PRELIMINARY OFFICIAL STATEMENT DATED __________, 2017

NEW ISSUE-BOOK-ENTRY-ONLY

RATING: S&P: [“___”]
Fitch: [“___”]
(See “RATINGS” herein)

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Transportation Authority described herein, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Bond Counsel is further of the opinion that interest on the Series 2017 Bonds is exempt from personal income taxes of the State of California under present State law. See “TAX MATTERS” herein regarding certain other tax considerations.

$_____________*

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Senior Sales Tax Revenue Bonds (Limited Tax Bonds)
Series 2017

Dated: Date of Delivery **Due: As shown on the inside cover**

This cover page contains certain information for general reference only. It is not intended to be a summary of the terms of, or the security for, the Series 2017 Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

The San Francisco County Transportation Authority Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017 (the “Series 2017 Bonds”) are being issued by the San Francisco County Transportation Authority (the “Transportation Authority”) pursuant to the provisions of the Bay Area County Traffic and Transportation Funding Act, being Division 12.5 of the Public Utilities Code of the State of California (Sections 131000 *et seq.*) (the “Act”); the San Francisco County Transportation Authority Ordinance approved by the voters as Proposition B at the November 7, 1989 election, as modified by the San Francisco County Transportation Authority Reauthorization Ordinance, approved as “Proposition K” by more than two-thirds of the electors voting on the related ballot measure at the general election held in the City and County of San Francisco (the “County”) on November 4, 2003, adopting and amending, respectively, Article 14 of the San Francisco Business and Tax Regulations Code of the City and County of San Francisco (collectively, the “Ordinance”); Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (Sections 53570-53572 and Sections 53580-53589.5, respectively) of the Government Code of the State of California, and other applicable law; and a Third Amended and Restated Indenture, dated as of November 1, 2017, as supplemented by a First Supplemental Indenture dated as of November 1, 2017 (collectively, the “Indenture”), by and between the Transportation Authority and U.S. Bank National Association, as trustee (the “Trustee”). The proceeds of the Series 2017 Bonds will be used to (i) [finance a portion of the costs of certain transportation improvements authorized in the Expenditure Plan adopted pursuant to the Act][finance a portion of the costs of and costs incidental to, or connected with the construction, acquisition and improvement of certain transit, street and traffic facilities and other transportation improvements, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees and working capital], (ii) repay a portion of the outstanding amount of a revolving loan obtained by the Transportation Authority from State Street Public Lending Corporation pursuant to a Revolving Credit Agreement dated as of June 1, 2015 and a promissory note evidencing the Transportation Authority’s payment obligation thereunder, (iii) pay capitalized interest on the Series 2017 Bonds and (iv) pay costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds will be issued as fully registered bonds, without coupons, in denominations of $5,000 and integral multiples thereof. The Series 2017 Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Series 2017 Bonds. Individual purchases and sales of the Series 2017 Bonds may be made in book-entry form only. See “APPENDIX F—BOOK-ENTRY-ONLY SYSTEM.” The Series 2017 Bonds will mature in the principal amounts and will bear interest at the rates set forth on the inside front cover. The Transportation Authority will pay interest on the Series 2017 Bonds on February 1 and August 1, commencing on February 1, 2018*.

The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in this Official Statement. See “DESCRIPTION OF THE SERIES 2017 BONDS – Redemption.”

The Series 2017 Bonds are limited obligations of the Transportation Authority payable from the net receipts of a one-half of one percent (½%) retail transactions and use tax imposed to finance street, road, highway, public transit and other transportation-related improvements in the County and from certain other amounts held by the Trustee pursuant to the Indenture. **The Transportation Authority will not create, or cause to be created and funded, any debt service reserve fund in connection with the Series 2017 Bonds.** See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS” and “THE SALES TAX” herein.

Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision or agency thereof, other than the Transportation Authority to the extent of the Sales Tax Revenues and certain other amounts held by the Trustee under the Indenture, is pledged to the payment of the principal of or

* Preliminary; subject to change.

interest on the Series 2017 Bonds. The Transportation Authority has no power to levy property taxes to pay the principal of, redemption price, if any, or interest on the Series 2017 Bonds.

