses

EXHIBIT I-7E

RECOMMENDED HOTEL POSITIONING
HOTEL MARKET AREA (1)
OCTOBER 2007



(1) For a map and definition of the HMA, see Exhibit VI-1.

(2) ADR included where known.

EXHIBIT I-8

PROPOSED MARKET RATE (INCLUSIONARY) PRODUCT MENU
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

Use	Building Type/ Target Market Segment	Annual SF Market Demand (1) (Units/SF/Rooms)	Building Scale Range (Units/SF)	Total MR Units/SF	Annual Absorption Rate (3)	Required Capture	Required Duration	Building Height Range (Floors)	Unit Size Range	Base Price/ Rent Range	Base PSF/ Lease Rate	Average Premium	Average Price/ Rent Range	Average PSF/ Lease Rate
For Sale Residential														
	Low-Rise/Podium	353	13 - 13	13	13	4%	1.0 yrs	4	700 - 1,200	$640,000 - 954,000	$914 - 795	7%	$681,600 - 1,016,010	$974 - 847
	Urban Tower/Mid-Rise	547	82 - 482	1,115	139	25%	8.0 yrs 2.00 yrs/twr	35 - 55	800 - 1,300	$670,000 - 977,000	$838 - 752	26%	$843,739 - 1,230,347	$1,055 - 946
	Lifestyle Tower	531	482	482	161	30%	3.0 yrs	35 - 55	899 - 1,379	$798,000 - 1,093,000	$888 - 793	32%	$1,055,355 - 1,445,493	$1,174 - 1,048
	Luxury Tower	368	369	369	123	33%	3.0 yrs	35 - 55	950 - 2,000	$935,000 - 1,652,000	$984 - 826	32%	$986,575 - 1,438,633	$1,039 - 719
Retail														
	Ground Floor Shops	42,411	1,500 - 16,500	68,500	20,000	47%	3.4 yrs	1	1,500 - 6,000	- -	- -	- -	- -	$4.75 - 3.33
Office														
	Tower Office	980,000	1,440,000	1,440,000	400,000	41%	3.6 yrs	35 - 82	- -	- -	- -	- -	- -	$5.83 - 8.33
	High Rise Office	(Included Above)	800,000	800,000	300,000	31%	2.7 yrs	14 - 59	- -	- -	- -	- -	- -	$6.25 - 6.67
	Mid Rise Office	(Included Above)	82,500	82,500	50,000	5%	1.7 yrs	7	- -	- -	- -	- -	- -	$5.42 - 5.83
Hotel														
	Business	407	250	250	250	61%	1.0 yrs	-	-	-	-	-	$250 - 425	- -
	Luxury	407	0	0	0	-	-	-	-	-	-	-	$480 - 655	- -

(1) Demand for residential units represents income-qualified demand for apartments renting at $2,180+ per month and for-sale units priced at $480K+. Demand for residential units additive; demand for non-residential represents total.
(2) As designated by Transbay Zone One Unit Calculations
(3) Includes potential for multiple building releases

EXHIBIT I-9

PRODUCT PROGRAM AND POSITIONING
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

	Transbay Development Assumptions (10/5 Revisions)										TCG Recommendations																	
											Building Type/						Pricing Adjustments											
	Product	Tenure	Number	Residential	Total	GFA per	Efficiency	Average	Market Rate Units		Target Market	Market Rate Units		Unit Size	Base Price/	Base PSF/		Floor Premium		View Premium			Corner Premium			Total Unit	Average	
Block	**Type**	**Type**	**of Floors**	**GFA**	**Units**	**Unit**	**Factor**	**Unit Size**	**%**	**Total**	**Segment**	**Mix (1)**	**Total**	**Range**	**Rent Range**	**Lease Rate**	**Location**	**Per Flr**	**Avg Flr**	**Prem.**	**Unit %**	**Avg.**	**Average**	**Unit %**	**Avg.**	**Premium Avg**	**Price**	**PSF**
Block 2																												
	2A/2B - Low Rise	FR-AFF	4	24,840	22	1,129	85%	960	0	0																		
	2C - Podium	FR-AFF	8	73,000	62	1,177	85%	1,001	0	0																		
	2D - Podium	FS	8	17,700	15	1,180	85%	1,003	85%	13	Low-Rise/Podium	38%	5	700	$640,000	$914	0%	1%	4%	10%	20%	2%	5%	20%	1%	7%	$681,600	$974
												62%	8	1,200	954,000	795	0%									7%	1,016,010	847
												100%	13	1,008	$833,231	$827											$887,391	$881
	2E - Mid Rise	FS	16	114,100	97	1,176	80%	941	85%	82	Urban Tower/Mid-	60%	49	800	$670,000	$838	0%	1%	8%	10%	25%	3%	5%	15%	1%	11%	$742,025	$928
												40%	33	1,300	977,000	752	0%									11%	1,082,028	832
												100%	82	1,001	$793,549	$793											$878,855	$878
Block 3																												
	Park																											
Block 4																												
	4A - Low Rise	FR-AFF	4	20,480	17	1,205	85%	1,024	0	0																		
	4B - Podium	FR-AFF	6	45,034	38	1,185	85%	1,007	0	0																		
	4C - Podium	FR-AFF	8	43,000	37	1,162	85%	988	0	0																		
	4T - Tower	FS	45	543,500	434	1,252	80%	1,002	85%	369	Luxury Tower	95%	351	950	$935,000	$984	0%	1%	22%	10%	45%	5%	5%	15%	1%	27%	$1,189,788	$1,252
												5%	18	2,000	1,652,000	826	0%									27%	2,102,170	1,051
												100%	369	1,001	$969,976	$969											$1,234,294	$1,233
Block 5																												
	5A - Low Rise	FR-AFF	4	20,480	17	1,205	85%	1,024	0	0																		
	5B - Podium	FR-AFF	6	45,034	38	1,185	85%	1,007	0	0																		
	5C - Podium	FR-AFF	8	43,000	37	1,162	85%	988	0	0																		
	5T - Tower	FS	55	709,000	567	1,250	80%	1,000	85%	482	Urban Tower/Mid-	60%	289	800	$670,000	$838	15%	1%	27%	10%	45%	5%	5%	15%	1%	32%	$986,575	$1,233
												40%	193	1,300	977,000	752	15%									32%	1,438,633	1,107
												100%	482	1,000	$792,927	$803											$1,167,586	$1,167
Block 6																												
	6A - Low Rise	FR-AFF	4	16,956	14	1,211	85%	1,029	0	0																		
	6B - Podium	FR-AFF	8	53,280	45	1,184	85%	1,006	0	0																		
	6C - Podium	FR-AFF	6	31,100	26	1,196	85%	1,017	0	0																		
	6T - Tower	FS	30	337,000	270	1,248	80%	999	85%	230	Urban Tower	60%	139	800	$670,000	$838	0%	1%	15%	10%	45%	5%	5%	15%	1%	20%	$802,325	$1,003
												40%	91	1,300	977,000	752	0%									20%	1,169,958	900
												100%	230	998	$791,465	$793											$947,780	$950

EXHIBIT I-9

PRODUCT PROGRAM AND POSITIONING
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

	Transbay Development Assumptions (10/5 Revisions)										TCG Recommendations																	
											Building Type/						Pricing Adjustments											
	Product	Tenure	Number	Residential	Total	GFA per	Efficiency	Average	Market Rate Units		Target Market	Market Rate Units		Unit Size	Base Price/	Base PSF/		Floor Premium		View Premium			Corner Premium			Total Unit	Average	
Block	Type	Type	of Floors	GFA	Units	Unit	Factor	Unit Size	%	Total	Segment	Mix (1)	Total	Range	Rent Range	Lease Rate	Location	Per Flr	Avg Flr	Prem.	Unit %	Avg.	Average	Unit %	Avg.	Premium Avg	Price	PSF
Block 7																												
	7A - Low Rise	FR-AFF	4	20,160	17	1,186	85%	1,008	0	0																		
	7B - Podium	FR-AFF	8	73,200	62	1,181	85%	1,004	0	0																		
	7C - Podium	FR-AFF	6	52,200	44	1,186	85%	1,008	0	0																		
Block 8																												
	8A - Low Rise	FR-AFF	4	16,416	14	1,173	85%	997	0	0																		
	8B - Podium	FR-AFF	8	53,280	45	1,184	85%	1,006	0	0																		
	8C - Podium	FR-AFF	6	29,150	25	1,166	85%	991	0	0																		
	8T - Tower	FS	55	708,000	567	1,249	80%	999	85%	482	Lifestyle Tower	79%	382	899	$798,000	$888	0%	1%	27%	10%	45%	5%	5%	15%	1%	32%	$1,055,355	$1,174
												21%	100	1,379	1,093,000	793	0%									32%	1,445,493	1,048
												100%	482	999	$859,203	$860											$1,136,296	$1,138
Block 9																												
	9A - Podium	FR-AFF	8	67,200	54	1,244	85%	1,058	0	0																		
	9T - Tower	FS	40	472,000	378	1,249	80%	999	85%	321	Urban Tower/Mid	60%	193	800	$670,000	$838	0%	1%	20%	10%	45%	5%	5%	15%	1%	25%	$835,825	$1,045
												40%	128	1,300	977,000	752	0%									25%	1,218,808	938
												100%	321	999	$792,417	$793											$988,541	$989
Block 10																												
	Park																											
Block 11																												
	11A - Podium	FR-AFF	8	100,800	86	1,172	85%	996	0	0																		
	11B - Low Rise	FR-AFF	4	20,800	18	1,156	85%	982	0	0																		
Block 12																												
	12A - Podium	FR-AFF	6	10,500	9	1,167	85%	992	0	0																		
	12B - Podium	FR-AFF	8	65,000	55	1,182	85%	1,005	0	0																		
		Zone One Subtotal:		**3,826,210**	**3,110**	**1,230**	**85%**	**1,046**	**64%**	**1,979**																		

(1) Represents product type mix and weighted average mix, not representative of bedroom mix.

EXHIBIT I-9

PRODUCT PROGRAM AND POSITIONING
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

		Developer Proposal/TJPA Assumptions				TCG Recommendations					
								Pricing Adjustments		Average Lease Rate	
Transbay Block	Building	Product Type	Retail GFA	Efficiency Factor	Net RBA	Building Type/ Target Market Segment	Base Lease/ Room Rate	Location	Average Premium	Monthly	Annual
Block 2	2C	Ground Floor Retail	6,000	100%	6,000	Residential/Office Serving	$3.55	0%	0%	$3.55	$42.55
	2D	Ground Floor Retail	1,500	100%	1,500		$3.55	0%	0%	$3.55	$42.55
	2E	Ground Floor Retail	5,500	100%	5,500		$3.55	0%	0%	$3.55	$42.55
Block 3	Park										
Block 4	4B	Ground Floor Retail	2,000	100%	2,000	TOD Serving	$3.55	10%	0%	$3.90	$46.81
	4C	Ground Floor Retail	2,000	100%	2,000		$3.55	10%	0%	$3.90	$46.81
	4T	Ground Floor Retail	2,000	100%	2,000		$3.55	10%	0%	$3.90	$46.81
Block 5/	5B	Ground Floor Retail	2,000	100%	2,000	TOD Serving	$3.55	30%	0%	$4.61	$55.32
Parcel M	5C	Ground Floor Retail	2,000	100%	2,000		$3.55	30%	0%	$4.61	$55.32
	5T	Ground Floor Retail	2,000	100%	2,000		$3.55	30%	0%	$4.61	$55.32
	M	Ground Floor Retail	16,500	100%	16,500	TOD Serving	$3.55	15%	0%	$4.08	$48.93
Block 6	6B	Ground Floor Retail	3,000	100%	3,000	Office/Residential Serving	$3.55	0%	0%	$3.55	$42.55
	6C	Ground Floor Retail	4,000	100%	4,000		$3.55	0%	0%	$3.55	$42.55
	6T	Ground Floor Retail	3,000	100%	3,000		$3.55	0%	0%	$3.55	$42.55
Block 7	No Retail Planned										
Block 8	8B	Ground Floor Retail	3,000	100%	3,000	Residential Serving	$3.55	5%	0%	$3.72	$44.68
	8C	Ground Floor Retail	4,000	100%	4,000		$3.55	5%	0%	$3.72	$44.68
	8T	Ground Floor Retail	3,000	100%	3,000		$3.55	5%	0%	$3.72	$44.68
Block 9	9A	Ground Floor Retail	2,000	100%	2,000	Residential Serving	$3.55	5%	0%	$3.72	$44.68
	9T	Ground Floor Retail	2,000	100%	2,000		$3.55	5%	0%	$3.72	$44.68
Block 10	Park										
Block 11	11A	Ground Floor Retail	3,000	100%	3,000	Residential Serving	$3.55	0%	0%	$3.55	$42.55
Block 12	No Retail Planned										

EXHIBIT I-9

PRODUCT PROGRAM AND POSITIONING
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

		Developer Proposal/TJPA Assumptions						TCG Recommendations							
												Pricing Adjustments			
			Building Height											Average Lease Rate	
Transbay Block	**Scenario**	**Product Type**	**Height**	**Stories**	**GFA**	**Efficiency Factor**	**Net RBA**	**Building Type/ Target Market Segment**	**Hotel Room**	**Total RBA**	**Base Lease/ Room Rate**	**Location**	**Average Premium**	**Monthly**	**Annual**
Parcel M	Proposed	Office	85'	TBD	82,500	80%	66,000	Mid Rise Office	0	66,000	$5.11	0%	10%	$5.63	$67.50
Parcel T	Scenario 1	Office	Per Hines	82	1,800,000	80%	1,440,000	Tower Office	0	1,440,000	$5.45	0%	30%	$7.08	$85.00
	Scenario 2	Office	850'	54	1,000,000	80%	800,000	Tower Office	0	800,000	5.21	0%	25%	6.52	$78.20
	Scenario 3	Office	550'	35	768,000	80%	614,400	Tower Office	0	614,400	4.89	0%	20%	5.87	$70.38
Parcel F	Scenario 1	Office Component	850'	54	1,000,000	80%	800,000	High Rise Office	See below	687,500	$5.17	0%	25%	$6.46	$77.50
	Scenario 2	Office Component	550'	35	647,000	80%	517,600	High Rise Office	See below	450,100	4.84	0%	20%	5.81	$69.75
	Scenario 3	Office	200'	13	235,000	80%	188,000	High Rise Office	See below	188,000	4.76	0%	10%	5.23	$62.78
	Scenario 1	Business Hotel	See Above						250	112,500	$320	0%	0%	$320	-
	Scenario 2	Business Hotel	See Above						150	67,500	$320	0%	0%	$320	-
Parcel N&N'	Plaza														

