

**CITY OF SOUTH SAN FRANCISCO
PUBLIC FACILITIES FINANCING AUTHORITY**

**\$65,420,000
(MULTIPLE CAPITAL PROJECTS
AT ORANGE MEMORIAL PARK)
LEASE REVENUE BONDS,
SERIES 2022A**

**San Mateo County, California
Dated: June 8, 2022
Base CUSIP⁺: 840035**



**2023 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of January 12, 2024



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* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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I. INTRODUCTION

The City of South San Francisco Public Facilities Financing Authority (the “Authority”) issued \$65,420,000 (Multiple Capital Projects at Orange Memorial Park) Lease Revenue Bonds, Series 2022A (the “Bonds”). Proceeds of the Bonds were primarily used to finance the costs of the acquisition, construction and installation of certain capital improvements of the City of South San Francisco (the “City”) to be located at the City-owned Orange Memorial Park. The improvements consist of synthetic multi-use sports fields, a new aquatic center, replacement of the Orange Memorial Park playground, and replacement of two pedestrian bridges.

The City covers approximately 9.5 square miles and is located in northern San Mateo County, 10 miles south of San Francisco and 2 miles north of the San Francisco International Airport.

The Bonds are payable solely from Base Rental Payments, as defined within the Official Statement dated May 25, 2022 (the “Official Statement”), to be made by the City for the right to use certain City-owned property pursuant to a Lease Agreement, First Amendment to Lease Agreement, and Second Amendment to Lease Agreement as defined within the Official Statement, by and between the City, as lessee, and the Authority, as lessor.

The Bonds are special obligations of the Authority, payable solely from Base Rental Payments and the other assets pledged therefor under the Indenture, as defined within the Official Statement. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

This Annual Continuing Disclosure Information Statement (the “Report”) is being provided pursuant to a covenant made by the City for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Agreement. For further information and a more complete description of the Authority, the City and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the City and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. IN PROVIDING THIS REPORT, WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY “WILLDAN”) DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT UNLESS SPECIFICALLY AGREED TO IN A SEPARATE WRITING WITH THE RECIPIENT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS REPORT, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. MATURITY SCHEDULE

(As of June 30, 2023)

Period Ending June 1,	Principal	Interest	Total
2024	\$0	\$3,238,588	\$3,238,588
2025	1,705,000	3,238,588	4,943,588
2026	1,795,000	3,153,338	4,948,338
2027	1,880,000	3,063,588	4,943,588
2028	1,975,000	2,969,588	4,944,588
2029	2,075,000	2,870,838	4,945,838
2030	2,180,000	2,767,088	4,947,088
2031	2,290,000	2,658,088	4,948,088
2032	2,400,000	2,543,588	4,943,588
2033	2,520,000	2,423,588	4,943,588
2034	2,650,000	2,297,588	4,947,588
2035	2,780,000	2,165,088	4,945,088
2036	2,920,000	2,026,088	4,946,088
2037	3,065,000	1,880,088	4,945,088
2038	3,220,000	1,726,838	4,946,838
2039	3,380,000	1,565,838	4,945,838
2040	3,550,000	1,396,838	4,946,838
2041	3,725,000	1,219,338	4,944,338
2042	3,875,000	1,070,338	4,945,338
2043	4,030,000	915,338	4,945,338
2044	4,240,000	703,763	4,943,763
2045	4,465,000	481,163	4,946,163
2046	4,700,000	246,750	4,946,750
Total Outstanding	\$65,420,000	\$46,621,925	\$112,041,925

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

The City's audited financial statements for the fiscal year ended June 30, 2023 have been separately filed on EMMA and are hereby incorporated by reference into this Report.