[BIDS FOR THE PURCHASE OF THE SERIES 2017 BONDS WILL BE RECEIVED BY THE TRANSPORTATION AUTHORITY AT _______ __.M. PACIFIC TIME ON ___________, 2017, AS PROVIDED IN THE OFFICIAL NOTICE OF SALE DATED _________, 2017, UNLESS POSTPONED AS SET FORTH IN SUCH OFFICIAL NOTICE OF SALE. SEE "SALE OF SERIES 2017 BONDS" HEREIN AND "APPENDIX G—OFFICIAL NOTICE OF SALE."]

The Series 2017 Bonds are offered when, as and if issued, subject to the approval as to their validity by Nixon Peabody LLP, Bond Counsel to the Transportation Authority. Certain legal matters will be passed upon by Nossaman LLP, acting as general counsel to the Transportation Authority, and Squire Patton Boggs (US) LLP, as Disclosure Counsel to the Transportation Authority. The Transportation Authority anticipates that the Series 2017 Bonds will be available for delivery through the facilities of DTC on or about __________, 2017.*

Dated: _____________, 2017

MATURITY SCHEDULE

$____________*
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Senior Sales Tax Revenue Bonds (Limited Tax Bonds)
Series 2017

Maturity Date (February 1)	Principal Amount	Interest Rate	Yield	CUSIP No.†
2020	$	%	%	
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				

$____________ – _______% Term Bonds due February 1, _______ – Yield ______%[c] –
CUSIP† No. ____________

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* Preliminary; subject to change.
[c] Priced to a par call on ______________.
† Copyright 2017, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the Transportation Authority and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2017 Bonds. The Transportation Authority does not take any responsibility for the accuracy of the CUSIP numbers provided herein.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

BOARD OF COMMISSIONERS

Aaron Peskin, Chair
Katy Tang, Vice Chair

London Breed
Malia Cohen
Mark Farrell
Sandra Lee Fewer
Jane Kim

Hillary Ronen
Ahsha Safai
Jeff Sheehy
Norman Yee

SENIOR MANAGEMENT

Tilly Chang, Executive Director
Maria E. Lombardo, Chief Deputy Director
Anna LaForte, Deputy Director for Policy and Programming
Cynthia W. Fong, Deputy Director for Finance and Administration

GENERAL COUNSEL

Nossaman LLP
San Francisco, California

MUNICIPAL ADVISOR

KNN Public Finance, LLC
Oakland, California

BOND COUNSEL

Nixon Peabody LLP
San Francisco, California

DISCLOSURE COUNSEL

Squire Patton Boggs (US) LLP
San Francisco, California

TRUSTEE

U.S. Bank National Association
San Francisco, California

The Transportation Authority has not authorized any dealer, broker, salesperson or other person to give any information or to make any representation in connection with the offer or sale of the Series 2017 Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any Series 2017 Bonds, and there shall be no sale of the Series 2017 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not a contract with the purchasers or owners of the Series 2017 Bonds. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of facts.

The information and expressions of opinion in this Official Statement are subject to change without notice, and the delivery of this Official Statement and any sale made pursuant to this Official Statement do not, under any circumstances, imply that the information and expressions of opinion in this Official Statement and other information regarding the Transportation Authority have not changed since the date hereof. The Transportation Authority is circulating this Official Statement in connection with the sale of the Series 2017 Bonds and this Official Statement may not be reproduced or used, in whole or in part, for any other purpose.

In making an investment decision, investors must rely on their own examination of the terms of the offering and the security and sources of payment of the Series 2017 Bonds, including the merits and risks involved. The Series 2017 Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Series 2017 Bonds or the accuracy or completeness of this Official Statement. The Series 2017 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

This Official Statement contains statements relating to future results that are "forward looking statements." When used in this Official Statement, the words "estimate," "forecast," "projection," "intend," "expect" and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Some assumptions used to develop forward looking statements inevitably will not be realized, and unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results; those differences could be material.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) web site. The Transportation Authority also maintains a web site, however, the information presented therein is not part of this Official Statement and must not be relied upon in making an investment decision with respect to the Series 2017 Bonds.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2 12.

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OFFICIAL STATEMENT

$___________[*]
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Senior Sales Tax Revenue Bonds (Limited Tax Bonds)
Series 2017

INTRODUCTION

This Introduction is not a summary of this Official Statement. This Introduction is qualified by the more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. Prospective investors should review this entire Official Statement, including the cover page and appendices, before they make an investment decision to purchase the Series 2017 Bonds. The Transportation Authority is only offering the Series 2017 Bonds to potential investors by means of this entire Official Statement. Capitalized terms used but not defined herein have the meanings ascribed to them in "APPENDIX C—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS."