EXHIBIT I-10A

DEVELOPMENT SALES AND ABSORPTION TIMELINE
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

Block / Building	Land Use	Annual Absorption	Total Units/SF	Pre-Sold/Leased %	Pre-Sold/Leased Units/SF	RFP Date	Construction Start	Construction Duration	Units/SF Absorbed per Year (Market Rate and Inclusionary Units) 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Block 2																									
2D - Podium	Res	72	13	65%	8	2014	2015	20										13							
Affordable	*Res-Aff*	*NA*	*2*	*NA*	*NA*	*2014*	*2015*	*20*										*2*							
2E - Mid Rise	Res	72	82	65%	53	2014	2015	20									4	72	6						
Affordable	*Res-Aff*	*NA*	*15*	*NA*	*NA*	*2014*	*2015*	*20*										*15*							
Ground Flr Shops	Retail	20,000	13,000	0%	0	2014	2015	20											13k						
Block 4																									
4T - Tower	Res	123	369	65%	240	2014	2015	36										117	123	123	6				
Affordable	*Res-Aff*	*NA*	*65*	*NA*	*NA*	*2014*	*2015*	*36*											*65*						
Ground Flr Shops	Retail	20,000	6,000	0%	0	2014	2015	36												6k					
Block 5																									
5T - Tower	Res	139	482	65%	313	2018	2019	36													34	139	139	139	30
Affordable	*Res-Aff*	*NA*	*85*	*NA*	*NA*	*2018*	*2019*	*36*															*85*		
Ground Flr Shops	Retail	20,000	6,000	0%	0	2018	2019	36																6k	
Block 6																									
6T - Tower	Res	139	230	65%	150	2011	2012	30							11	139	80								
Affordable	*Res-Aff*	*NA*	*40*	*NA*	*NA*	*2011*	*2012*	*30*								*40*									
Ground Flr Shops	Retail	20,000	10,000	0%	0	2011	2012	30									10k								
Block 8																									
8T - Tower	Res	161	482	65%	313	2008	2009	36				152	161	161	8										
Affordable	*Res-Aff*	*NA*	*85*	*NA*	*NA*	*2008*	*2009*	*36*					*85*												
Ground Flr Shops	Retail	20,000	10,000	0%	0	2008	2009	36						10k											
Block 9																									
9T - Tower	Res	139	321	65%	209	2009	2010	36					70	139	112										
Affordable	*Res-Aff*	*NA*	*57*	*NA*	*NA*	*2009*	*2010*	*36*						*57*											
Ground Flr Shops	Retail	20,000	4,000	0%	0	2009	2010	36							4k										
Block 11																									
Ground Flr Shops	Retail	20,000	3,000	0%	0	2007	2009	20					3k												
Parcel M																									
Mid-Rise	Office	50,000	66,000	65%	42,900	2018	2019	25													39k	27k			
Ground Flr Shops	Retail	20,000	16,500	0%	0	2018	2019	14															17k		
Parcel T																									
Tower	Office	400,000	1,440,000	65%	936,000	2008	2010	50						136k	400k	400k	400k	104k							
Parcel F																									
High Rise	Office	300,000	687,500	65%	446,875	2016	2017	40												47k	300k	100k	241k		
Business Hotel	Hotel	250	250	0%	0	2016	2017	27														250			
Market Rate Residential Absorption (Units):									**0**	**0**	**0**	**152**	**230**	**300**	**131**	**139**	**84**	**202**	**129**	**123**	**40**	**139**	**139**	**139**	**30**
Arffordable Residential Absorption (Units):									**0**	**0**	**0**	**0**	**85**	**57**	**0**	**40**	**0**	**17**	**65**	**0**	**0**	**0**	**85**	**0**	**0**
Retail Absorption (000sf):									**0k**	**0k**	**0k**	**0k**	**3k**	**10k**	**4k**	**0k**	**10k**	**0k**	**13k**	**6k**	**0k**	**0k**	**17k**	**6k**	**0k**
Office Absorption (000sf):									**0k**	**0k**	**0k**	**0k**	**0k**	**136k**	**400k**	**400k**	**400k**	**104k**	**0k**	**47k**	**339k**	**127k**	**241k**	**0k**	**0k**
Hotel Absorption (Rooms):									**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**0**	**0**	**0**

Key
Presales
Presales/Closings
Closings (Absorption of Standing Inventory)
Completion
Construction

EXHIBIT I-10A

DEVELOPMENT SALES AND ABSORPTION TIMELINE
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

Block	Land	Annual	Total	Pre-Sold/Leased		RFP	Construction		Units/SF Absorbed per Year (Market Rate and Inclusionary Units)																
Building	Use	Absorption	Units/SF	%	Units/SF	Date	Start	Duration	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Scenario 2																									
T	Office	400,000	800,000	65%	520,000	2008	2009	40						388k	400k	12k									
F	Office	300,000	450,100	65%	292,565	2016	2017	40													193k	258k			
F	Hotel	150	150	0%	0	2016	2017	40														150			
Scenario 3																									
T	Office	400,000	614,400	65%	399,360	2008	2009	40						267k	347k										
F	Office	300,000	188,000	65%	122,200	2016	2017	30													188k				
F	Hotel	NA	0	0%	0	2016	2017	30																	

EXHIBIT I-10B

DEVELOPMENT SALES AND ABSORPTION TIMELINE - ADDITIONAL TOP-LINE VALUE ABSORBED PER YEAR
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

Block	Land	Annual	Total	Pre-Sold/Leased		RFP	Construction		Gross Value by Year ($000s) - For-Sale Market Rate Units																
Building	**Use**	**Absorption**	**Units/SF**	**%**	**Units/SF**	**Date**	**Start**	**Duration**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Block 2																									
2D - Podium	Res	72	13	65%	8	2014	2015	20										$12,188							
Affordable	*Res-Aff*	*NA*	*2*	*NA*	*NA*	*2014*	*2015*	*20*										*$498*							
2E - Mid Rise	Res	72	82	65%	53	2014	2015	20										$70,584	$5,572						
Affordable	*Res-Aff*	*NA*	*15*	*NA*	*NA*	*2014*	*2015*	*20*										*$3,733*							
Ground Flr Shops	Retail	20,000	13,000	0%	0	2014	2015	20											$5,966						
Block 4																									
4T - Tower	Res	123	369	65%	240	2014	2015	36											$326,908	$167,540	$8,173				
Affordable	*Res-Aff*	*NA*	*65*	*NA*	*NA*	*2014*	*2015*	*36*											*$16,175*						
Ground Flr Shops	Retail	20,000	6,000	0%	0	2014	2015	36												$2,893					
Block 5																									
5T - Tower	Res	139	482	65%	313	2018	2019	36															$388,046	$172,792	$37,193
Affordable	*Res-Aff*	*NA*	*85*	*NA*	*NA*	*2018*	*2019*	*36*															*$21,151*		
Ground Flr Shops	Retail	20,000	6,000	0%	0	2018	2019	36																$3,312	
Block 6																									
6T - Tower	Res	139	230	65%	150	2011	2012	30								$151,332	$80,509								
Affordable	*Res-Aff*	*NA*	*40*	*NA*	*NA*	*2011*	*2012*	*30*								*$9,954*									
Ground Flr Shops	Retail	20,000	10,000	0%	0	2011	2012	30									$4,589								
Block 8																									
8T - Tower	Res	161	482	65%	313	2008	2009	36					$394,358	$202,429	$10,079										
Affordable	*Res-Aff*	*NA*	*85*	*NA*	*NA*	*2008*	*2009*	*36*					*$21,151*												
Ground Flr Shops	Retail	20,000	10,000	0%	0	2008	2009	36						$4,822											
Block 9																									
9T - Tower	Res	139	321	65%	209	2009	2010	36						$219,376	$117,561										
Affordable	*Res-Aff*	*NA*	*57*	*NA*	*NA*	*2009*	*2010*	*36*						*$14,184*											
Ground Flr Shops	Retail	20,000	4,000	0%	0	2009	2010	36							$1,929										
Block 11																									
Ground Flr Shops	Retail	20,000	3,000	0%	0	2007	2009	20					$1,377												
Parcel M																									
Mid-Rise	Office	50,000	66,000	65%	42,900	2018	2019	25														$41,525			
Ground Flr Shops	Retail	20,000	16,500	0%	0	2018	2019	14															$8,725		
Parcel T																									
Tower	Office	400,000	1,440,000	65%	936,000	2008	2010	50								$764,400	$326,667	$84,933							
Parcel F																									
High Rise	Office	300,000	800,000	65%	520,000	2016	2017	40														$325,846	$175,456		
Business Hotel	Hotel	250	250	0%	0	2016	2017	27														$116,125			
							Market Rate Residential Values:		**$0**	**$0**	**$0**	**$0**	**$394,358**	**$421,805**	**$127,640**	**$151,332**	**$80,509**	**$82,771**	**$332,480**	**$167,540**	**$8,173**	**$0**	**$388,046**	**$172,792**	**$37,193**
							Affordable Residential Values:		**$0**	**$0**	**$0**	**$0**	**$21,151**	**$14,184**	**$0**	**$9,954**	**$0**	**$4,230**	**$16,175**	**$0**	**$0**	**$0**	**$21,151**	**$0**	**$0**
							Retail Values:		**$0**	**$0**	**$0**	**$0**	**$1,377**	**$4,822**	**$1,929**	**$0**	**$4,589**	**$0**	**$5,966**	**$2,893**	**$0**	**$0**	**$8,725**	**$3,312**	**$0**
							Office Values:		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$764,400**	**$326,667**	**$84,933**	**$0**	**$0**	**$0**	**$367,371**	**$175,456**	**$0**	**$0**
							Hotel Values:		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$116,125**	**$0**	**$0**	**$0**
							Total Gross Value:		**$0**	**$0**	**$0**	**$0**	**$416,886**	**$440,811**	**$129,569**	**$925,685**	**$411,765**	**$171,935**	**$354,621**	**$170,434**	**$8,173**	**$483,496**	**$593,378**	**$176,104**	**$37,193**

Key
Presales
Presales/Closings
Closings (Absorption of Standing Inventory)
Completion
Construction

THE CONCORD GROUP

EXHIBIT I-11

RESIDENTIAL BUILDING CALCULATIONS AND AFFORDABLE UNIT ALLOCATION
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

Bldg	Product Type	Stories	Total Units	Avg. Bldg. Unit Size	Bldg (1)	Unit Size Factor	Average Size	Indicated Average Price	Indicated Average PSF	Unit Dist.	Affordable %	Affordable Units	Market Rate %	Market Rate Units	Market Rate Units Weighted Average Unit Size	Market Rate Units Weighted Average Unit Price
2D	Podium	4	15	1,008	**Premium**	110%	1,108	$954,787	$861	50%	0%	0	100%	8	1,025	$899,284
					Base	90%	907	819,994	904	50%	30%	2	70%	5		
						Total/Average:	*1,008*	*$887,391*	*$881*	*100%*		*2*		*13*		
2E	Mid Rise	16	97	1,001	**Premium**	110%	1,101	$946,939	$860	50%	0%	0	100%	49	1,019	$890,870
					Base	90%	901	810,772	900	50%	30%	15	70%	34		
						Total/Average:	*1,001*	*$878,855*	*$878*	*100%*		*15*		*82*		
4T	Luxury Tower	45	434	1,001	**Premium**	110%	1,101	$1,321,294	$1,200	50%	0%	0	100%	217	1,019	$1,249,647
					Base	90%	901	1,147,294	1,273	50%	30%	65	70%	152		
						Total/Average:	*1,001*	*$1,234,294*	*$1,233*	*100%*		*65*		*369*		
5T	Urban Tower	55	567	1,000	**Premium**	110%	1,100	$1,258,016	$1,143	50%	0%	0	100%	284	1,018	$1,183,544
					Base	90%	900	1,077,155	1,197	50%	30%	85	70%	198		
						Total/Average:	*1,000*	*$1,167,586*	*$1,167*	*100%*		*85*		*482*		
6T	Urban Tower	30	270	998	**Premium**	110%	1,098	$1,021,146	$930	50%	0%	0	100%	135	1,015	$960,727
					Base	90%	898	874,413	974	50%	30%	41	70%	95		
						Total/Average:	*998*	*$947,780*	*$950*	*100%*		*41*		*230*		
9T	Urban Tower	40	378	999	**Premium**	110%	1,099	$1,065,090	$969	50%	0%	0	100%	189	1,017	$1,002,049
					Base	90%	899	911,992	1,014	50%	30%	57	70%	132		
						Total/Average:	*999*	*$988,541*	*$989*	*100%*		*57*		*321*		
8T	Lifestyle Tower	55	567	999	**Premium**	110%	1,098	$1,217,460	$1,108	50%	0%	0	100%	284	1,016	$1,150,619
					Base	90%	899	1,055,133	1,174	50%	30%	85	70%	198		
						Total/Average:	*999*	*$1,136,296*	*$1,138*	*100%*		*85*		*482*		