B. GENERAL FUND BUDGETS TO ACTUAL COMPARISONS

	Fiscal Year 2021/22		Fiscal Year 2022/23	
	Final Budget	Actual Amount	Final Budget	Actual Amount
Revenues				
Property taxes	\$41,074,710	\$49,779,284	\$45,804,769	\$54,041,117
Sales taxes	20,281,177	22,361,011	22,391,018	21,735,087
Transient occupancy taxes	8,585,194	12,135,638	14,160,752	16,357,104
Franchise fees	4,600,000	4,863,076	4,600,000	5,240,637
Other taxes	3,614,753	6,537,423	5,693,252	8,059,817
Intergovernmental	5,818,982	3,196,346	4,337,199	3,558,742
Interest and rentals	3,504,976	1,553,209	4,556,469	4,247,107
Licenses and permits	16,453,166	14,062,474	19,425,400	20,467,644
Charges for services	7,848,478	9,747,605	8,265,097	11,673,187
Fines and forfeitures	676,975	700,961	710,824	757,019
Other	394,382	515,004	278,902	353,378
Total Revenues	\$112,852,793	\$125,452,031	\$130,223,682	\$146,490,839
Expenditures				
City Council	\$292,427	\$252,677	\$260,650	\$241,596
City Clerk	1,231,044	887,678	1,154,449	1,027,822
City Treasurer	160,244	39,852	167,904	35,279
City Attorney	910,049	1,138,457	940,281	1,220,059
City Manager	4,106,430	4,159,376	5,324,596	3,909,909
Finance	4,385,682	3,603,809	4,405,085	3,617,322
Non-departmental	1,369,252	2,581,079	2,152,699	3,486,795
Human Resources	2,307,004	2,184,942	2,684,109	2,331,987
Fire	29,892,151	32,975,264	33,424,718	36,400,487
Police	32,843,169	33,383,916	34,511,302	36,283,110
Public Works	6,396,059	6,743,595	8,603,705	8,931,895
Parks and Recreation	18,371,855	18,920,003	22,873,151	22,225,939
Library	6,897,585	6,495,735	7,273,746	6,518,982
Economic and Community Development	16,293,222	15,860,574	15,609,631	15,909,963
Capital Outlay	0	0	0	141,250
Total Expenditures	\$125,456,173	\$129,226,957	\$139,386,026	\$142,282,395
Other Financing Sources (Uses)				
Gain from sale of property	\$690,000	\$1,507,641	\$897,000	\$1,852,123
Gain from sale of property	0	0	0	(6,439,913)
Transfers in	\$5,519,792	4,763,729	6,151,400	5,283,682
Transfers out	(13,098,660)	(10,033,749)	(4,533,270)	(1,388,940)
Total Other Financing Sources (Uses)	(\$6,888,868)	(\$3,762,379)	\$2,515,130	(\$693,048)
Net Change in Fund Balances Before Special Items	(\$19,492,248)	(\$7,537,305)	(\$6,647,214)	\$3,515,396
Special Items				
Remittance of land sale proceeds		(\$2,962,923)		(\$5,173,366)
Net Change in Fund Balances	(\$19,492,248)	(\$10,500,228)	(\$6,647,214)	(\$1,657,970)
Fund Balance – July 1		\$67,825,281		\$64,794,817
Adjustment to budgetary basis:				
Encumbrance adjustments		7,469,764		8,661,539
Fund Balance – June 30		\$64,794,817		\$71,798,386

C. GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

The table below presents the City's audited General Fund Statement of Revenues, Expenditures and Change in Fund Balance for the last five fiscal years.