General

This Official Statement, which includes the cover page and the appendices hereto, sets forth information in connection with the offering by the San Francisco County Transportation Authority (the "Transportation Authority") of $__________[*] aggregate principal amount of its Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017 (the "Series 2017 Bonds"). The Series 2017 Bonds are being issued pursuant to the provisions of the Bay Area County Traffic and Transportation Funding Act, being Division 12.5 of the Public Utilities Code of the State of California (Sections 131000 *et seq.*) (the "Act"); the San Francisco County Transportation Authority Ordinance approved by the voters as Proposition B at the November 7, 1989 election, as modified by the San Francisco County Transportation Authority Reauthorization Ordinance, approved as "Proposition K" by more than two-thirds of the electors voting on the related ballot measure at the general election held in the City and County of San Francisco (the "County") on November 4, 2003, adopting and amending, respectively, Article 14 of the San Francisco Business and Tax Regulations Code of the City and County of San Francisco (collectively, the "Ordinance"); Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (Sections 53570-53572 and Sections 53580-53589.5, respectively) of the Government Code of the State of California, and other applicable law; and a Third Amended and Restated Indenture, dated as of November 1, 2017, as supplemented by a First Supplemental Indenture dated as of November 1, 2017 (collectively, the "Indenture") by and between the Transportation Authority and U.S. Bank National Association, as trustee (the "Trustee").

The Series 2017 Bonds will be issued in registered form, in denominations of $5,000 or any integral multiple thereof. The Series 2017 Bonds will be dated their initial date of delivery and will mature on the dates and in the principal amounts and bear interest at the rates per annum as shown on the inside front cover page hereof, computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2017 Bonds will be delivered in book-entry-only form and will be registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC"), which will act as a securities depository for the Series 2017 Bonds. See "APPENDIX F—BOOK-ENTRY-ONLY SYSTEM."

[*] Preliminary; subject to change.

The Transportation Authority, the Expenditure Plan and the Sales Tax

The Transportation Authority was created in 1989 pursuant to the approval by the voters of the County of an ordinance (the "1989 Ordinance") set forth in a ballot measure known as Proposition B. The Transportation Authority is a special purpose governmental agency, separate and distinct from the County. The Transportation Authority is governed by a board of commissioners which consists of the eleven (11) members of the San Francisco Board of Supervisors (the "Board of Supervisors"), who act as Transportation Authority Commissioners. See "THE TRANSPORTATION AUTHORITY" herein. Proposition B and the 1989 Ordinance also authorized the imposition and collection throughout the County of a retail transactions and use tax at the rate of one-half of one percent (½%) for a maximum period of twenty (20) years commencing April 1, 1990 (referred to in this Official Statement as the "Original Sales Tax") to fund transportation projects in the Transportation Authority's twenty-year transportation expenditure plan, which plan is referred to in this Official Statement as the "Original Expenditure Plan."

The Board of Supervisors adopted Resolution Number 485-03 on July 29, 2003, which approved a new transportation expenditure plan, which had been recommended by the Transportation Authority on July 22, 2003 (the "Expenditure Plan"), and called for an election for the purpose of submitting to the voters a measure ("Proposition K") to enact an ordinance (the "2003 Ordinance") which, in part, authorized implementation of the Expenditure Plan and continued the collection and imposition throughout the County of a retail transactions and use tax at the rate of one-half of one percent (½%), originally approved as part of Proposition B (such 2003 Ordinance, together with the 1989 Ordinance approved under Proposition B, are referred to herein as the "Ordinance"). The 2003 Ordinance, adopted on November 4, 2003 by 74.79% of the electors of the County voting on Proposition K, continued without interruption the collection of such retail transactions and use tax for an initial period of thirty (30) years, beginning on April 1, 2004 and continuing through April 1, 2034. The retail transactions and use tax imposed throughout the County at a rate of one-half of one percent (½%), as imposed and continued by the Ordinance, is referred to herein as the "Sales Tax." See "THE TRANSPORTATION AUTHORITY", "THE SALES TAX" and "THE PROPOSITION K PROGRAM" herein.