(1) Assumes variations in unit placement and configuration

EXHIBIT I-12

LAND RESIDUAL ANALYSIS - FOR-SALE RESIDENTIAL
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

			Product Type													
		Product Type:	**2D - Podium**		**2E - Mid-Rise**		**4T - Luxury Tower**		**Urban Tower**						**8T - Lifestyle Tower**	
		Parcel:	**Market**	**Affordable**	**Market**	**Affordable**	**Market**	**Affordable**	**5T Mrkt**	**5T Aff.**	**6T Mrkt**	**6T Aff.**	**9T Mrkt**	**9T Aff.**	**8T Mrkt**	**8T Aff.**
Item		**Number of Floors:**	**4**		**16**		**45**		**55**		**30**		**40**		**55**	
RESIDUAL TO DEVELOPER																
Revenues																
Average Price			$899,284	$248,839	$890,870	$248,839	$1,249,647	$248,839	$1,183,544	$248,839	$960,727	$248,839	$1,002,049	$248,839	$1,150,619	$248,839
% Units with Upgrades			85%	0%	85%	0%	90%	0%	95%	0%	95%	0%	95%	0%	95%	0%
% Average Upgrade			5%	0%	5%	0%	10%	0%	5%	0%	5%	0%	5%	0%	10%	0%
Options/Upgrades			$38,220	$0	$37,862	$0	$112,468	$0	$56,218	$0	$45,635	$0	$47,597	$0	$109,309	$0
Total Revenues From Residential Sales			$937,505	$248,839	$928,733	$248,839	$1,362,116	$248,839	$1,239,763	$248,839	$1,006,362	$248,839	$1,049,648	$248,839	$1,259,929	$248,839
Commissions	3.0%	of revenues	28,125	0	27,862	0	40,863	0	37,193	0	30,191	0	31,489	0	37,798	0
Net Revenues From Residential Sales			$909,380	$248,839	$900,871	$248,839	$1,321,253	$248,839	$1,202,570	$248,839	$976,171	$248,839	$1,018,158	$248,839	$1,222,131	$248,839
Non-Financing Costs																
Construction Costs/square foot	90%	Aff. of Mrkt.	$300	$270	$350	$315	$480	$432	$400	$360	$400	$360	$400	$360	$425	$383
Average Unit Size (square feet):			1,025	907	1,019	901	1,019	901	1,018	900	1,015	898	1,017	899	1,016	899
Construction Costs			$307,643	$244,869	$356,611	$283,846	$489,066	$389,274	$407,143	$324,067	$406,174	$323,296	$406,805	$323,798	$431,888	$343,763
Other Costs (Common Area; Options, Marketing, G&A, Taxes, Contingency, etc.)			$148,180	$26,875	$146,793	$26,875	$243,306	$26,875	$198,747	$26,875	$161,330	$26,875	$168,269	$26,875	$227,650	$26,875
Impact Fees			17,820	16,257	17,733	16,180	17,733	16,180	17,719	16,168	17,687	16,140	17,708	16,159	17,698	16,149
TIDF	$10.94	psf	11,219	9,922	11,147	9,858	11,147	9,858	11,135	9,848	11,109	9,825	11,126	9,840	11,117	9,832
School Impact	$2.24	psf	2,297	2,032	2,282	2,018	2,282	2,018	2,280	2,016	2,275	2,012	2,278	2,015	2,276	2,013
Wastewater Connection	$2,604	per unit	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604
Sewer Connection	$1,700	per unit	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Total Other Costs			$165,999	$43,132	$164,526	$43,055	$261,039	$43,055	$216,466	$43,043	$179,017	$43,015	$185,977	$43,033	$245,348	$43,024
Total Non-Financing Costs			$473,642	$288,001	$521,137	$326,901	$750,105	$432,329	$623,609	$367,110	$585,191	$366,310	$592,783	$366,831	$677,236	$386,787
Financing Costs																
Loan Draw	75%	of hard costs	$355,231	$216,001	$390,853	$245,176	$562,579	$324,247	$467,707	$275,333	$438,894	$274,733	$444,587	$275,124	$507,927	$290,090
Construction Timing (Months)			20	20	20	20	36	36	36	36	30	30	36	36	36	36
Construction Interest	7.0%	of loan draw	20,722	12,600	22,800	14,302	59,071	34,046	49,109	28,910	38,403	24,039	46,682	28,888	53,332	30,459
Loan Fee	1.5%	of loan draw	5,328	3,240	5,863	3,678	8,439	4,864	7,016	4,130	6,583	4,121	6,669	4,127	7,619	4,351
Total Financing			$26,050	$15,840	$28,663	$17,980	$67,509	$38,910	$56,125	$33,040	$44,987	$28,160	$53,350	$33,015	$60,951	$34,811
Total Costs (Excluding Land)			**$499,692**	**$303,841**	**$549,799**	**$344,880**	**$817,615**	**$471,239**	**$679,734**	**$400,150**	**$630,178**	**$394,471**	**$646,133**	**$399,846**	**$738,187**	**$421,598**
Total Costs per Square Foot (Includes Parking)			**487**	**335**	**540**	**383**	**802**	**523**	**668**	**445**	**621**	**439**	**635**	**445**	**726**	**469**
Builder Profit %			15%	0%	20%	0%	25%	0%	25%	0%	25%	0%	25%	0%	25%	0%
Builder Profit			$140,626	$0	$185,747	$0	$340,529	$0	$309,941	$0	$251,591	$0	$262,412	$0	$314,982	$0
Land Residual																
Revenues			$909,380	$248,839	$900,871	$248,839	$1,321,253	$248,839	$1,202,570	$248,839	$976,171	$248,839	$1,018,158	$248,839	$1,222,131	$248,839
Total Costs (including Builder Profit)			640,318	303,841	735,546	344,880	1,158,144	471,239	989,675	400,150	881,769	394,471	908,545	399,846	1,053,169	421,598
Land Residual -- Finished Pad Value per Unit			**$269,062**	**-$55,002**	**$165,325**	**-$96,041**	**$163,109**	**-$222,400**	**$212,895**	**-$151,311**	**$94,403**	**-$145,632**	**$109,613**	**-$151,007**	**$168,962**	**-$172,759**
As % of Average Home Price			**30%**	**-22%**	**19%**	**-39%**	**13%**	**-89%**	**18%**	**-61%**	**10%**	**-59%**	**11%**	**-61%**	**15%**	**-69%**
As % of Total Home Price			**29%**	**-22%**	**18%**	**-39%**	**12%**	**-89%**	**17%**	**-61%**	**9%**	**-59%**	**10%**	**-61%**	**13%**	**-69%**
Land Residual -- Per FAR Foot			**$262**	**-$61**	**$162**	**-$107**	**$160**	**-$247**	**$209**	**-$168**	**$93**	**-$162**	**$108**	**-$168**	**$166**	**-$192**

Note: All prices 2007 dollars

EXHIBIT I-13

LAND RESIDUAL ANALYSIS - RETAIL
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

			Groundfloor Shops			
		Positioning:	**0% Premum**	**5% Premium**	**15% Premium**	**20% Premium**
Item	**Ratios**	**Block/Parcel:**	**2; 6; 11**	**4; 8; 9**	**M**	**5**
RESIDUAL TO DEVELOPER PER BUILDING SQUARE FOOT						
INCOME						
Average Rental Income						
Income per Square Foot			$4.04	$4.24	$4.65	$4.85
Potential Gross Income per Year			**$48.50**	**$50.93**	**$55.78**	**$58.20**
Less Vacancy	10%	of PGI	(4.85)	(5.09)	(5.58)	(5.82)
Gross Income less Vacancy			**$43.65**	**$45.83**	**$50.20**	**$52.38**
EXPENSES						
Operating Expenses	20%	of Gross Income	$8.73	$9.17	$10.04	$10.48
			$8.73	**$9.17**	**$10.04**	**$10.48**
Marketing	0.50	psf	$0.50	$0.50	$0.50	$0.50
Total Marketing			**$0.50**	**$0.50**	**$0.50**	**$0.50**
Total Expenses			**$9.23**	**$9.67**	**$10.54**	**$10.98**
EBITDA			**$34.42**	**$36.17**	**$39.66**	**$41.40**
Capitalized Value	**7.50%**		**$458.93**	**$482.21**	**$528.77**	**$552.05**
BUILDING CONSTRUCTION COSTS						
Hard Costs						
Construction Costs/square foot			$150.00	$150.00	$150.00	$150.00
Total Direct Costs			**$150.00**	**$150.00**	**$150.00**	**$150.00**
Total Tenant Improvements			**$45.00**	**$45.00**	**$50.00**	**$55.00**
Parking Costs	0	spaces per 1,000sf				
Parking Structures	$50,000	per space	$0.00	$0.00	$0.00	$0.00
Total Parking Costs			**$0.00**	**$0.00**	**$0.00**	**$0.00**
Total Hard Costs			**$195.00**	**$195.00**	**$200.00**	**$205.00**
Soft Costs			$50.40	$50.40	$52.50	$54.60
Impact Fees			$27.13	$27.13	$27.13	$27.13
DT Park Fee	$2.00	psf	$2.00	$2.00	$2.00	$2.00
Affordable Housing Fund	$13.95	psf	$13.95	$13.95	$13.95	$13.95
TIDF	$10.94	psf	$10.94	$10.94	$10.94	$10.94
School Impact	$0.24	psf	$0.24	$0.24	$0.24	$0.24
			$77.53	**$77.53**	**$79.63**	**$81.73**
Finance Costs (as % of total costs)	**7%** (3)		**$11.60**	**$11.60**	**$11.90**	**$12.20**
Total Soft Costs			**$89.13**	**$89.13**	**$91.53**	**$93.93**
Lease Up Costs						
Leasing Commissions	3% (2)		$13.10	$0.00	$15.06	$0.00
Total Lease Up Costs			**$13.10**	**$0.00**	**$15.06**	**$0.00**
Builder Profit	**20%**	**capitalized value**	**$91.79**	**$96.44**	**$105.75**	**$110.41**
Total Costs (not including Loan Repayment)			**$389.01**	**$380.58**	**$412.34**	**$409.34**
LAND RESIDUAL - FINISHED PAD PER FAR FOOT						
Captialized Value			$458.93	$482.21	$528.77	$552.05
Total Costs (not including Loan Repayment)			$389.01	$380.58	$412.34	$409.34
Land Residual - Finished Pad Per Net FAR Foot			**$69.92**	**$101.64**	**$116.43**	**$142.72**

Footnotes
(1) Assumes 0 dedicated retail parking spaces.
(2) Percentage of gross income less vacancy, over ten year period
(3) Assumes loan draw equal to 85% of total hard costs - assumes 7% interest rate over one year period

EXHIBIT I-14

LAND RESIDUAL ANALYSIS - OFFICE
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

Item	Product Type:	Mid Rise	Tower			High Rise		
	Scenario:	-	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
	Building Height:	85'	1,300'	850'	550'	850'	550'	200'
	Location:	Parcel M	Parcel T	Parcel T	Parcel T	Parcel F	Parcel F	Parcel F
RESIDUAL TO DEVELOPER PER BUILDING SQUARE FOOT								
INCOME								
Average Rental Income								
Income per Square Foot		$5.63	$7.08	$6.52	$5.87	$6.46	$5.81	$5.23
Potential Gross Income per Year		**$67.50**	**$85.00**	**$78.20**	**$70.38**	**$77.50**	**$69.75**	**$62.78**
Less Vacancy (7% equil. + 3% turnover)	10% of PGI	(6.75)	(8.50)	(7.82)	(7.04)	(7.75)	(6.98)	(6.28)
Gross Income less Vacancy		**$60.75**	**$76.50**	**$70.38**	**$63.34**	**$69.75**	**$62.78**	**$56.50**
EXPENSES								
Taxes		$8.00	$9.50	$9.00	$8.00	$9.00	$8.00	$7.00
Operating Expenses		$13.00	$16.00	$15.00	$14.00	$15.00	$14.00	$13.00
Total Operating Expenses		**$21.00**	**$25.50**	**$24.00**	**$22.00**	**$24.00**	**$22.00**	**$20.00**
Marketing		$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00
Total Expenses		$23.00	$27.50	$26.00	$24.00	$26.00	$24.00	$22.00
NOI		**$37.75**	**$49.00**	**$44.38**	**$39.34**	**$43.75**	**$38.78**	**$34.50**
Capitalized Value	**6.00%**	$629	$817	$740	$656	$729	$646	$575
BUILDING CONSTRUCTION COSTS								
Hard Costs								
Construction Costs/square foot		$150	$220	$180	$170	$180	$170	$160
Total Direct Costs		**$150**	**$220**	**$180**	**$170**	**$180**	**$170**	**$160**
Total Tenant Improvements	**psf**	**$50**	**$100**	**$80**	**$75**	**$80**	**$75**	**$75**
Parking Costs	1 spaces per 1,000sf							
Parking Structures	$50,000 per space	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00
Total Parking Costs		**$50.00**	**$50.00**	**$50.00**	**$50.00**	**$50.00**	**$50.00**	**$50.00**
Total Hard Costs		**$250.00**	**$370.00**	**$310.00**	**$295.00**	**$310.00**	**$295.00**	**$285.00**
Soft Costs		**$40.00**	**$59.20**	**$49.60**	**$47.20**	**$49.60**	**$47.20**	**$45.60**
Impact Fees		**$34.10**	**$34.10**	**$34.10**	**$34.10**	**$34.10**	**$34.10**	**$34.10**
Jobs Housing Linkage	$19.89 psf	$19.89	$19.89	$19.89	$19.89	$19.89	$19.89	$19.89
Child Care Requirement	1.00 psf	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Downtown Parks	2.00 psf	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Transit Impact Development Fee	10.94 psf	10.94	10.94	10.94	10.94	10.94	10.94	10.94
School Impact Fee	0.27 psf	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Total Soft Costs and Fees		**$74.10**	**$93.30**	**$83.70**	**$81.30**	**$83.70**	**$81.30**	**$79.70**
Financing Costs								
Loan Draw	75% of hard costs	$188	$278	$233	$221	$233	$221	$214
Construction Timing (Months)		25	50	40	40	40	40	30
Construction Interest	7.0% of loan draw	$14	$40	$27	$26	$27	$26	$19
Loan Fee	1.5% of loan draw	$3	$4	$3	$3	$3	$3	$3
Total Financing Costs		**$16.48**	**$44.63**	**$30.61**	**$29.13**	**$30.61**	**$29.13**	**$21.91**
Total Soft Costs		**$90.58**	**$137.93**	**$114.31**	**$110.43**	**$114.31**	**$110.43**	**$101.61**
Lease Up Costs								
Leasing Commissions	2% (1)	$12.15	$15.30	$14.08	$12.67	$13.95	$12.56	$11.30
Total Lease Up Costs		**$12.15**	**$15.30**	**$14.08**	**$12.67**	**$13.95**	**$12.56**	**$11.30**
Builder Profit %		**10%**	**12%**	**12%**	**10%**	**12%**	**10%**	**10%**
Builder Profit		**$62.92**	**$98.00**	**$88.76**	**$65.57**	**$87.50**	**$64.63**	**$57.50**
Total Costs (not including Loan Repayment)		**$415.65**	**$621.23**	**$527.15**	**$483.67**	**$525.76**	**$482.61**	**$455.40**
LAND RESIDUAL - FINISHED PAD PER FAR FOOT								
Capitalized Value		$629.17	$816.67	$739.67	$655.70	$729.17	$646.25	$574.96
Total Costs (not including Loan Repayment)		$415.65	$621.23	$527.15	$483.67	$525.76	$482.61	$455.40
Land Residual - Finished Pad per Net Rentable FAR Foot		**$213.52**	**$195.44**	**$212.52**	**$172.03**	**$203.40**	**$163.64**	**$119.55**
Land Residual - Finished Pad per Gross FAR Foot		**$170.81**	**$156.35**	**$170.01**	**$137.62**	**$162.72**	**$130.91**	**$95.64**

Footnotes

(1) Percentage of gross income less vacancy, over ten year period

EXHIBIT I-15

LAND RESIDUAL ANALYSIS - HOTEL
TRANSBAY REDEVELOPMENT PROJECT AREA
OCTOBER 2007

PRODUCT DENSITY	FACTOR	Hotel Scenario 1
Key Assumptions:		
Average Room Rate		$320
Average Room Size		450
Construction Costs (per square foot)		$310
RESIDUAL TO DEVELOPER		
Revenues (Per Room):		
Potential Gross Income from Rooms per Night		$320
Income from Occupied Rooms per Night	70% Occupancy Rate	$224
Effective Gross Income from Room Stays		**$224**
Other Revenue Drivers		
Food	35% of Effective Income from Room Stays	$78
Beverages	20% of Effective Income from Room Stays	$45
Telephone	2% of Effective Income from Room Stays	$4
Other	5% of Effective Income from Room Stays	$11
Total Effective Revenues per Room Night		**$363**
Operating Costs:		
Total Operating Costs		**$261**
Net Operating Income per Night		**102**
Net Operating Income per Year		**37,160**
Capitalized Value:	8.00% Capitalization Rate	**$464,499**
Construction Costs per Room:		
Construction Costs/square foot		$310
Average Unit Size (square feet):		450
Construction Costs		**$139,500**
Other Costs		$73,391
Impact Fees		$11,358
DT Park Fee	$2.00 psf	$900
Childcare Fee	1.00 psf	$450
Affordable Housing Fund	11.21 psf	$5,045
TIDF	10.94 psf	$4,923
School Impact	0.09 psf	$41
Total Other Costs		**$84,749**
Total Non-Financing Costs		**$224,249**
Financing Costs:		
Loan Draw	75%	$168,200
Construction Timing (Months)		30
Construction Interest (6 mos)	7.0%	14,718
Loan Fee	1.5%	$2,500
Total Financing Costs		**$17,218**
Total Costs (Excluding Land)		**$241,466**
Total Costs per Square Foot		**537**
Builder Profit:	**12.0% of capitalized value**	**$55,740**
Land Residual		
Value per Room		$464,499
Total Costs (including Builder Profit)		$297,206
Land Residual - Finished Pad per Room		**$167,293**
Land Residual - Finished Pad per Room Gross FAR Foot		**$372**