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
REVENUES					
Property Taxes	\$38,659,657	\$42,847,443	\$44,239,406	\$49,779,284	\$54,041,117
Sales Taxes	32,251,636	31,563,148	32,749,447	37,760,777	37,353,784
Transient Occupancy Taxes	17,091,222	13,829,025	6,710,271	12,135,638	16,357,104
Franchise Fees	4,469,808	4,594,577	4,498,202	4,863,076	5,240,637
Other Taxes	4,995,404	4,515,376	4,529,764	6,537,423	8,059,817
Intergovernmental	2,876,545	1,626,529	4,323,151	3,196,346	3,558,742
Interest and Rentals	4,409,185	4,845,966	3,063,987	1,553,209	4,247,107
Licenses and Permits	15,381,416	15,900,500	15,589,002	14,062,474	20,467,644
Charges for Services	11,563,755	9,978,678	6,518,254	9,747,605	11,673,187
Fines and Forfeitures	926,729	814,354	535,750	700,961	757,019
Other	330,881	390,733	731,752	515,004	353,378
Total Revenues	\$132,956,238	\$130,906,329	\$123,488,986	\$140,851,797	\$162,109,536
EXPENDITURES					
City Council	\$258,760	\$258,413	\$224,257	\$252,677	\$241,596
City Clerk	770,985	978,451	956,698	887,678	1,027,822
City Treasurer	123,505	151,726	38,705	39,852	35,279
City Attorney	961,588	1,009,372	987,044	1,138,457	1,220,059
City Manager	2,339,342	4,139,612	3,993,952	4,191,480	4,107,153
Finance	2,789,187	3,222,657	2,917,393	3,148,914	3,089,869
Non-departmental	1,219,533	1,014,840	1,336,201	2,580,748	3,484,013
Human Resources	1,621,409	1,672,701	1,654,369	2,065,927	2,221,160
Fire	27,572,488	28,138,053	31,817,325	32,560,468	35,512,513
Police	28,482,445	30,190,060	30,959,959	33,281,487	36,282,833
Public Works	5,787,782	6,156,203	5,731,652	6,294,564	7,936,326
Parks and Recreation	16,530,603	17,130,302	15,795,645	18,092,526	20,362,073
Library	5,628,693	5,940,870	5,903,883	6,495,279	6,475,274
Economic and Community Development	8,433,298	7,669,329	6,560,605	11,006,922	11,770,931
Capital Outlay	0	0	0	0	141,250
Total Expenditures	\$102,519,618	\$107,672,589	\$108,877,688	\$122,036,979	\$133,908,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$30,436,620	\$23,233,740	\$14,611,298	\$18,814,818	\$28,201,385
Other Financing Sources (Uses)					
Gain from sale of property	\$840,298	\$0	(\$818,692)	\$1,507,641	\$1,852,123
Loss from sale of property	0	0	0	0	(6,439,913)
Transfers in	4,906,791	1,302,435	2,272,021	4,763,729	5,283,682
Transfers out	(11,995,827)	(24,642,202)	(24,041,188)	(21,235,610)	(11,811,401)
Total Other Financing Sources (Uses)	(\$6,248,738)	(\$23,339,767)	(\$22,587,859)	(\$14,964,240)	(\$11,115,509)
Net Change in Fund Balances before special items	\$24,187,882	(\$106,027)	(\$7,976,561)	\$3,850,578	\$17,085,876
Special Items					
Proceeds from sale of common interest	\$0	\$1,247,950	\$0	\$0	\$0
Assets transferred from the Successor Agency	829,315	0	0	0	0
Remittance of land sale proceeds	(1,360,906)	(971,011)	(1,378,533)	(2,962,923)	(5,173,366)
Net Change in Fund Balances	\$23,656,291	\$170,912	(\$9,355,094)	\$887,655	\$11,912,510
Fund Balances (Deficits) - July 1	61,286,892	84,943,183	85,114,095	75,759,001	76,646,656
Fund Balances (Deficits) - June 30	\$84,943,183	\$85,114,095	\$75,759,001	\$76,646,656	\$88,559,166

D. GENERAL FUND BALANCE SHEETS

The table below presents the City's audited General Fund Balance Sheets for the last five fiscal years.

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Assets					
Cash and Investments	\$60,775,901	\$61,426,353	\$56,463,292	\$50,061,615	\$80,739,818
Receivables:					
Accounts	8,581,277	7,813,980	10,529,164	18,303,062	13,715,846
Accrued Interest	274,790	243,824	164,535	161,122	423,012
Due from Conference Center	53,589	60,650	62,516	40,379	56,072
Leases	0	0	0	13,455,776	12,759,503
Due from Other Funds	1,100,000	4,400,000	0	1,270,000	480,000
Inventory	372	574	4,099	4099	574
Restricted Cash and Investments	200,000	352,797	152,797	152,797	0
Properties Held for Redevelopment	19,201,948	18,372,633	16,354,141	14,763,033	2,823,118
Total Assets	\$90,187,877	\$92,670,811	\$83,730,544	\$98,211,883	\$110,997,943
Liabilities					
Accounts Payable	\$2,609,145	\$2,018,069	\$3,200,919	\$4,589,446	\$5,939,493
Accrued Salaries and Benefits	1,659,795	3,416,228	2,835,241	1,766,827	2,697,253
Other Payable	65,755	186,956	797,807	842,046	776,211
Deposits Payable	763,563	1,935,463	927,576	1,159,644	742,865
Unearned Revenue	146,436	0	210,000	0	0
Total Liabilities	\$5,244,694	\$7,556,716	\$7,971,543	\$8,357,963	\$10,155,822
Deferred Inflows of Resources					
Unavailable Revenue - Accounts Receivable Related to Leases	\$0	\$0	\$0	\$13,207,264	\$12,282,955
Total Deferred Inflows of Resources	\$0	\$0	\$0	\$13,207,264	\$12,282,955
Fund Balances:					
Nonspendable	\$372	\$574	\$4,099	\$4,099	\$477,122
Restricted	19,201,948	18,372,633	16,354,141	14,763,033	2,823,118
Committed	22,619,868	17,723,338	12,372,202	16,083,977	20,536,653
Assigned	11,881,363	5,720,788	5,431,178	7,482,439	8,661,539
Unassigned	31,239,632	43,296,762	41,597,381	38,313,108	56,060,734
Total Fund Balances (Deficits)	\$84,943,183	\$85,114,095	\$75,759,001	\$76,646,656	\$88,559,166
Total Liabilities and Fund Balances (Deficits)	\$90,187,877	\$92,670,811	\$83,730,544	\$98,211,883	\$110,997,943