Authority for Issuance of the Series 2017 Bonds and Expenditure of Proceeds

The Series 2017 Bonds are being issued by the Transportation Authority under and pursuant to the authority granted under the Act, the Ordinance and Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (Sections 53570-53572 and Sections 53580-53589.5, respectively) of the Government Code of the State of California, and other applicable law, and pursuant to the Indenture. In the Transportation Authority's proceedings approving the Indenture and authorizing the issuance of the Series 2017 Bonds, the Transportation Authority authorized, in accordance with the Ordinance, the application of a substantial portion of the proceeds of the Series 2017 Bonds to finance a portion of the costs of certain transportation projects identified in the Expenditure Plan, as further described herein. See "PLAN OF FINANCE" and "THE SALES TAX – General Description" herein.

Purpose of the Series 2017 Bonds

The Transportation Authority will use the proceeds of the Series 2017 Bonds to (i) [finance a portion of the costs of certain transportation improvements authorized in the Expenditure Plan adopted pursuant to the Act, as further described herein][finance a portion of the costs of and costs incidental to, or connected with the construction, acquisition and improvement of certain transit, street and traffic facilities and other transportation improvements, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees and working capital], (ii) repay a portion of the outstanding amount of a revolving loan (the "Revolving Loan") obtained by the Transportation Authority from State Street Public Lending Corporation ("State Street") pursuant to a Revolving Credit Agreement dated as of June 1, 2015 (the "Revolving Loan Agreement") and a promissory note evidencing the Transportation Authority's payment obligation thereunder (the "Note"), (iii) pay capitalized interest on the Series 2017 Bonds and (iv) pay costs of issuance of the Series 2017 Bonds. For a more detailed description of the Transportation Authority's proposed use of proceeds from the issuance of the Series 2017 Bonds, see "PLAN OF FINANCE" herein.

Security and Sources of Payment for the Series 2017 Bonds

The Series 2017 Bonds are limited obligations of the Transportation Authority payable solely from and secured exclusively by Sales Tax Revenues (herein defined) and certain other amounts held by the Trustee pursuant to the Indenture. Sales Tax Revenues generally consist of the moneys collected as a result of the Sales Tax, less an administrative fee paid to the California Department of Tax and Fee Administration (the "CDTFA") in connection with the collection and disbursement of the Sales Tax. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS" herein. The Transportation Authority's arrangements for the collection and disbursement of the Sales Tax originated with the California State Board of Equalization (the "State Board of Equalization"); effective July 1, 2017, except for certain functions and responsibilities (as provided in subdivision (b) or (c) of Section 15600 and Part 9.5 (commencing with Section 15670) of the Government Code of the State of California), the CDTFA is the successor to, and is vested with, all of the duties, powers, and responsibilities of the State Board of Equalization.

Neither the faith and credit nor the taxing power of the County, the State of California (the "State") or any political subdivision or public agency thereof, other than the Transportation Authority, to the extent of the pledge of the Sales Tax Revenues and certain other amounts held by the Trustee under the Indenture, is pledged to payment of the principal of, redemption price, if any, or interest on the Series 2017 Bonds. Other than the Sales Tax Revenues and such other amounts as described herein and in the Indenture, no other funds of the Transportation Authority are pledged to the payment of the principal of, redemption price, if any, or interest on the Series 2017 Bonds.

No Reserve Fund for the Series 2017 Bonds

The Transportation Authority will not create, or cause to be created and funded, any debt service reserve fund in connection with the Series 2017 Bonds.

Continuing Disclosure

In connection with the issuance of the Series 2017 Bonds, for purpose of assisting the initial purchaser(s) of the Series 2017 Bonds in complying with Rule 15c2-12 promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Transportation Authority will provide, or cause to be provided, to the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access System (the "EMMA System"), while any Series 2017 Bond remains outstanding, certain annual financial information and operating data relating to the Transportation Authority and notice of certain enumerated events. See "CONTINUING DISCLOSURE" and "APPENDIX E—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Additional Information

Brief descriptions of the Series 2017 Bonds, the Indenture and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and the delivery of this Official Statement will under no circumstances create any implication that there has been no change in the affairs of the Transportation Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Transportation Authority and the purchasers or Owners of any of the Series 2017 Bonds. The Transportation Authority maintains a website and social media accounts, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2017 Bonds.