EXHIBIT I-16

SUMMARY OF PRODUCT TYPES AND VALUE
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

				Per Unit/SF				Total	Total ($MMs)				
Block	**Affordability Type**	**Tenure Type**	**Product Type**	**For Sale Unit Revenue**	**Cap. Value (1)**	**Total Cost**	**Finished Pad Value**	**Units/Sq. Ft./Rooms**	**For Sale Unit Revenue**	**Cap. Value (1)**	**Total Cost (2)**	**Finished Pad Value**	**RFP Date**
RESIDENTIAL USES													
2 A/B	Stand Alone											$0.00	2014
C	Stand Alone											0.00	2014
D	Inclusionary	FS	Podium	$937,505		$668,443	$269,062	13	$12.2		$8.7	3.50	2014
D	Inclusionary	FS	Podium (Aff)	*248,839*		*303,841*	(55,002)	2	0.5		0.6	(0.11)	2014
E	Inclusionary	FS	Mid Rise	928,733		763,408	165,325	82	76.2		62.6	13.56	2014
E	Inclusionary	FS	Mid Rise (Aff)	*248,839*		*344,880*	(96,041)	15	3.7		5.2	(1.44)	2014
			Total/Average:	**$826,553**	**NA**	**$688,126**	**$138,427**	**112**	**$92.6**	**NA**	**$77.1**	**$15.50**	
			Market Rate Total/Average:	**$929,933**	**NA**	**$750,413**	**$179,520**	**95**	**$88.3**	**NA**	**$71.3**	**$17.05**	
3	Park												2014
4 A	Stand Alone											$0.00	2014
B	Stand Alone											0.00	2014
C	Stand Alone											0.00	2014
T	Inclusionary	FS	Luxury Tower	$1,362,116		$1,199,007	$163,109	369	$502.6		$442.4	60.19	2014
T	Inclusionary	FS	Luxury Tower (Aff)	*248,839*		*471,239*	(222,400)	65	16.2		30.6	(14.46)	2014
			Total/Average:	**$1,195,381**	**NA**	**$1,090,010**	**$105,371**	**434**	**$518.8**	**NA**	**$473.1**	**$45.73**	
			Market Rate Total/Average:	**$1,362,116**	**NA**	**$1,199,007**	**$163,109**	**369**	**$502.6**	**NA**	**$442.4**	**$60.19**	
5 A	Stand Alone											$0.00	2018
B	Stand Alone											0.00	2018
C	Stand Alone											0.00	2018
T	Inclusionary	FS	Urban Tower	$1,239,763		$1,026,868	$212,895	482	$597.6		$495.0	102.62	2018
T	Inclusionary	FS	Urban Tower (Aff)	*248,839*		*400,150*	(151,311)	85	21.2		34.0	(12.86)	2018
			Total/Average:	**$1,091,212**	**NA**	**$932,915**	**$158,297**	**567**	**$618.7**	**NA**	**$529.0**	**$89.75**	
			Market Rate Total/Average:	**$1,239,763**	**NA**	**$1,026,868**	**$212,895**	**482**	**$597.6**	**NA**	**$495.0**	**$102.62**	
6 A	Stand Alone											$0.00	2011
B	Stand Alone											0.00	2011
C	Stand Alone											0.00	2011
T	Inclusionary	FS	Urban Tower	$1,006,362		$911,959	$94,403	230	$231.5		$209.8	21.71	2011
T	Inclusionary	FS	Urban Tower (Aff)	*248,839*		*394,471*	(145,632)	40	10.0		15.8	(5.83)	2011
			Total/Average:	**$894,137**	**NA**	**$835,294**	**$58,842**	**270**	**$241.4**	**NA**	**$225.5**	**$15.89**	
			Market Rate Total/Average:	**$1,006,362**	**NA**	**$911,959**	**$94,403**	**230**	**$231.5**	**NA**	**$209.8**	**$21.71**	

EXHIBIT I-16

SUMMARY OF PRODUCT TYPES AND VALUE
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

				Per Unit/SF				Total	Total ($MMs)				
Block	**Affordability Type**	**Tenure Type**	**Product Type**	**For Sale Unit Revenue**	**Cap. Value (1)**	**Total Cost**	**Finished Pad Value**	**Units/Sq. Ft./Rooms**	**For Sale Unit Revenue**	**Cap. Value (1)**	**Total Cost (2)**	**Finished Pad Value**	**RFP Date**
7 A	Stand Alone											$0.00	2011
B	Stand Alone											0.00	2011
C	Stand Alone											0.00	2011
8 A	Stand Alone											$0.00	2008
B	Stand Alone											0.00	2008
C	Stand Alone											0.00	2008
T	Inclusionary	FS	Lifestyle Tower	$1,259,929		$1,090,967	$168,962	482	$607.3		$525.8	81.44	2008
T	Inclusionary	FS	Lifestyle Tower (Aff)	*248,839*		*421,598*	(172,759)	85	21.2		35.8	(14.68)	2008
			Total/Average:	**$1,108,355**	**NA**	**$990,621**	**$117,734**	**567**	**$628.4**	**NA**	**$561.7**	**$66.76**	
			Market Rate Total/Average:	**$1,259,929**	**NA**	**$1,090,967**	**$168,962**	**482**	**$607.3**	**NA**	**$525.8**	**$81.44**	
9 A	Stand Alone											$0.00	2009
T	Inclusionary	FS	Urban Tower	$1,049,648		$940,034	$109,613	321	$336.9		$301.8	35.19	2009
T	Inclusionary	FS	Urban Tower (Aff)	*248,839*		*421,598*	(172,759)	57	14.2		24.0	(9.85)	2009
			Total/Average:	**$928,891**	**NA**	**$861,857**	**$67,033**	**378**	**$351.1**	**NA**	**$325.8**	**$25.34**	
			Market Rate Total/Average:	**$1,049,648**	**NA**	**$940,034**	**$109,613**	**321**	**$336.9**	**NA**	**$301.8**	**$35.19**	
10	Park												2009
11 A	Stand Alone											$0.00	2007
B	Stand Alone											0.00	2007
12 A	Stand Alone											$0.00	2020
B	Stand Alone											0.00	2020
			Residential Subtotal:	**$1,052,861**	**NA**	**$941,620**	**$111,242**	**2,328**	**$2,209.6**	**NA**	**$2,192**	**$258.97**	
			Market Rate Residential Subtotal:	**$1,194,652**	**NA**	**$1,033,866**	**$160,786**	**1,979**	**$2,132.8**	**NA**	**$2,046**	**$318.20**	

EXHIBIT I-16

SUMMARY OF PRODUCT TYPES AND VALUE
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

Block	Affordability Type	Tenure Type	Product Type	Per Unit/SF: For Sale Unit Revenue	Per Unit/SF: Cap. Value (1)	Per Unit/SF: Total Cost	Per Unit/SF: Finished Pad Value	Total Units/Sq. Ft./Rooms	Total ($MMs): For Sale Unit Revenue	Total ($MMs): Cap. Value (1)	Total ($MMs): Total Cost (2)	Total ($MMs): Finished Pad Value	RFP Date
RETAIL USES													
2 C	NA	NA	Ground Floor Retail	NA	$459	$389	$70	6,000	NA	$2.8	$2.3	$0.4	2014
D	NA	NA	Ground Floor Retail	NA	459	389	70	1,500	NA	0.7	0.6	0.1	2014
E	NA	NA	Ground Floor Retail	NA	459	389	70	5,500	NA	2.5	2.1	0.4	2014
			Total/Average:		**$459**	**$389**	**$70**	**13,000**		**$6.0**	**$5.1**	**$0.9**	
3 Park	NA	NA		NA					NA				
4 B	NA	NA	Ground Floor Retail	NA	$482	$381	$102	2,000	NA	$1.0	$0.8	$0.2	2014
C	NA	NA	Ground Floor Retail	NA	482	381	102	2,000	NA	1.0	0.8	0.2	2014
T	NA	NA	Ground Floor Retail	NA	482	381	102	2,000	NA	1.0	0.8	0.2	2014
			Total/Average:		**$482**	**$381**	**$102**	**6,000**		**$2.9**	**$2.3**	**$0.6**	
5 B	NA	NA	Ground Floor Retail	NA	$552	$409	$143	2,000	NA	$1.1	$0.8	$0.3	2018
C	NA	NA	Ground Floor Retail	NA	552	409	143	2,000	NA	1.1	0.8	0.3	2018
T	NA	NA	Ground Floor Retail	NA	552	409	143	2,000	NA	1.1	0.8	0.3	2018
M	NA	NA	Ground Floor Retail	NA	529	412	116	16,500	NA	8.7	6.8	1.9	2018
			Total/Average:		**$529**	**$412**	**$116**	**22,500**		**$12.0**	**$9.3**	**$2.8**	
6 B	NA	NA	Ground Floor Retail	NA	$459	$389	$70	3,000	NA	$1.4	$1.2	$0.2	2011
C	NA	NA	Ground Floor Retail	NA	459	389	70	4,000	NA	1.8	1.6	0.3	2011
T	NA	NA	Ground Floor Retail	NA	459	389	70	3,000	NA	1.4	1.2	0.2	2011
			Total/Average:		**$459**	**$389**	**$70**	**10,000**		**$4.6**	**$3.9**	**$0.7**	
7 No Retail Planned													
8 B	NA	NA	Ground Floor Retail	NA	$482	$381	$102	3,000	NA	$1.4	$1.1	$0.3	2008
C	NA	NA	Ground Floor Retail	NA	482	381	102	4,000	NA	1.9	1.5	0.4	2008
T	NA	NA	Ground Floor Retail	NA	482	381	102	3,000	NA	1.4	1.1	0.3	2008
			Total/Average:		**$482**	**$381**	**$102**	**10,000**		**$4.8**	**$3.8**	**$1.0**	
9 A	NA	NA	Ground Floor Retail	NA	$482	$381	$102	2,000	NA	$1.0	$0.8	$0.2	2009
T	NA	NA	Ground Floor Retail	NA	482	381	102	2,000	NA	1.0	0.8	0.2	2009
			Total/Average:		**$482**	**$381**	**$102**	**4,000**		**$1.9**	**$1.5**	**$0.4**	
10 Park													
11 11A			Ground Floor Retail	NA	$459	$389	$70	3,000	NA	$1.4	$1.2	$0.2	2014
12 No Retail Planned													
			Retail Subtotal:	**NA**	**$489**	**$394**	**$94**	**68,500**	**NA**	**$33.6**	**$27.0**	**$6.6**	

EXHIBIT I-16

SUMMARY OF PRODUCT TYPES AND VALUE
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

Block	Affordability Type	Tenure Type	Product Type	Per Unit/SF: For Sale Unit Revenue	Per Unit/SF: Cap. Value (1)	Per Unit/SF: Total Cost	Per Unit/SF: Finished Pad Value	Total Units/Sq. Ft./Rooms	Total ($MMs): For Sale Unit Revenue	Total ($MMs): Cap. Value (1)	Total ($MMs): Total Cost (2)	Total ($MMs): Finished Pad Value	RFP Date
OFFICE USES													
M	NA	NA	Mid Rise Office	NA	$629	$416	$214	66,000	$41.5	NA	$27.4	$14.1	TBD
T	NA	NA	Tower Office - Scen 1	NA	$817	$621	$195	1,440,000	$1,176.0	NA	$894.6	$281.4	TBD
	NA	NA	Tower Office - Scen 2	NA	740	527	213	800,000	591.7	NA	421.7	170.0	TBD
	NA	NA	Tower Office - Scen 3	NA	656	484	172	614,400	402.9	NA	297.2	105.7	TBD
F	NA	NA	High Rise Office - Scen	NA	$729	$526	$203	687,500	$501.3	NA	$361.5	$139.8	TBD
	NA	NA	High Rise Office - Scen	NA	646	483	164	450,100	290.9	NA	217.2	73.7	TBD
	NA	NA	High Rise Office - Scen	NA	575	455	120	188,000	108.1	NA	85.6	22.5	TBD
HOTEL USES													
F	NA	NA	Scenario 1 Hotel	NA	$464,499	$297,206	$167,293	250	$116.1	NA	$74.3	$41.8	TBD
	NA	NA	Scenario 2 Hotel	NA	464,499	297,206	167,293	150	69.7	NA	44.6	25.1	TBD
N	Plaza												2009

(1) Includes base prices, average premium, average locational premium and options/upgrades. Fixed for inclusionary units based on $248,839 sample 2 bedroom sales price from San Francisco Inclusionary Housing Program guide.
Rental rate based on capitalized value of $1,764 allowable monthly rent.

