



# Update on Mueller Financing

## *RMMA Plan Implementation Advisory Commission*

Sylnovia Holt-Rabb, Acting Director  
Economic Development Department

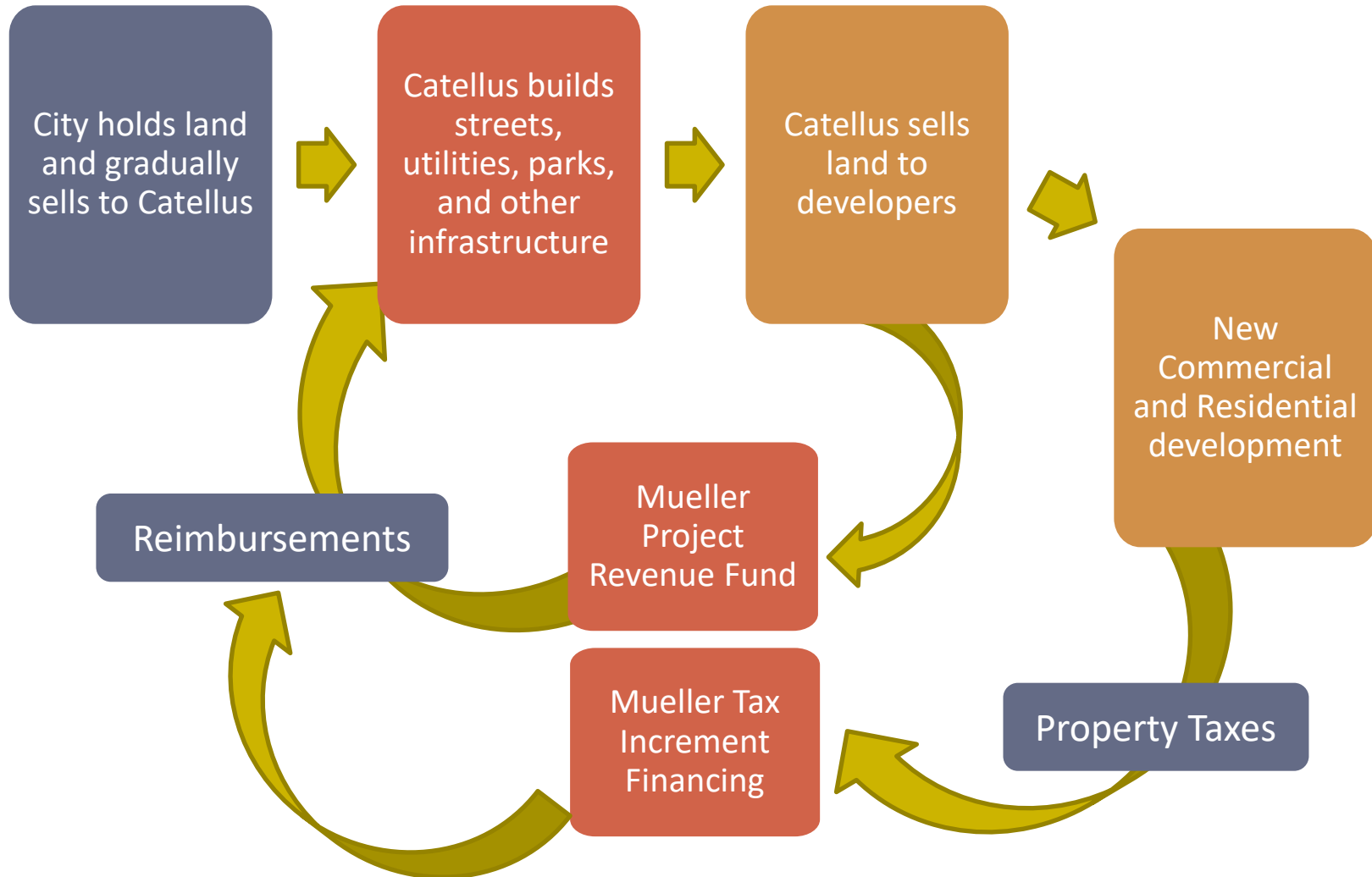
October 16, 2020

# Mueller Implementation Strategy

- Public-private partnership
- City holds the land; master developer takes down land gradually, then sells to third parties
- Master developer designs, builds and funds all infrastructure & parks
  - Reimbursed by land sale proceeds and public financing (sales and property tax)
- Developer retains responsibility for overall implementation of vision & goals, with City oversight



# Financing Model for Mueller



# Mueller 2020 Construction

- Current construction contracts: \$670M
- Construction-related jobs: 3,685
- Affordable homes/lots under construction: 259\*

(\*including Habitat for Humanity row homes)





# Project Finance Plan Recap

- Approximately \$265 Million in project costs
  - \$185 million land sales
  - \$65 million in public financing
    - \$50 million in debt from the TIF
    - \$15 million in Sales Tax
  - \$15 million in other revenue
- City's risk is minimized
  - relies on project revenue to support project costs
  - Catellus provides interim funding for project costs

# TIF Recap



	Mueller (TIF #16)
Base Year	2004
TIF Duration	Through 2032
Base Assessed Value (AV)	\$0
Current AV (Tax Yr 2019)	\$1.7 billion
COA Capture %	100%
Other Entity Participation	n/a
Other Participation	Yes / Developer
Current Project Cost	\$326 million
Estimated Project Cost to be covered by TIF Debt	\$60 million
O&M to be covered by TIF	No

# Mueller Debt Summary

Year	Type	Amount
2007	Sales Tax	\$12.0 million
2009	TIF (Property Tax)	\$15.0 million
2012	TIF (Property Tax)	\$16.8 million
2014	TIF (Property Tax)	\$15.8 million
	<b>TOTAL</b>	<b>\$59.6 million</b>

- Current (2019) Annual Debt Service on this outstanding Debt is \$4.6 million
  - Current (2019) Annual TIF Revenue is \$7.2 million

## Credit Factors

- Strong assessed valuation growth over last 5 years
- Sales tax performing well



# *Questions / Discussion*