Copies of the Indenture may be obtained from the offices of the Transportation Authority at 1455 Market Street, 22nd Floor, San Francisco, California.

PLAN OF FINANCE

The Transportation Authority will use the proceeds of the Series 2017 Bonds to (i) [finance a portion of the costs of certain transportation improvements authorized in the Expenditure Plan adopted pursuant to the Act, as further described herein][finance a portion of the costs of and costs incidental to, or connected with the construction, acquisition and improvement of certain transit, street and traffic facilities and other transportation improvements, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees and working capital], (ii) repay a portion of the outstanding amount of the Revolving Loan and the Note, (iii) pay capitalized interest on the Series 2017 Bonds and (iv) pay costs of issuance of the Series 2017 Bonds.

The projects anticipated to be funded with proceeds of the Series 2017 Bonds include the construction, acquisition and improvement of certain transit, street and traffic facilities, including, but not limited to, the San Francisco Municipal Transportation Agency's radio replacement project and associated central control and communications projects and purchase of new motor coaches, trolley coaches and light-rail vehicles, and other transportation projects, all as described in the Expenditure Plan. See "THE PROPOSITION K PROGRAM – Expenditure Plan Summary" herein.

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2017 Bonds.

Sources	
Principal Amount	$
[Net] Original Issue [Premium][Discount]	
Total Sources	$
Uses	
Deposit to Project Fund	$
Repayment of the Revolving Loan and the Note	
Deposit to Capitalized Interest Fund	
Costs of Issuance[1]	
Underwriter's Discount	
Total Uses	$

[1] Includes legal, financial advisory and rating agency fees and other costs of issuance of the Series 2017 Bonds.

DESCRIPTION OF THE SERIES 2017 BONDS

General Terms and Provisions

The Series 2017 Bonds constitute Senior Lien Bonds under the Indenture. The Series 2017 Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiples in excess thereof (each, an "Authorized Denomination"), will be dated their date of delivery and will mature on the dates and in the principal amounts and bear interest at the rates, all as set forth on the inside front cover page hereof. Interest with respect to the Series 2017 Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months. Interest with respect to the Series 2017 Bonds will be payable on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2018[*].

The Series 2017 Bonds, when issued will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as the initial Securities Depository for the Series 2017 Bonds. Individual purchases will be made in book-entry form. Purchasers will not receive certificates representing their individual ownership interests in the Series 2017 Bonds. So long as Cede & Co. is the registered owner of the Series 2017 Bonds, (i) references herein to the Bondholders or registered owners will mean Cede & Co. as aforesaid and will not mean the Beneficial Owners (as defined in APPENDIX F hereof) of the Series 2017 Bonds, and (ii) all payments of principal of, redemption price, if any, and interest on the Series 2017 Bonds will be payable by wire transfer of funds by the Trustee to Cede & Co., as nominee of DTC. DTC is obligated, in turn, to remit such amounts to its participants as described in APPENDIX F hereof for subsequent disbursement to the Beneficial Owners. See "APPENDIX F—BOOK-ENTRY-ONLY SYSTEM."

In the event the use of the book-entry system is discontinued, principal of the Series 2017 Bonds will be payable upon surrender thereof at the designated office of the Trustee. Additionally, all interest payable on the Series 2017 Bonds which are not book-entry bonds will be paid by check of the Trustee mailed by first-class mail on each Interest Payment Date to the person in whose name each Series 2017 Bond is registered in the registration books maintained by the Trustee as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding the Interest Payment Date (each, a "Record Date"), provided that the registered owners of $1,000,000 or more in aggregate principal amount of the Series 2017 Bonds may request payment by wire transfer of immediately available funds to accounts within the United States, such requests to be submitted in writing and received by the Trustee on or before the applicable Record Date for such Interest Payment Date, in accordance with the provisions set forth in the Indenture.