EXHIBIT I-17

REVENUE AND VALUE BY BLOCK
TRANSBAY REDEVELOPMENT AREA; SAN FRANCISCO, CALIFORNIA
OCTOBER 2007

	Total Revenue ($MM)						Total Finished Pad Value ($MM)				
Block	**FS Res.**	**FR Res.**	**Retail**	**Office**	**Hotel**	**Dev. Total**	**Residential**	**Retail**	**Office**	**Hotel**	**Dev. Total**
2	$92.6	NA	$6.0	$0.0	$0.0	$98.5	$15.5	$0.9	$0.0	$0.0	$16.4
3	Park										
4	518.8	0.0	2.9	0.0	0.0	521.7	45.7	0.6	0.0	0.0	46.3
5	618.7	0.0	3.3	0.0	0.0	622.0	89.8	2.8	0.0	0.0	92.5
6	241.4	NA	4.6	0.0	0.0	246.0	15.9	0.7	0.0	0.0	16.6
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	628.4	0.0	4.8	0.0	0.0	633.3	66.8	1.0	0.0	0.0	67.8
9	351.1	0.0	1.9	0.0	0.0	353.0	25.3	0.4	0.0	0.0	25.7
10	Park										
11	0.0	0.0	1.4	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0
12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
M	0.0	0.0	8.7	41.5	0.0	50.2	0.0	1.9	14.1	0.0	16.0
T (1)	0.0	0.0	0.0	1,176.0	0.0	1,176.0	0.0	0.0	350.0	0.0	350.0
F (1)	0.0	0.0	0.0	501.3	116.1	617.4	0.0	0.0	139.8	41.8	181.7
Overall Total:	**$2,451.1**	**$0.0**	**$33.6**	**$1,718.8**	**$116.1**	**$4,319.6**	**$259.0**	**$8.3**	**$503.9**	**$41.8**	**$813.1**
Scenario 2											
T (2)	$0.0	$0.0	$0.0	$591.7	$0.0	$591.7	$0.0	$0.0	$170.0	$0.0	$170.0
F (2)	0.0	0.0	0.0	290.9	69.7	360.6	0.0	0.0	73.7	25.1	98.7
	$0.0	**$0.0**	**$0.0**	**$882.6**	**$69.7**	**$952.3**	**$0.0**	**$0.0**	**$243.7**	**$25.1**	**$268.8**
Scenario 3											
T (3)	$0.0	$0.0	$0.0	$402.9	$0.0	$402.9	$0.0	$0.0	$105.7	$0.0	$105.7
F (3)	0.0	0.0	0.0	108.1	0.0	108.1	0.0	0.0	22.5	0.0	22.5
	$0.0	**$0.0**	**$0.0**	**$511.0**	**$0.0**	**$511.0**	**$0.0**	**$0.0**	**$128.2**	**$0.0**	**$128.2**

(1) Assumes Scenario 1 development intensity
(2) Assumes Scenario 2 development intensity
(3) Assumes Scenario 3 development intensity

FINAL DRAFT

Tax Increment Projections
State Owned Parcels
Transbay Redevelopment Project Area

Prepared for:

TJPA
TRANSBAY JOINT POWERS AUTHORITY

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Tax Increment Projections of State Owned Parcels
Summary of Methodology, Assumptions and Conclusions

Tax Increment Projection Methodology

Tax increment (TI) revenue is generated from increases in the assessed valued above the base year (FY 04/05) assessed value, also called the frozen base. The State Owned Parcels' frozen base is $0 because these parcels are publicly owned and are not assessed property taxes. Therefore, if these parcels are redeveloped and have any taxable values in the future, 1% of that value becomes tax increment revenue. After meeting its legal obligations, the San Francisco Redevelopment Agency (SFRA) will dedicate the remaining tax increment revenue generated from the State Owned Parcels to the Transbay Transit Center program.

To project tax increment revenue, the amount of taxable value that will be added to the property tax roll above the frozen base needs to be estimated. The taxable value increases based on three main components: general inflation, reassessment of properties and assessed valuation from new development. The development program, phasing and absorption assumptions from the TJPA, SFRA, and The Concord Group (TCG) inform when and how much incremental assessed value from the proposed development program is added to the property tax roll.

Assumptions and Development Program for State Owned Parcels[1]

	FY 2005/06		FY 2007/08	
Key Assumptions				
Annual Inflation Adjustment	**2.0%**		**2.0%**	
Reassessment	**1.0% (beginning FY 14/15)**		**0.5% (beginning FY 17/18)**	
Inflation Rate of New Development	**2% (tiered to 3% beginning FY 11/12)**		**2%**	
Present Value Discount Rate	**5.5%**		**6.0%**	
Projected Assessed Valuation (AV)				
	FY 2005/06 Development Program*	**Projected AV in 05/06 $**	**FY 2007/08 Development Program***	**Projected AV in 07/08 $**
Resdential (net of land)	**366 Units (Affordable)**		**349 Units (Affordable)**	
	2,073 Units (Market)		**1,979 Units (Market)**	
Total	**2,439 Units (Total)**	**$1,610 million**	**2,328 Units (Total)**	**$2,188 million**
Office/Retail (net of land)	**713,000 Sq. Ft.**	**$242 million**	**2,262,000 Sq. Ft.**	**$1,236 million**
Hotel (net of land)	**260 Rooms**	**$82 million**	**250 Rooms**	**$82 million**
Total Land Sales		**$274 million**		**$813 million**
Total		**$2,208 million**		**$4,320 million**

* Does not include tax exempt units. The FY 2007/08 development program reflects an updated development program for the Transit Tower and Parcels F and M.

Conclusions

- The projected TI through the life of the Redevelopment Plan to be dedicated for Transbay Terminal and Caltrain Downtown Extension (TI net of pass through and housing set-aside obligations) through FY 2049/50 is $1,528 million in nominal dollars, or $357 million in FY 07/08 dollars.
- This amount is higher than our 2006 projections of $974 million, in nominal dollars, or $231 million in FY 05/06 dollars.
- This increase in TI is due to the higher projected incremental AV for the development program.

[1] The 2007 development program and AV reflect the development program from Scenario 1, as described by TCG.

Table B1-1 (Scenario 1)
Summary of Tax Increment Projections - State Owned Parcels
Transbay Redevelopment Project

Summary of Assumptions	
Growth Assumptions	
2007/08 Secured Assessed Value:	$0
2007/08 State Board Assessed Value:	$0
2007/08 Unsecured Assessed Value:	$0
2007/08 Total Assessed Value:	$0
2006/07 Unitary Payments:	$0
Annual Inflationary Adjustment: 2% of Secured AV	
Reassessed Property Assessments: 0% through FY 2017/2018; 0.5% thereafter.	
Development Per Absorption Analysis - Scenario 1	
Annual Growth in State Board Assessed Value:	2.0%
Annual Growth in Unsecured Assessed Value:	2.0%
Annual Growth in Unitary Payments:	2.0%
Tax Increment Generation	
Project Adopted between 12/2/04 and 8/20/05	
Property Tax Rate:	1.0%
Sponsoring Community	
City receives tier one pass-through. Agency retains City portion of tier 2 and tier 3 pass-through.	
Pass-through to Cityis calculated based on City's unadjusted levy within Project Area:	90.02%
Agency Administration Cost	
Cost in FY 2006/07	$0
Percent of TI to Agency net of Housing and Pass-Throughs:	0.0%
Present Value Discount Rate	
Present value discounted to 2007/08 at:	6.0%

Tax Increment Projections From 2007/08 Through End of Project	Nominal Dollars	Constant 2007/08 Dollars
County Distribution of Basic Incremental Taxes		
Incremental Tax Revenues	$2,605,822,172	$607,032,566
Less: County Property Tax Admin Fee	0	0
Tax Revenues Remitted to Agency	2,605,822,172	607,032,566
TI Available to Agency After Obligations		
Tax Revenues Remitted to Agency	2,605,822,172	607,032,566
Less: Pass-Throughs to Taxing Entities	556,785,759	128,478,166
TI Available to Agency After Obligations	2,049,036,413	478,554,400
Projected Use of TI Funds		
Agency Administration (Non-Hsg)	0	0
TI Available for Housing Programs	521,164,434	121,406,513
TI Available for Non-Housing Projects	1,527,871,979	357,147,887
Total TI Funds Used by Agency	2,049,036,413	478,554,400
Subtotal, TI for Housing & Projects	*2,049,036,413*	*478,554,400*
Cumulative TI for Housing Programs		
2014/ 15	8,762,576	6,235,675
2024/ 25	94,303,172	46,087,685
2034/ 35	234,309,107	83,904,980
2049/ 50	521,164,434	121,406,513
Cumulative TI for Non-Housing Projects		
2014/ 15	26,287,727	18,707,026
2024/ 25	278,996,206	136,532,059
2034/ 35	689,939,714	247,541,257
2049/ 50	1,527,871,979	357,147,887

Note: The table prefix number refers to the development scenario.

Scenario 1 includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.

Table B1-2 (Scenario 1)
Tax Increment Projections - State Owned Parcels
Transbay Redevelopment Project
(In Future Value or Nominal Dollars)

11/5/07 Draft
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		County Distribution of Basic Incremental Taxes			Agency Obligations		Net Tax Increment Available for Housing Programs		Net Tax Increment Available for Non-Housing Projects	
Year (N)	Fiscal Year	(1) Incremental Tax Revenues*	(2) County Admin Fee	(3) Net Taxes Remitted to Agency	(4) Pass-Through Payments	(5) Agency Admin Expenses	(6) Annual	(7) Cumulative	(8) Annual	(9) Cumulative
3	2007/ 08	0	0	0	0	0	0	0	0	0
4	2008/ 09	0	0	0	0	0	0	0	0	0
5	2009/ 10	0	0	0	0	0	0	0	0	0
6	2010/ 11	719,198	0	719,198	143,840	0	143,840	143,840	431,519	431,519
7	2011/ 12	4,786,385	0	4,786,385	957,277	0	957,277	1,101,117	2,871,831	3,303,350
8	2012/ 13	9,165,119	0	9,165,119	1,833,024	0	1,833,024	2,934,141	5,499,072	8,802,422
9	2013/ 14	13,866,886	0	13,866,886	2,773,377	0	2,773,377	5,707,518	8,320,132	17,122,553
10	2014/ 15	15,275,290	0	15,275,290	3,055,058	0	3,055,058	8,762,576	9,165,174	26,287,727
11	2015/ 16	23,703,251	0	23,703,251	4,740,650	0	4,740,650	13,503,226	14,221,950	40,509,678
12	2016/ 17	28,354,787	0	28,354,787	5,812,830	0	5,670,957	19,174,183	16,871,000	57,380,677
13	2017/ 18	30,452,582	0	30,452,582	6,313,250	0	6,090,516	25,264,700	18,048,815	75,429,492
14	2018/ 19	37,686,774	0	37,686,774	7,796,894	0	7,537,355	32,802,054	22,352,526	97,782,018
15	2019/ 20	40,434,495	0	40,434,495	8,468,518	0	8,086,899	40,888,953	23,879,078	121,661,096
16	2020/ 21	42,688,179	0	42,688,179	8,967,786	0	8,537,636	49,426,589	25,182,757	146,843,854
17	2021/ 22	48,218,930	0	48,218,930	10,112,709	0	9,643,786	59,070,375	28,462,435	175,306,288
18	2022/ 23	56,056,869	0	56,056,869	11,773,844	0	11,211,374	70,281,749	33,071,651	208,377,940
19	2023/ 24	59,139,809	0	59,139,809	12,523,774	0	11,827,962	82,109,711	34,788,073	243,166,013
20	2024/ 25	60,967,307	0	60,967,307	12,943,653	0	12,193,461	94,303,172	35,830,193	278,996,206
21	2025/ 26	62,483,783	0	62,483,783	13,278,689	0	12,496,757	106,799,929	36,708,337	315,704,543
22	2026/ 27	64,045,878	0	64,045,878	13,617,180	0	12,809,176	119,609,104	37,619,522	353,324,065
23	2027/ 28	65,647,025	0	65,647,025	13,964,133	0	13,129,405	132,738,509	38,553,487	391,877,552
24	2028/ 29	67,288,200	0	67,288,200	14,319,760	0	13,457,640	146,196,149	39,510,801	431,388,352
25	2029/ 30	68,970,405	0	68,970,405	14,684,277	0	13,794,081	159,990,230	40,492,047	471,880,400
26	2030/ 31	70,694,665	0	70,694,665	15,057,907	0	14,138,933	174,129,163	41,497,825	513,378,224
27	2031/ 32	72,462,032	0	72,462,032	15,440,879	0	14,492,406	188,621,570	42,528,747	555,906,971
28	2032/ 33	74,273,583	0	74,273,583	15,833,424	0	14,854,717	203,476,286	43,585,442	599,492,414
29	2033/ 34	76,130,422	0	76,130,422	16,235,783	0	15,226,084	218,702,371	44,668,555	644,160,968
30	2034/ 35	78,033,683	0	78,033,683	16,648,201	0	15,606,737	234,309,107	45,778,745	689,939,714
31	2035/ 36	79,984,525	0	79,984,525	17,070,929	0	15,996,905	250,306,012	46,916,691	736,856,404
32	2036/ 37	81,984,138	0	81,984,138	17,526,475	0	16,396,828	266,702,840	48,060,835	784,917,239
33	2037/ 38	84,033,742	0	84,033,742	17,993,410	0	16,806,748	283,509,588	49,233,583	834,150,822
34	2038/ 39	86,134,585	0	86,134,585	18,472,018	0	17,226,917	300,736,505	50,435,650	884,586,472
35	2039/ 40	88,287,950	0	88,287,950	18,962,591	0	17,657,590	318,394,095	51,667,768	936,254,241
36	2040/ 41	90,495,148	0	90,495,148	19,465,429	0	18,099,030	336,493,125	52,930,690	989,184,930
37	2041/ 42	92,757,527	0	92,757,527	19,980,838	0	18,551,505	355,044,630	54,225,184	1,043,410,114
38	2042/ 43	95,076,465	0	95,076,465	20,509,131	0	19,015,293	374,059,923	55,552,041	1,098,962,155
39	2043/ 44	97,453,377	0	97,453,377	21,050,632	0	19,490,675	393,550,599	56,912,069	1,155,874,225
40	2044/ 45	99,889,711	0	99,889,711	21,605,671	0	19,977,942	413,528,541	58,306,098	1,214,180,323
41	2045/ 46	102,386,954	0	102,386,954	22,174,586	0	20,477,391	434,005,932	59,734,978	1,273,915,301
42	2046/ 47	104,946,628	0	104,946,628	22,757,723	0	20,989,326	454,995,257	61,199,579	1,335,114,880
43	2047/ 48	107,570,294	0	107,570,294	23,355,439	0	21,514,059	476,509,316	62,700,796	1,397,815,676
44	2048/ 49	110,259,551	0	110,259,551	23,968,098	0	22,051,910	498,561,226	64,239,543	1,462,055,220
45	2049/ 50	113,016,040	0	113,016,040	24,596,073	0	22,603,208	521,164,434	65,816,759	1,527,871,979
TOTAL		2,605,822,172	0	2,605,822,172	556,785,759	0	521,164,434		1,527,871,979	
Cumulative										
To:	2014/ 15	43,812,879	0	43,812,879	8,762,576	0	8,762,576		26,287,727	
To:	2024/ 25	471,515,860	0	471,515,860	98,216,482	0	94,303,172		278,996,206	
To:	2034/ 35	1,171,545,536	0	1,171,545,536	247,296,715	0	234,309,107		689,939,714	
To:	2049/ 50	2,605,822,172	0	2,605,822,172	556,785,759	0	521,164,434		1,527,871,979	

* Based on revenues from Basic Tax Increment (1.0%), exclusive of bond overrides.
Assumptions:
Scenario 1 includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.
County Admin Fee as a % of Incremental Tax Revenues: 0%
Pass-Through Payments and Net TI for Housing are calculated based on Incremental Tax Revenues.
Agency Admin as a % of TI net of Housing & Pass-Throughs: 0%
TI for Housing Programs as a % of Incremental Tax Revenues: 20%

11/5/07 Draft
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Table B1-3 (Scenario 1)
Tax Increment Projections - State Owned Parcels
Transbay Redevelopment Project
(In Present Value or Constant 2007/08 Dollars)