V. OPERATING INFORMATION

A. ASSESSED VALUATIONS

The following table sets forth the assessed valuations for the City for the last ten fiscal years.

Fiscal Year	Local Secured Value	Unsecured Value	Total Assessed Value
2013/14	\$13,091,998,899	\$1,212,353,871	\$14,304,352,770
2014/15	13,650,652,805	1,244,971,467	14,895,624,272
2015/16	14,283,534,240	1,197,263,526	15,480,797,766
2016/17	15,074,300,488	1,381,715,511	16,456,015,999
2017/18	15,850,972,006	1,423,348,022	17,274,320,028
2018/19	17,421,411,964	1,765,066,449	19,186,478,413
2019/20	19,204,610,134	1,727,590,717	20,932,200,851
2020/21	21,144,945,769	2,056,800,753	23,201,746,522
2021/22	22,658,023,560	1,993,694,829	24,651,718,389
2022/23	25,326,709,685	2,403,730,974	27,730,440,659

Source: San Mateo County Assessor Combined Tax Rolls.

B. LARGEST TAXPAYERS

The following table sets forth the largest taxpayers within the City.

Property Owner	2022/23 Assessed Valuation	% of Total AV ⁽¹⁾	Land Use
Genentech Inc.	\$3,156,586,644	11.38%	Industrial, Office, R&D
HCP Oyster Point III LLC	861,135,005	3.11%	Industrial
Slough SSF LLC	706,344,528	2.55%	Industrial
ARE San Francisco LLC	560,376,454	2.02%	Industrial
GNS North Tower LP	475,429,011	1.71%	Commercial, Office
BMR 1000 Gateway LP	455,894,074	1.64%	Industrial
Kilroy Realty	447,345,388	1.61%	Industrial
GNS South Tower LP	435,506,434	1.57%	Commercial, Office
Brittania Pointe Grand LP	332,388,936	1.20%	Industrial
United Airlines Inc.	292,552,819	1.05%	Commercial, Office
Total	\$7,723,559,293	27.85%	

(1) 2022/23 Total Assessed Valuation: \$27,730,440,659.

Source: San Mateo County Assessor Combined Tax Rolls.

C. SALES TAX REVENUES

The following table sets forth the sales tax revenues from the City’s share of the basic sales tax, Measure W sales tax revenues and total sales tax revenues for the last five fiscal years.

Fiscal Year	General Sales Tax Revenues	Measure W Sales Tax Revenues	Total Sales Tax Revenues
2018/19	\$19,606,689	\$12,644,947	\$32,251,636
2019/20	19,859,058	11,704,090	31,563,148
2020/21	19,370,155	13,379,292	32,749,447
2021/22	22,361,011	15,399,766	37,760,777
2022/23	21,735,087	15,618,697	37,353,784

VI. OCCURRENCE OF LISTED EVENTS

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **irrespective of any determination as to whether such event may or may not be deemed material**. The City has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2023.

1. Principal and interest payment delinquencies on the Bonds.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds.
6. Tender offers.
7. Defeasances.
8. Ratings changes.
9. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the City.
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person any of which reflect financial difficulties.

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **if deemed material**. The City has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2023.

1. Unless described in #5 above, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.
2. Modifications to the rights of bondholders.
3. Bond calls.
4. Release, substitution or sale of property securing repayment of the Bonds.
5. Non-payment related defaults.
6. The consummation of a merger, consolidation, or acquisition involving the City or the Authority or the sale of all or substantially all of the assets of the City or the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. Appointment of a successor or additional trustee or the change of the name of a trustee.
8. Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Bond Owners.