Redemption

Optional Redemption. The Series 2017 Bonds maturing on or before February 1, 20[__] are not subject to redemption prior to their stated maturities at the option of the Transportation Authority. The Series 2017 Bonds maturing on or after February 1, 20[__] are subject to redemption at the option of the Transportation Authority on or after February 1, 20[__], in whole or in part in Authorized Denominations at any time, from any moneys that may be provided for such purpose and at a redemption price of 100% of the principal amount of such Series 2017 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2017 Bonds maturing on February 1, 20[__] are subject to mandatory sinking fund redemption in the amount of the principal thereof, without

[*] Preliminary; subject to change.

premium, plus accrued interest thereon to the redemption date, to be paid on February 1 of the years and in the amounts set forth below:

Year	Sinking Fund Installment
	$
†	

† Final Maturity

On or before the forty-fifth (45th) day prior to any mandatory sinking fund redemption date, the Trustee will proceed to select for redemption (by lot in such manner as the Trustee may determine), from the Series 2017 Bonds subject to such redemption, an aggregate principal amount of such Series 2017 Bonds equal to the amount for such year as set forth in the table above and will call such Series 2017 Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such redemption in accordance with the terms of the Indenture.

At the option of the Transportation Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date, the Transportation Authority may (a) deliver to the Trustee for cancellation any Series 2017 Bonds or portions thereof (in Authorized Denominations) of the stated maturity subject to such redemption purchased in the open market or otherwise acquired by the Transportation Authority or (b) specify a principal amount of such Series 2017 Bonds or portions thereof (in Authorized Denominations) subject to mandatory sinking fund redemption which prior to said date have been purchased or redeemed (other than pursuant to mandatory sinking fund redemption) and previously cancelled by the Trustee at the request of the Transportation Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2017 Bond or portion thereof so delivered or previously redeemed will be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Transportation Authority on such mandatory sinking fund redemption date.

Selection of Series 2017 Bonds to Be Redeemed; Notice of Redemption. The Series 2017 Bonds are subject to redemption in such order of maturity as the Transportation Authority may direct and by lot, selected in such manner as the Trustee deems appropriate, within a maturity, provided that for so long as DTC's book-entry-only system is being used, the interests of the Participants in the particular Series 2017 Bonds or portions thereof to be redeemed within a maturity will be selected by lot by DTC in such manner as DTC and the Participants may determine. See "APPENDIX F—BOOK-ENTRY-ONLY SYSTEM."

The Trustee is required to mail notice of redemption to the registered owners affected by such redemption at least 20 days but not more than 60 days before each redemption date, and to send such notice of redemption by first-class mail (or, with respect to Series 2017 Bonds held by DTC, by such other method as is specified by DTC). Each notice of redemption will specify the Series 2017 Bonds to be redeemed; the redemption date; the CUSIP numbers of the Series 2017 Bonds to be redeemed; the redemption price and the place or places where amounts due upon such redemption will be payable; if less than all of the Series 2017 Bonds are to be redeemed, the distinctive certificate numbers of the Series 2017 Bonds of such maturity; if a portion of a Series 2017 Bond is to be redeemed, the portion of the principal amount of the Series 2017 Bond(s) to be redeemed; any condition to the redemption; and that on the redemption date, and upon the satisfaction of any such condition, the Series 2017 Bonds to be redeemed shall cease to accrue interest. Each such notice will also state that on said date and upon satisfaction of any condition to the redemption, there will become due and payable on each of said Series

2017 Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Series 2017 Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2017 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Transportation Authority nor the Trustee has any responsibility for any defect in the CUSIP number that appears on any Series 2017 Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Transportation Authority nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

If at the time of mailing of notice of an optional redemption moneys sufficient to redeem all the Series 2017 Bonds called for redemption have not been deposited with the Trustee, at the election of the Transportation Authority such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be canceled and within a reasonable time thereafter notice thereof will be mailed to the holders of such Series 2017 Bonds to be redeemed in the same manner as the notice of redemption. In addition, any notice of redemption given pursuant to the Indenture may be rescinded by written notice given by the Transportation Authority to the Trustee, and the Trustee shall provide notice of such rescission as soon thereafter as practicable in the same manner, and to the same persons, as notice of such redemption was given pursuant to the Indenture.

Failure to give any required notice of redemption or any defect therein will not affect the validity of the call for redemption of any Series 2017 Bonds in respect of which no failure or defect occurs. Any notice sent as provided above will be conclusively presumed to have been given whether or not actually received by the addressee.

Effect of Redemption. If notice is given as described above under "—Selection of Series 2017 Bonds to be Redeemed; Notice of Redemption" and the moneys for payment of the redemption price, together with interest accrued to the redemption date are on deposit with the Trustee, the Series 2017 Bonds (or portions thereof) called for redemption will be due and payable on the redemption date, interest on such Series 2017 Bonds will cease to accrue after such date, such Series 2017 Bonds will cease to be entitled to any lien, benefit or security under the Indenture, and the registered owners of the redeemed Series 2017 Bonds will have no rights under the Indenture after the redemption date other than the right to receive the redemption price and accrued interest to the date fixed for redemption for such Series 2017 Bonds.