		County Distribution of Basic Incremental Taxes			Agency Obligations		Net Tax Increment Available for Housing Programs		Net Tax Increment Available for Non-Housing Projects	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Year (N)	Fiscal Year	Incremental Tax Revenues*	County Admin Fee	Net Taxes Remitted to Agency	Pass-Through Payments	Agency Admin Expenses	Annual	Cumulative	Annual	Cumulative
3	2007/ 08	0	0	0	0	0	0	0	0	0
4	2008/ 09	0	0	0	0	0	0	0	0	0
5	2009/ 10	0	0	0	0	0	0	0	0	0
6	2010/ 11	603,853	0	603,853	120,771	0	120,771	120,771	362,312	362,312
7	2011/ 12	3,791,265	0	3,791,265	758,253	0	758,253	879,024	2,274,759	2,637,071
8	2012/ 13	6,848,710	0	6,848,710	1,369,742	0	1,369,742	2,248,766	4,109,226	6,746,297
9	2013/ 14	9,775,608	0	9,775,608	1,955,122	0	1,955,122	4,203,887	5,865,365	12,611,662
10	2014/ 15	10,158,940	0	10,158,940	2,031,788	0	2,031,788	6,235,675	6,095,364	18,707,026
11	2015/ 16	14,871,713	0	14,871,713	2,974,343	0	2,974,343	9,210,018	8,923,028	27,630,053
12	2016/ 17	16,783,155	0	16,783,155	3,440,605	0	3,356,631	12,566,649	9,985,919	37,615,972
13	2017/ 18	17,004,563	0	17,004,563	3,525,286	0	3,400,913	15,967,561	10,078,364	47,694,336
14	2018/ 19	19,852,923	0	19,852,923	4,107,306	0	3,970,585	19,938,146	11,775,032	59,469,368
15	2019/ 20	20,094,705	0	20,094,705	4,208,594	0	4,018,941	23,957,087	11,867,170	71,336,538
16	2020/ 21	20,013,884	0	20,013,884	4,204,448	0	4,002,777	27,959,864	11,806,659	83,143,197
17	2021/ 22	21,327,279	0	21,327,279	4,472,861	0	4,265,456	32,225,319	12,588,962	95,732,160
18	2022/ 23	23,390,573	0	23,390,573	4,912,814	0	4,678,115	36,903,434	13,799,645	109,531,804
19	2023/ 24	23,280,166	0	23,280,166	4,929,937	0	4,656,033	41,559,467	13,694,196	123,226,000
20	2024/ 25	22,641,088	0	22,641,088	4,806,812	0	4,528,218	46,087,685	13,306,059	136,532,059
21	2025/ 26	21,890,805	0	21,890,805	4,652,106	0	4,378,161	50,465,846	12,860,538	149,392,597
22	2026/ 27	21,167,996	0	21,167,996	4,500,655	0	4,233,599	54,699,445	12,433,742	161,826,338
23	2027/ 28	20,469,053	0	20,469,053	4,354,083	0	4,093,811	58,793,256	12,021,159	173,847,498
24	2028/ 29	19,793,188	0	19,793,188	4,212,235	0	3,958,638	62,751,893	11,622,315	185,469,813
25	2029/ 30	19,139,639	0	19,139,639	4,074,962	0	3,827,928	66,579,821	11,236,749	196,706,563
26	2030/ 31	18,507,670	0	18,507,670	3,942,119	0	3,701,534	70,281,355	10,864,017	207,570,580
27	2031/ 32	17,896,567	0	17,896,567	3,813,566	0	3,579,313	73,860,668	10,503,688	218,074,268
28	2032/ 33	17,305,643	0	17,305,643	3,689,166	0	3,461,129	77,321,797	10,155,348	228,229,616
29	2033/ 34	16,734,230	0	16,734,230	3,568,788	0	3,346,846	80,668,643	9,818,596	238,048,213
30	2034/ 35	16,181,685	0	16,181,685	3,452,303	0	3,236,337	83,904,980	9,493,045	247,541,257
31	2035/ 36	15,647,384	0	15,647,384	3,339,588	0	3,129,477	87,034,457	9,178,319	256,719,576
32	2036/ 37	15,130,725	0	15,130,725	3,234,629	0	3,026,145	90,060,602	8,869,951	265,589,527
33	2037/ 38	14,631,126	0	14,631,126	3,132,835	0	2,926,225	92,986,827	8,572,066	274,161,593
34	2038/ 39	14,148,023	0	14,148,023	3,034,118	0	2,829,605	95,816,432	8,284,300	282,445,892
35	2039/ 40	13,680,871	0	13,680,871	2,938,394	0	2,736,174	98,552,606	8,006,303	290,452,195
36	2040/ 41	13,229,144	0	13,229,144	2,845,578	0	2,645,829	101,198,435	7,737,738	298,189,933
37	2041/ 42	12,792,333	0	12,792,333	2,755,588	0	2,558,467	103,756,901	7,478,278	305,668,211
38	2042/ 43	12,369,944	0	12,369,944	2,668,345	0	2,473,989	106,230,890	7,227,610	312,895,821
39	2043/ 44	11,961,503	0	11,961,503	2,583,771	0	2,392,301	108,623,190	6,985,431	319,881,253
40	2044/ 45	11,566,547	0	11,566,547	2,501,789	0	2,313,309	110,936,500	6,751,449	326,632,701
41	2045/ 46	11,184,633	0	11,184,633	2,422,326	0	2,236,927	113,173,427	6,525,380	333,158,082
42	2046/ 47	10,815,329	0	10,815,329	2,345,309	0	2,163,066	115,336,492	6,306,954	339,465,036
43	2047/ 48	10,458,219	0	10,458,219	2,270,667	0	2,091,644	117,428,136	6,095,909	345,560,945
44	2048/ 49	10,112,901	0	10,112,901	2,198,331	0	2,022,580	119,450,716	5,891,990	351,452,934
45	2049/ 50	9,778,984	0	9,778,984	2,128,234	0	1,955,797	121,406,513	5,694,953	357,147,887
TOTAL		607,032,566	0	607,032,566	128,478,166	0	121,406,513		357,147,887	
Cumulative										
To:	2014/ 15	31,178,376	0	31,178,376	6,235,675	0	6,235,675		18,707,026	
To:	2024/ 25	230,438,424	0	230,438,424	47,818,681	0	46,087,685		136,532,059	
To:	2034/ 35	419,524,900	0	419,524,900	88,078,663	0	83,904,980		247,541,257	
To:	2049/ 50	607,032,566	0	607,032,566	128,478,166	0	121,406,513		357,147,887	

* Based on revenues from Basic Tax Increment (1.0%), exclusive of bond overrides.

Assumptions:
Scenario 1 includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.
Present value discounted to 2007/08 at: 6%

Table B1-4 (Scenario 1)
Tax Revenues - State Owned Parcels
Transbay Redevelopment Project
(In Future Value or Nominal Dollars)

11/5/07 Draft
Confidential

		First & Second Payments to Agency			Supplemental Payments		Total Basic Tax Revenues			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Year (N)	Fiscal Year	Secured, State Board, Unsecured AV	Increase in AV Over Base	First & Second Payments	Supplemental Secured Assessments	Supplemental Secured Payments	First & Second Payments	Supplemental Secured Payments	Unitary Payments	Incremental Tax Revenues
3	2007/ 08	0	0	0	0	0	0	0	0	0
4	2008/ 09	0	0	0	0	0	0	0	0	0
5	2009/ 10	0	0	0	0	0	0	0	0	0
6	2010/ 11	0	0	0	71,919,823	719,198	0	719,198	0	719,198
7	2011/ 12	71,919,823	71,919,823	719,198	406,718,677	4,067,187	719,198	4,067,187	0	4,786,385
8	2012/ 13	480,076,897	480,076,897	4,800,769	436,435,036	4,364,350	4,800,769	4,364,350	0	9,165,119
9	2013/ 14	926,113,471	926,113,471	9,261,135	460,575,151	4,605,752	9,261,135	4,605,752	0	13,866,886
10	2014/ 15	1,405,210,891	1,405,210,891	14,052,109	122,318,095	1,223,181	14,052,109	1,223,181	0	15,275,290
11	2015/ 16	1,555,633,204	1,555,633,204	15,556,332	814,691,857	8,146,919	15,556,332	8,146,919	0	23,703,251
12	2016/ 17	2,401,437,725	2,401,437,725	24,014,377	434,040,982	4,340,410	24,014,377	4,340,410	0	28,354,787
13	2017/ 18	2,883,507,461	2,883,507,461	28,835,075	161,750,711	1,617,507	28,835,075	1,617,507	0	30,452,582
14	2018/ 19	3,102,928,322	3,102,928,322	31,029,283	665,749,099	6,657,491	31,029,283	6,657,491	0	37,686,774
15	2019/ 20	3,830,735,988	3,830,735,988	38,307,360	212,713,518	2,127,135	38,307,360	2,127,135	0	40,434,495
16	2020/ 21	4,120,064,226	4,120,064,226	41,200,642	148,753,634	1,487,536	41,200,642	1,487,536	0	42,688,179
17	2021/ 22	4,351,219,144	4,351,219,144	43,512,191	470,673,832	4,706,738	43,512,191	4,706,738	0	48,218,930
18	2022/ 23	4,908,917,359	4,908,917,359	49,089,174	696,769,533	6,967,695	49,089,174	6,967,695	0	56,056,869
19	2023/ 24	5,703,865,239	5,703,865,239	57,038,652	210,115,655	2,101,157	57,038,652	2,101,157	0	59,139,809
20	2024/ 25	6,028,058,199	6,028,058,199	60,280,582	68,672,485	686,725	60,280,582	686,725	0	60,967,307
21	2025/ 26	6,217,291,847	6,217,291,847	62,172,918	31,086,459	310,865	62,172,918	310,865	0	62,483,783
22	2026/ 27	6,372,724,144	6,372,724,144	63,727,241	31,863,621	318,636	63,727,241	318,636	0	64,045,878
23	2027/ 28	6,532,042,247	6,532,042,247	65,320,422	32,660,211	326,602	65,320,422	326,602	0	65,647,025
24	2028/ 29	6,695,343,303	6,695,343,303	66,953,433	33,476,717	334,767	66,953,433	334,767	0	67,288,200
25	2029/ 30	6,862,726,886	6,862,726,886	68,627,269	34,313,634	343,136	68,627,269	343,136	0	68,970,405
26	2030/ 31	7,034,295,058	7,034,295,058	70,342,951	35,171,475	351,715	70,342,951	351,715	0	70,694,665
27	2031/ 32	7,210,152,434	7,210,152,434	72,101,524	36,050,762	360,508	72,101,524	360,508	0	72,462,032
28	2032/ 33	7,390,406,245	7,390,406,245	73,904,062	36,952,031	369,520	73,904,062	369,520	0	74,273,583
29	2033/ 34	7,575,166,401	7,575,166,401	75,751,664	37,875,832	378,758	75,751,664	378,758	0	76,130,422
30	2034/ 35	7,764,545,562	7,764,545,562	77,645,456	38,822,728	388,227	77,645,456	388,227	0	78,033,683
31	2035/ 36	7,958,659,201	7,958,659,201	79,586,592	39,793,296	397,933	79,586,592	397,933	0	79,984,525
32	2036/ 37	8,157,625,681	8,157,625,681	81,576,257	40,788,128	407,881	81,576,257	407,881	0	81,984,138
33	2037/ 38	8,361,566,323	8,361,566,323	83,615,663	41,807,832	418,078	83,615,663	418,078	0	84,033,742
34	2038/ 39	8,570,605,481	8,570,605,481	85,706,055	42,853,027	428,530	85,706,055	428,530	0	86,134,585
35	2039/ 40	8,784,870,618	8,784,870,618	87,848,706	43,924,353	439,244	87,848,706	439,244	0	88,287,950
36	2040/ 41	9,004,492,383	9,004,492,383	90,044,924	45,022,462	450,225	90,044,924	450,225	0	90,495,148
37	2041/ 42	9,229,604,693	9,229,604,693	92,296,047	46,148,023	461,480	92,296,047	461,480	0	92,757,527
38	2042/ 43	9,460,344,810	9,460,344,810	94,603,448	47,301,724	473,017	94,603,448	473,017	0	95,076,465
39	2043/ 44	9,696,853,430	9,696,853,430	96,968,534	48,484,267	484,843	96,968,534	484,843	0	97,453,377
40	2044/ 45	9,939,274,766	9,939,274,766	99,392,748	49,696,374	496,964	99,392,748	496,964	0	99,889,711
41	2045/ 46	10,187,756,635	10,187,756,635	101,877,566	50,938,783	509,388	101,877,566	509,388	0	102,386,954
42	2046/ 47	10,442,450,551	10,442,450,551	104,424,506	52,212,253	522,123	104,424,506	522,123	0	104,946,628
43	2047/ 48	10,703,511,815	10,703,511,815	107,035,118	53,517,559	535,176	107,035,118	535,176	0	107,570,294
44	2048/ 49	10,971,099,610	10,971,099,610	109,710,996	54,855,498	548,555	109,710,996	548,555	0	110,259,551
45	2049/ 50	11,245,377,100	11,245,377,100	112,453,771	56,226,886	562,269	112,453,771	562,269	0	113,016,040
TOTAL				2,541,384,752		64,437,420	2,541,384,752	64,437,420	0	2,605,822,172
Cumulative										
To:	2014/ 15			28,833,211		14,979,668	28,833,211	14,979,668	0	43,812,879
To:	2024/ 25			417,696,880		53,818,981	417,696,880	53,818,981	0	471,515,860
To:	2034/ 35			1,114,243,821		57,301,716	1,114,243,821	57,301,716	0	1,171,545,536
To:	2049/ 50			2,541,384,752		64,437,420	2,541,384,752	64,437,420	0	2,605,822,172

Notes:
Scenario 1 includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.
First & Second Payments are based on the 1% basic tax rate applied to the Increase in AV Over Base.
Supplemental Secured Assessments include reassessed property and new development.
Supplemental Secured Payments are based on the 1% basic tax rate applied to the Supplemental Secured Assessments.
Unitary payments are estimated to escalate at an annual rate of: 2%

Table B1-5 (Scenario 1)
Growth in Assessed Value - State Owned Parcels
Transbay Redevelopment Project
(In Future Value or Nominal Dollars)