For additional information regarding the redemption terms applicable to the Series 2017 Bonds, see "APPENDIX C—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS."

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS

Pledge of Sales Tax Revenues and Other Amounts

The Series 2017 Bonds are limited obligations of the Transportation Authority, payable solely from, and secured by a pledge of: (i) all Sales Tax Revenues; and (ii) all amounts, including proceeds of Senior Lien Bonds and the Note, held on deposit in the funds and accounts established therefor under the Indenture (except for amounts held in the Senior Lien Bond Rebate Fund, the Note Rebate Fund, and the Note Construction Fund (which only secures the Note), as well as in any fund or account established under a Supplemental Indenture that secures only specifically identified Senior Lien Debt, Parity Debt or

Subordinate Obligations (which fund(s) and account(s) shall secure only the obligations so identified)), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. Such pledge constitutes a first lien on and security interest in Revenues and such amounts on deposit for the payment of Senior Lien Bonds, including the Series 2017 Bonds. As defined in the Indenture, "Revenues" mean all amounts of Sales Tax collected by the CDTFA after deducting amounts payable by the Transportation Authority to the CDTFA for costs and expenses for its services in connection with the Sales Tax (such net amounts being the "Sales Tax Revenues"), together with (i) all investment earnings on amounts held by the Trustee in the funds and accounts under the Indenture (other than amounts deposited to the Senior Lien Bond Rebate Fund, the Note Rebate Fund, and as described above in this paragraph and in the Indenture) and (ii) all Swap Revenues. The pledge of the Sales Tax Revenues and other amounts as described above and in the Indenture is irrevocable until all of the Senior Lien Bonds, including the Series 2017 Bonds, all Senior Lien Obligations, the Note, all other Parity Debt and all Subordinate Obligations and amounts owed in connection therewith are no longer outstanding. The Transportation Authority is not currently a party to any Interest Rate Swap Agreement. See "APPENDIX C—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS" for, among other things, the definitions of "Interest Rate Swap Agreement," "Parity Debt," "Senior Lien Bonds," "Senior Lien Debt," "Senior Lien Obligations," "Subordinate Obligations" and "Swap Revenues." **Parity Debt, including debt service payments in respect of the Note, has a lien upon the Revenues that is subordinate to the lien upon the Revenues of the Senior Lien Bonds and senior to the lien upon the Revenues of any Subordinate Obligations.**

Neither the faith and credit nor the taxing power of the County, the State or any political subdivision or agency thereof, other than the Transportation Authority, to the extent of the Revenues and certain other amounts held by the Trustee under the Indenture, is pledged to the payment of the principal of or interest on the Series 2017 Bonds. The Transportation Authority has no power to levy any taxes other than the Sales Tax to pay the principal of, redemption premium, if any, or interest on the Series 2017 Bonds.

Revenue Fund; Allocation of Sales Tax Revenues

For so long as any Senior Lien Bonds are Outstanding and remain unpaid, the Transportation Authority will, pursuant to the Indenture, assign and cause Sales Tax Revenues to be transmitted by the CDTFA directly to the Trustee. The Trustee will forthwith deposit in a trust fund, designated as the "Sales Tax Revenue Fund," which fund the Trustee will designate and maintain, all Sales Tax Revenues, when and as received by the Trustee.

Flow of Funds. Sales Tax Revenues are sent to the Transportation Authority monthly after all required deposits have been made by the Trustee to the funds and accounts established under the Indenture.