11/5/07 Draft
Confidential

		Growth in Secured Assessed Value				Total Secured, State Board and Unsecured AV			
Year (N)	Fiscal Year	(1) Secured AV	(2) Inflationary Adjustments	(3) Reassessed Property Assessments	(4) New Development Assessments	(5) Secured AV	(6) State Board	(7) Unsecured AV	(8) Secured, State Board, Unsecured AV
3	2007/ 08	0	0	0	0	0	0	0	0
4	2008/ 09	0	0	0	0	0	0	0	0
5	2009/ 10	0	0	0	0	0	0	0	0
6	2010/ 11	0	0	0	71,919,823	0	0	0	0
7	2011/ 12	71,919,823	1,438,396	0	406,718,677	71,919,823	0	0	71,919,823
8	2012/ 13	480,076,897	9,601,538	0	436,435,036	480,076,897	0	0	480,076,897
9	2013/ 14	926,113,471	18,522,269	0	460,575,151	926,113,471	0	0	926,113,471
10	2014/ 15	1,405,210,891	28,104,218	0	122,318,095	1,405,210,891	0	0	1,405,210,891
11	2015/ 16	1,555,633,204	31,112,664	0	814,691,857	1,555,633,204	0	0	1,555,633,204
12	2016/ 17	2,401,437,725	48,028,755	0	434,040,982	2,401,437,725	0	0	2,401,437,725
13	2017/ 18	2,883,507,461	57,670,149	0	161,750,711	2,883,507,461	0	0	2,883,507,461
14	2018/ 19	3,102,928,322	62,058,566	15,514,642	650,234,458	3,102,928,322	0	0	3,102,928,322
15	2019/ 20	3,830,735,988	76,614,720	19,153,680	193,559,838	3,830,735,988	0	0	3,830,735,988
16	2020/ 21	4,120,064,226	82,401,285	20,600,321	128,153,313	4,120,064,226	0	0	4,120,064,226
17	2021/ 22	4,351,219,144	87,024,383	21,756,096	448,917,737	4,351,219,144	0	0	4,351,219,144
18	2022/ 23	4,908,917,359	98,178,347	24,544,587	672,224,946	4,908,917,359	0	0	4,908,917,359
19	2023/ 24	5,703,865,239	114,077,305	28,519,326	181,596,328	5,703,865,239	0	0	5,703,865,239
20	2024/ 25	6,028,058,199	120,561,164	30,140,291	38,532,194	6,028,058,199	0	0	6,028,058,199
21	2025/ 26	6,217,291,847	124,345,837	31,086,459	0	6,217,291,847	0	0	6,217,291,847
22	2026/ 27	6,372,724,144	127,454,483	31,863,621	0	6,372,724,144	0	0	6,372,724,144
23	2027/ 28	6,532,042,247	130,640,845	32,660,211	0	6,532,042,247	0	0	6,532,042,247
24	2028/ 29	6,695,343,303	133,906,866	33,476,717	0	6,695,343,303	0	0	6,695,343,303
25	2029/ 30	6,862,726,886	137,254,538	34,313,634	0	6,862,726,886	0	0	6,862,726,886
26	2030/ 31	7,034,295,058	140,685,901	35,171,475	0	7,034,295,058	0	0	7,034,295,058
27	2031/ 32	7,210,152,434	144,203,049	36,050,762	0	7,210,152,434	0	0	7,210,152,434
28	2032/ 33	7,390,406,245	147,808,125	36,952,031	0	7,390,406,245	0	0	7,390,406,245
29	2033/ 34	7,575,166,401	151,503,328	37,875,832	0	7,575,166,401	0	0	7,575,166,401
30	2034/ 35	7,764,545,562	155,290,911	38,822,728	0	7,764,545,562	0	0	7,764,545,562
31	2035/ 36	7,958,659,201	159,173,184	39,793,296	0	7,958,659,201	0	0	7,958,659,201
32	2036/ 37	8,157,625,681	163,152,514	40,788,128	0	8,157,625,681	0	0	8,157,625,681
33	2037/ 38	8,361,566,323	167,231,326	41,807,832	0	8,361,566,323	0	0	8,361,566,323
34	2038/ 39	8,570,605,481	171,412,110	42,853,027	0	8,570,605,481	0	0	8,570,605,481
35	2039/ 40	8,784,870,618	175,697,412	43,924,353	0	8,784,870,618	0	0	8,784,870,618
36	2040/ 41	9,004,492,383	180,089,848	45,022,462	0	9,004,492,383	0	0	9,004,492,383
37	2041/ 42	9,229,604,693	184,592,094	46,148,023	0	9,229,604,693	0	0	9,229,604,693
38	2042/ 43	9,460,344,810	189,206,896	47,301,724	0	9,460,344,810	0	0	9,460,344,810
39	2043/ 44	9,696,853,430	193,937,069	48,484,267	0	9,696,853,430	0	0	9,696,853,430
40	2044/ 45	9,939,274,766	198,785,495	49,696,374	0	9,939,274,766	0	0	9,939,274,766
41	2045/ 46	10,187,756,635	203,755,133	50,938,783	0	10,187,756,635	0	0	10,187,756,635
42	2046/ 47	10,442,450,551	208,849,011	52,212,253	0	10,442,450,551	0	0	10,442,450,551
43	2047/ 48	10,703,511,815	214,070,236	53,517,559	0	10,703,511,815	0	0	10,703,511,815
44	2048/ 49	10,971,099,610	219,421,992	54,855,498	0	10,971,099,610	0	0	10,971,099,610
45	2049/ 50	11,245,377,100	224,907,542	56,226,886	0	11,245,377,100	0	0	11,245,377,100
TOTAL					5,221,669,146				
Cumulative									
To:	2014/ 15				1,497,966,782				
To:	2024/ 25				5,221,669,146				
To:	2034/ 35				5,221,669,146				
To:	2049/ 50				5,221,669,146				

Assumptions:
Scenario 1 includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.
Annual Inflationary Adjustment: 2% of Secured AV
Reassessed Property Assessments: 0% through FY 2017/2018; 0.5% thereafter.
Development Per Absorption Analysis - Scenario 1
State Board Annual Increase: 2%
Unsecured AV Annual Increase: 2%

Table B1-6 (Scenario 1)
Summary of Buildout Assumptions and Valuation - State Owned Parcels
Transbay Redevelopment Project

Block/Parcel	Land Use	Units, Sq. Ft, or Rooms[a]	Total Taxable Development Value[b]	Total Taxable Development Value per Unit/Sq. Ft./ Room	Total Block/Parcl Land Value	Land Value as % of Total Taxable Development Value	Improvement Value (Net of Land)[c]	Improvement Value per Unit/Sq. Ft./ Room
Block 2	Residential							
	Podium (2D)	15 units	$12,685,240	$845,683			$10,572,395	$704,826
	Mid Rise (2E)	97 units	$79,888,680	$823,595			$66,582,475	$686,417
	Retail	13,000 sq ft	$5,966,133	$459			$4,972,418	$382
Total			**$98,540,054**		**$16,412,766**	**16.7%**	**$82,127,287**	
Block 4	Residential	434 units	$518,795,353	$1,195,381			$472,711,463	$1,089,197
	Retail	6,000 sq ft	$2,893,280	$482			$2,636,274	$439
Total			**$521,688,633**		**$46,340,896**	**8.9%**	**$475,347,737**	
Block 5	Residential	567 units	$618,717,172	$1,091,212			$526,678,407	$928,886
	Retail	6,000 sq ft	$3,312,320	$552			$2,819,588	$470
Total			**$622,029,492**		**$92,531,497**	**14.9%**	**$529,497,995**	
Block 6	Residential	270 units	$241,416,859	$894,137			$225,139,721	$833,851
	Retail	10,000 sq ft	$4,589,333	$459			$4,279,905	$428
Total			**$246,006,193**		**$16,586,567**	**6.7%**	**$229,419,626**	
Block 8	Residential	567 units	$628,437,227	$1,108,355			$561,181,637	$989,738
	Retail	10,000 sq ft	$4,822,133	$482			$4,306,067	$431
Total			**$633,259,360**		**$67,771,656**	**10.7%**	**$565,487,704**	
Block 9	Residential	378 units	$351,120,740	$928,891			$325,516,207	$861,154
	Retail	4,000 sq ft	$1,928,853	$482			$1,788,197	$447
Total			**$353,049,593**		**$25,745,190**	**7.3%**	**$327,304,403**	
Block 11	Retail	3,000 sq ft	$1,376,800	$459			$1,376,800	$459
Total			**$1,376,800**		**$0**	**0.0%**	**$1,376,800**	
Parcel M	Retail	16,500 sq ft	$8,724,760	$529			$5,944,436	$360
	Office	66,000 sq ft	$41,525,000	$629			$28,292,207	$429
Total			**$50,249,760**		**$16,013,117**	**31.9%**	**$34,236,643**	
Parcel T[d]	Office	1,440,000 sq ft	$1,176,000,000	$817			$826,000,000	$574
Total			**$1,176,000,000**		**$350,000,000**	**29.8%**	**$826,000,000**	
Parcel F[d]	Office	687,500 sq ft	$501,302,083	$729			$353,805,545	$515
	Hotel	250 rooms	$116,124,750	$464,499			$81,957,729	$327,831
Total			**$617,426,833**		**$181,663,559**	**29.4%**	**$435,763,274**	
Total	Residential	**2,328 units**	**$2,451,061,271**				**$2,188,382,304**	
	Retail	**68,500 sq ft**	**$33,613,613**				**$28,123,685**	
	Office	**2,193,500 sq ft**	**$1,718,827,083**				**$1,208,097,752**	
	Hotel	**250 rooms**	**$116,124,750**				**$81,957,729**	
	Total		**$4,319,626,718**		**$813,065,248**		**$3,506,561,470**	

a. Units include for sale market rate and inclusionary units and do not include affordable rental tax-exempt units. Retail square feet is based on gross floor area.
Office square feet is based on net floor area, assuming 80% of gross floor area.
b. All values are in constant FY 2007/08 dollars. Residential values include market rate and 15% inclusionary housing units.
c. Calcuated by subtracting out the percentage of total block/parcel land value from each land uses' total taxable development value.
d. Includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.

Source: San Francisco Redevelopment Agency, The Concord Group.

Table B1-7 (Scenario 1)
Land Sale Roll Schedule - State Owned Parcels
Transbay Redevelopment Project

Block/Parcel	Land Value	Year Sold[a]	FY Ending on Roll
2	$16,412,766	2015	2017
3[b]	$0		
4	$46,340,896	2015	2017
5	$92,531,497	2019	2021
6	$16,586,567	2012	2014
7[b]	$0		
8	$67,771,656	2009	2011
9	$25,745,190	2010	2012
10[b]	$0		
11[b]	$0	2010	2012
12[b]	$0		
Block Subtotal	**$265,388,572**		
M	$16,013,117	2018	2020
T[c]	$350,000,000	2010	2012
F[c]	$181,663,559	2017	2019
Parcel Subtotal	**$547,676,676**		
Total	**$813,065,248**		

a. Year sold corresponds to the first year of construction.
b. Blocks 3, 7, 10, 11, and 12 were appraised to have no land value, based on the proposed development program. Aside from Block 11, which has a retail component, all other blocks are excluded from tax increment analysis as the proposed land uses on these blocks would not added value to the assessed value roll.
c. Includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.

Source: Transbay Joint Powers Authority, The Concord Group, San Francisco Redevelopment Agency.

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Table B1-8 (Scenario 1)
New Market Rate Development Roll Schedule - State Owned Parcels
Transbay Redevelopment Project

Fiscal Year[a] Ending	Block 2			Block 4		Block 5		Block 6		Block 8		Block 9		Block 11	Parcel M		Parcel T	Parcel F		Total			
	2D Podium (Units)	2E Mid Rise (Units)	Retail (SF)	4T Tower (Units)	Retail (SF)	5T Tower (Units)	Retail (SF)	6T Tower (Units)	Retail (SF)	8T Tower (Units)	Retail (SF)	9T Tower (Units)	Retail (SF)	Retail (SF)	Retail (SF)	Office (SF)	Office (SF)	Office (SF)	Hotel (Rooms)	Residential[b] (Units)	Retail[c] (SF)	Office[c] (SF)	Hotel (Rooms)
2007																				0	0	0	0
2008																				0	0	0	0
2009																				0	0	0	0
2010																				0	0	0	0
2011																				0	0	0	0
2012																				0	0	0	0
2013										398				3,000						398	3,000	0	0
2014										161	10,000	266								427	10,000	0	0
2015										8		112	4,000				0			120	4,000	0	0
2016								190									936,000			190	0	936,000	0
2017								80	10,000								400,000			80	10,000	400,000	0
2018	15	91															104,000			106	0	104,000	0
2019		6	13,000	305																311	13,000	0	0
2020				123	6,000															123	6,000	0	0
2021				6														0		6	0	0	0
2022																66,000		446,875	250	0	0	512,875	250
2023						398									16,500			240,625		398	16,500	240,625	0
2024						139	6,000													139	6,000	0	0
2025						30														30	0	0	0
Total	**15**	**97**	**13,000**	**434**	**6,000**	**567**	**6,000**	**270**	**10,000**	**567**	**10,000**	**378**	**4,000**	**3,000**	**16,500**	**66,000**	**1,440,000**	**687,500**	**250**	**2,328**	**68,500**	**2,193,500**	**250**

: Fiscal year in which land sale is anticipated to be reflected in the assessment roll.

a. Year is the fiscal year during which development is expected to add property value to the property tax assessment roll, assumed to be the fiscal year after the completion of construction.

b. Units include for sale market rate and inclusionary units. Does not include rental tax-exempt units.

c. Retail square feet is based on gross flor area. Office square feet is based on net square feet, assuming an 80% efficiency factor of gross square feet.

Source: Transbay Joint Powers Authority, The Concord Group, San Francisco Redevelopment Agency.

Table B1-9 (Scenario 1)
New Development Roll Value Schedule - State Owned Parcels
Transbay Redevelopment Project
(In Present Value or Constant 2007/08 Dollars, unless otherwise noted)

Year (N)	Fiscal Year[a]	Block 2 (1) Total Incremental Assessed Value	Block 4 (2) Total Incremental Assessed Value	Block 5 (3) Total Incremental Assessed Value	Block 6 (4) Total Incremental Assessed Value	Block 8 (5) Total Incremental Assessed Value	Block 9 (6) Total Incremental Assessed Value	Block 11 (7) Total Incremental Assessed Value	Parcel M (9) Total Incremental Assessed Value	Parcel T[b] (10) Total Incremental Assessed Value	Parcel F[b] (8) Total Incremental Assessed Value	Total Assessed Value (11) Constant 2007/08 Dollars	Total Assessed Value (12) Escalated to Nominal Dollars
3	2007/ 08	0	0	0	0	0	0	0	0	0	0	0	0
4	2008/ 09	0	0	0	0	0	0	0	0	0	0	0	0
5	2009/ 10	0	0	0	0	0	0	0	0	0	0	0	0
6	2010/ 11	0	0	0	0	67,771,656	0	0	0	0	0	67,771,656	71,919,823
7	2011/ 12	0	0	0	0	0	25,745,190	0	0	350,000,000	0	375,745,190	406,718,677
8	2012/ 13	0	0	0	0	393,915,858	0	1,376,800	0	0	0	395,292,658	436,435,036
9	2013/ 14	0	0	0	16,586,567	163,324,026	229,066,960	0	0	0	0	408,977,553	460,575,151
10	2014/ 15	0	0	0	0	8,247,819	98,237,443	0	0	0	0	106,485,263	122,318,095
11	2015/ 16	0	0	0	158,431,656	0	0	0	0	536,900,000	0	695,331,656	814,691,857
12	2016/ 17	16,412,766	46,340,896	0	70,987,971	0	0	0	0	229,444,444	0	363,186,077	434,040,982
13	2017/ 18	73,036,366	0	0	0	0	0	0	0	59,655,556	0	132,691,921	161,750,711
14	2018/ 19	9,090,922	332,205,060	0	0	0	0	0	0	0	181,663,559	522,959,541	650,234,458
15	2019/ 20	0	136,607,495	0	0	0	0	0	16,013,117	0	0	152,620,612	193,559,838
16	2020/ 21	0	6,535,182	92,531,497	0	0	0	0	0	0	0	99,066,679	128,153,313
17	2021/ 22	0	0	0	0	0	0	0	28,292,207	0	311,931,334	340,223,541	448,917,737
18	2022/ 23	0	0	369,696,660	0	0	0	0	5,944,436	0	123,831,941	499,473,037	672,224,946
19	2023/ 24	0	0	132,283,085	0	0	0	0	0	0	0	132,283,085	181,596,328
20	2024/ 25	0	0	27,518,250	0	0	0	0	0	0	0	27,518,250	38,532,194
21	2025/ 26	0	0	0	0	0	0	0	0	0	0	0	0
22	2026/ 27	0	0	0	0	0	0	0	0	0	0	0	0
23	2027/ 28	0	0	0	0	0	0	0	0	0	0	0	0
24	2028/ 29	0	0	0	0	0	0	0	0	0	0	0	0
25	2029/ 30	0	0	0	0	0	0	0	0	0	0	0	0
26	2030/ 31	0	0	0	0	0	0	0	0	0	0	0	0
27	2031/ 32	0	0	0	0	0	0	0	0	0	0	0	0
28	2032/ 33	0	0	0	0	0	0	0	0	0	0	0	0
29	2033/ 34	0	0	0	0	0	0	0	0	0	0	0	0
30	2034/ 35	0	0	0	0	0	0	0	0	0	0	0	0
31	2035/ 36	0	0	0	0	0	0	0	0	0	0	0	0
32	2036/ 37	0	0	0	0	0	0	0	0	0	0	0	0
33	2037/ 38	0	0	0	0	0	0	0	0	0	0	0	0
34	2038/ 39	0	0	0	0	0	0	0	0	0	0	0	0
35	2039/ 40	0	0	0	0	0	0	0	0	0	0	0	0
36	2040/ 41	0	0	0	0	0	0	0	0	0	0	0	0
37	2041/ 42	0	0	0	0	0	0	0	0	0	0	0	0
38	2042/ 43	0	0	0	0	0	0	0	0	0	0	0	0
39	2043/ 44	0	0	0	0	0	0	0	0	0	0	0	0
40	2044/ 45	0	0	0	0	0	0	0	0	0	0	0	0
41	2045/ 46	0	0	0	0	0	0	0	0	0	0	0	0
42	2046/ 47	0	0	0	0	0	0	0	0	0	0	0	0
43	2047/ 48	0	0	0	0	0	0	0	0	0	0	0	0
44	2048/ 49	0	0	0	0	0	0	0	0	0	0	0	0
45	2049/ 50	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL		**98,540,054**	**521,688,633**	**622,029,492**	**246,006,193**	**633,259,360**	**353,049,593**	**1,376,800**	**50,249,760**	**1,176,000,000**	**617,426,833**	**4,319,626,718**	**5,221,669,146**
Cumulative													
To:	2014/ 15	0	0	0	16,586,567	633,259,360	353,049,593	1,376,800	0	350,000,000	0	1,354,272,320	1,497,966,782
To:	2024/ 25	98,540,054	521,688,633	622,029,492	246,006,193	633,259,360	353,049,593	1,376,800	50,249,760	1,176,000,000	617,426,833	4,319,626,718	5,221,669,146
To:	2034/ 35	98,540,054	521,688,633	622,029,492	246,006,193	633,259,360	353,049,593	1,376,800	50,249,760	1,176,000,000	617,426,833	4,319,626,718	5,221,669,146
To:	2049/ 50	98,540,054	521,688,633	622,029,492	246,006,193	633,259,360	353,049,593	1,376,800	50,249,760	1,176,000,000	617,426,833	4,319,626,718	5,221,669,146

a. Year is the Fiscal Year during which the value of new development property would be added to the property tax assessment roll. It may not correspond to the year of contstruction/rehabilitation/transaction. Values include all land uses within each block and land value.
b. Includes the development of Parcel T per Hines Proposal and a 850 foot tower on Parcel F.
Nominal dollars based on 2007/08 values escalated annually at: 2%.

Table B1-10 (Scenario 1)
Pass-Through Payments to Affected Taxing Entities - State Owned Parcels
Transbay Redevelopment Project
(In Future Value or Nominal Dollars)

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Unadjusted Levies

Year (N)	Fiscal Year	(1) City General Fund[A]	(2) SF Community College District	(3) SF Unified School District	(4) Bay Area Air Quality Mgt District	(5) Bay Area Rapid Transit	(6) Total Pass-Throughs
		Levy: 90.02%	Levy: 1.44%	Levy: 7.70%	Levy: 0.21%	Levy: 0.63%	Levy: 100.00%
3	2007/ 08	0	0	0	0	0	0
4	2008/ 09	0	0	0	0	0	0
5	2009/ 10	0	0	0	0	0	0
6	2010/ 11	129,478	2,078	11,074	300	910	143,840
7	2011/ 12	861,699	13,827	73,699	1,996	6,055	957,277
8	2012/ 13	1,650,008	26,477	141,122	3,823	11,594	1,833,024
9	2013/ 14	2,496,474	40,059	213,518	5,784	17,542	2,773,377
10	2014/ 15	2,750,030	44,128	235,205	6,371	19,324	3,055,058
11	2015/ 16	4,267,327	68,475	364,976	9,886	29,986	4,740,650
12	2016/ 17	5,104,749	102,437	545,996	14,789	44,858	5,812,830
13	2017/ 18	5,482,418	120,195	640,648	17,353	52,635	6,313,250
14	2018/ 19	6,784,799	146,418	780,419	21,139	64,118	7,796,894
15	2019/ 20	7,279,475	172,017	916,862	24,835	75,328	8,468,518
16	2020/ 21	7,685,209	185,549	988,986	26,789	81,254	8,967,786
17	2021/ 22	8,680,917	207,135	1,104,045	29,905	90,707	10,112,709
18	2022/ 23	10,091,991	243,311	1,296,864	35,128	106,549	11,773,844
19	2023/ 24	10,647,017	271,508	1,447,154	39,199	118,896	12,523,774
20	2024/ 25	10,976,024	284,654	1,517,224	41,097	124,653	12,943,653
21	2025/ 26	11,249,037	293,627	1,565,050	42,393	128,582	13,278,689
22	2026/ 27	11,530,263	301,911	1,609,206	43,589	132,210	13,617,180
23	2027/ 28	11,818,520	310,403	1,654,467	44,815	135,929	13,964,133
24	2028/ 29	12,113,983	319,107	1,700,859	46,071	139,740	14,319,760
25	2029/ 30	12,416,832	328,028	1,748,410	47,359	143,647	14,684,277
26	2030/ 31	12,727,253	337,173	1,797,151	48,679	147,652	15,057,907
27	2031/ 32	13,045,434	346,546	1,847,110	50,033	151,756	15,440,879
28	2032/ 33	13,371,570	356,153	1,898,318	51,420	155,963	15,833,424
29	2033/ 34	13,705,860	366,001	1,950,806	52,841	160,276	16,235,783
30	2034/ 35	14,048,506	376,094	2,004,606	54,299	164,696	16,648,201
31	2035/ 36	14,399,719	386,440	2,059,751	55,793	169,226	17,070,929
32	2036/ 37	14,759,712	400,264	2,133,432	57,788	175,280	17,526,475
33	2037/ 38	15,128,704	414,433	2,208,954	59,834	181,485	17,993,410
34	2038/ 39	15,506,922	428,957	2,286,364	61,931	187,845	18,472,018
35	2039/ 40	15,894,595	443,843	2,365,710	64,080	194,364	18,962,591
36	2040/ 41	16,291,960	459,102	2,447,039	66,283	201,046	19,465,429
37	2041/ 42	16,699,259	474,742	2,530,402	68,541	207,894	19,980,838
38	2042/ 43	17,116,740	490,773	2,615,848	70,855	214,915	20,509,131
39	2043/ 44	17,544,659	507,204	2,703,431	73,228	222,110	21,050,632
40	2044/ 45	17,983,275	524,047	2,793,203	75,660	229,486	21,605,671
41	2045/ 46	18,432,857	541,311	2,885,220	78,152	237,046	22,174,586
42	2046/ 47	18,893,679	559,006	2,979,537	80,707	244,795	22,757,723
43	2047/ 48	19,366,021	577,144	3,076,211	83,325	252,738	23,355,439
44	2048/ 49	19,850,171	595,735	3,175,303	86,009	260,879	23,968,098
45	2049/ 50	20,346,425	614,791	3,276,872	88,761	269,224	24,596,073
TOTAL		**469,129,574**	**12,681,103**	**67,591,050**	**1,830,839**	**5,553,192**	**556,785,759**
Cumulative							
To:	2014/ 15	7,887,690	126,569	674,618	18,273	55,426	8,762,576
To:	2024/ 25	84,887,617	1,928,269	10,277,792	278,395	844,410	98,216,482
To:	2034/ 35	210,914,875	5,263,312	28,053,774	759,893	2,304,861	247,296,715
To:	2049/ 50	469,129,574	12,681,103	67,591,050	1,830,839	5,553,192	556,785,759

[A] The City's pass-through is based only on the first tier of the AB1290 pass-through. Its shares of the second and third tiers are retained by the Agency.

Table B1-11 (Scenario 1)
Pass-Through Payments to Affected Taxing Entities - State Owned Parcels
Transbay Redevelopment Project
(In Present Value or Constant 2007/08 Dollars)

Unadjusted Levies

Year (N)	Fiscal Year	(1) City General Fund[A] Levy: 90.02%	(2) SF Community College District Levy: 1.44%	(3) SF Unified School District Levy: 7.70%	(4) Bay Area Air Quality Mgt District Levy: 0.21%	(5) Bay Area Rapid Transit Levy: 0.63%	(6) Total Pass-Throughs Levy: 100.00%
3	2007/ 08	0	0	0	0	0	0
4	2008/ 09	0	0	0	0	0	0
5	2009/ 10	0	0	0	0	0	0
6	2010/ 11	108,712	1,744	9,298	252	764	120,771
7	2011/ 12	682,546	10,952	58,377	1,581	4,796	758,253
8	2012/ 13	1,232,982	19,785	105,454	2,856	8,664	1,369,742
9	2013/ 14	1,759,915	28,240	150,522	4,077	12,367	1,955,122
10	2014/ 15	1,828,927	29,348	156,424	4,237	12,852	2,031,788
11	2015/ 16	2,677,374	42,962	228,990	6,203	18,814	2,974,343
12	2016/ 17	3,021,493	60,632	323,174	8,754	26,552	3,440,605
13	2017/ 18	3,061,354	67,116	357,735	9,690	29,391	3,525,286
14	2018/ 19	3,574,148	77,131	411,115	11,136	33,777	4,107,306
15	2019/ 20	3,617,676	85,487	455,653	12,342	37,436	4,208,594
16	2020/ 21	3,603,126	86,992	463,675	12,560	38,095	4,204,448
17	2021/ 22	3,839,578	91,616	488,320	13,227	40,120	4,472,861
18	2022/ 23	4,211,035	101,525	541,136	14,658	44,459	4,912,814
19	2023/ 24	4,191,159	106,878	569,667	15,431	46,803	4,929,937
20	2024/ 25	4,076,105	105,710	563,443	15,262	46,292	4,806,812
21	2025/ 26	3,941,030	102,870	548,306	14,852	45,048	4,652,106
22	2026/ 27	3,810,902	99,786	531,864	14,407	43,697	4,500,655
23	2027/ 28	3,685,070	96,785	515,871	13,973	42,383	4,354,083
24	2028/ 29	3,563,393	93,867	500,317	13,552	41,105	4,212,235
25	2029/ 30	3,445,734	91,030	485,193	13,142	39,863	4,074,962
26	2030/ 31	3,331,960	88,271	470,489	12,744	38,655	3,942,119
27	2031/ 32	3,221,942	85,589	456,196	12,357	37,481	3,813,566
28	2032/ 33	3,115,558	82,983	442,305	11,981	36,339	3,689,166
29	2033/ 34	3,012,685	80,451	428,807	11,615	35,230	3,568,788
30	2034/ 35	2,913,210	77,990	415,691	11,260	34,153	3,452,303
31	2035/ 36	2,817,019	75,599	402,949	10,915	33,106	3,339,588
32	2036/ 37	2,724,004	73,871	393,739	10,665	32,349	3,234,629
33	2037/ 38	2,634,061	72,157	384,601	10,418	31,598	3,132,835
34	2038/ 39	2,547,087	70,458	375,546	10,172	30,854	3,034,118
35	2039/ 40	2,462,985	68,777	366,584	9,930	30,118	2,938,394
36	2040/ 41	2,381,660	67,114	357,723	9,690	29,390	2,845,578
37	2041/ 42	2,303,020	65,472	348,972	9,453	28,671	2,755,588
38	2042/ 43	2,226,977	63,852	340,335	9,219	27,962	2,668,345
39	2043/ 44	2,153,445	62,255	331,821	8,988	27,262	2,583,771
40	2044/ 45	2,082,341	60,681	323,434	8,761	26,573	2,501,789
41	2045/ 46	2,013,584	59,132	315,178	8,537	25,895	2,422,326
42	2046/ 47	1,947,098	57,609	307,058	8,317	25,227	2,345,309
43	2047/ 48	1,882,807	56,111	299,076	8,101	24,572	2,270,667
44	2048/ 49	1,820,639	54,640	291,236	7,889	23,928	2,198,331
45	2049/ 50	1,760,523	53,196	283,539	7,680	23,295	2,128,234
TOTAL		**109,284,867**	**2,776,669**	**14,799,814**	**400,883**	**1,215,933**	**128,478,166**
Cumulative							
To:	2014/ 15	5,613,084	90,069	480,076	13,004	39,442	6,235,675
To:	2024/ 25	41,486,131	916,121	4,882,983	132,265	401,180	47,818,681
To:	2034/ 35	75,527,617	1,815,743	9,678,021	262,149	795,134	88,078,663
To:	2049/ 50	109,284,867	2,776,669	14,799,814	400,883	1,215,933	128,478,166

[A] The City's pass-through is based only on the first tier of the AB1290 pass-through. Its shares of the second and third tiers are retained by the Agency.
Present value discounted to 2007/08 at: 6%