So long as there are any Senior Lien Bonds Outstanding or any Senior Lien Obligations, Parity Debt or Subordinate Obligations remain unpaid, [in each month on the day following] the receipt of the Sales Tax Revenues as provided in the Indenture, the Trustee will withdraw from the Sales Tax Revenue Fund an amount sufficient, with other funds, if any, provided to the Trustee and previously used in such month to make such deposits, to make deposits in the following respective funds, in the following amounts, in the following order of priority:

(a) to the credit of the Senior Lien Interest Account an amount equal to the Aggregate Accrued Senior Lien Interest for the current calendar month less any Senior Lien Excess Deposit made to the Senior Lien Interest Account with respect to the last preceding calendar month plus any Senior Lien Deficiency with respect to the Senior Lien Interest Account existing on the first day of such calendar month plus any amount of interest which has become due and has not been paid and for which there are insufficient funds in the Senior Lien Interest Account or another special account to be used to make such payment;

(b) to the credit of the Senior Lien Principal Account an amount equal to the Aggregate Accrued Senior Lien Principal for the current calendar month less any Senior Lien Excess Deposit made to the Senior Lien Principal Account with respect to the last preceding calendar month plus any Accrued Senior Lien Premium and any Senior Lien Deficiency with respect to the Senior Lien Principal Account existing on the first day of such calendar month plus any amount of principal and premium, if any, which has become due and has not been paid and for which there are insufficient funds in the Senior Lien Principal Account or another special account to be used to make such payment;

(c) to the credit of the Note Interest Fund and any Parity Debt Interest Fund(s), an amount equal to the Aggregate Accrued Parity Interest for the current calendar month less any Parity Debt Excess Deposit made to the Note Interest Fund and any Parity Debt Interest Fund(s) with respect of the last preceding calendar month plus any Parity Debt Deficiency with respect to the Note Interest Fund and any Parity Debt Interest Fund(s) existing on the first day of such calendar month plus any amount of interest that has become due and has not been paid and for which there are insufficient funds in the Note Interest Fund or Parity Debt Interest Fund, as applicable, or another special account to be used to make such payment; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they will be allocated pro rata between the Note Interest Fund and any other Parity Debt Interest Fund(s) based on the amount required to be deposited in such accounts;

(d) to the credit of the Note Principal Fund and any Parity Debt Principal Fund(s), an amount equal to the Aggregate Accrued Parity Principal for the current calendar month less any Parity Debt Excess Deposit made to the Note Principal Fund and the Parity Debt Principal Fund(s) with respect of the last preceding calendar month plus any Accrued Parity Premium and any Parity Debt Deficiency with respect to the Note Principal Fund and any Parity Debt Principal Fund(s) existing on the first day of such calendar month plus any amount of principal and premium, if any, that has become due and has not been paid and for which there are insufficient funds in the Note Principal Fund or Parity Debt Principal Fund, as applicable, or another special account to be used to make such payment; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they will be allocated pro rata between the Note Principal Fund and any other Parity Debt Principal Fund(s) based on the amount required to be deposited in such accounts;

(e) to the credit of any Senior Lien Reserve Funds the amounts necessary to increase the amounts on deposit in such funds to the applicable reserve requirements identified in the Supplemental Indentures pursuant to which the Senior Lien Debt secured by such funds was issued or incurred; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they are to be allocated pro rata between the Senior Lien Reserve Funds based on the amounts required to be deposited in such funds;

(f) to the Subordinate Obligations Fund to the credit of accounts to be created within the Subordinate Obligations Fund by the Trustee pursuant to the Indenture for the deposit of funds to pay Subordinate Obligations. The Trustee is instructed under the Indenture to create accounts within the Subordinate Obligations Fund for each type of Subordinate Obligation as such obligations arise and to credit such accounts in such amounts and at such times as will be needed to provide for payment of such Subordinate Obligations under the Supplemental Indenture or Supplemental Indentures relating to such obligations. The credit of Revenues to such accounts will be made in accordance with the rank of the pledge created by such Subordinate Obligations.

Notwithstanding the foregoing, however, if there are insufficient Revenues in any Fiscal Year to make all of the foregoing deposits, such Revenues will be allocated to the accounts within the Subordinate Obligations Fund on a pro rata basis based on the amounts required to be deposited therein during such Fiscal Year among all such Subordinate Obligations issued or entered into on a parity basis in accordance with the rank of the pledge created by such Subordinate Obligations.

All remaining Sales Tax Revenues, after making the foregoing allocations, will be available to the Transportation Authority for all lawful Transportation Authority purposes and the Trustee shall, to the full extent practicable, transfer the remaining Sales Tax Revenues to the Transportation Authority on the same day as the receipt thereof (or, if such day is not a Business Day, no later than the following Business Day). The pledge of Revenues under the Indenture will be irrevocable until all Senior Lien Debt, the Note and all Parity Debt are no longer outstanding.

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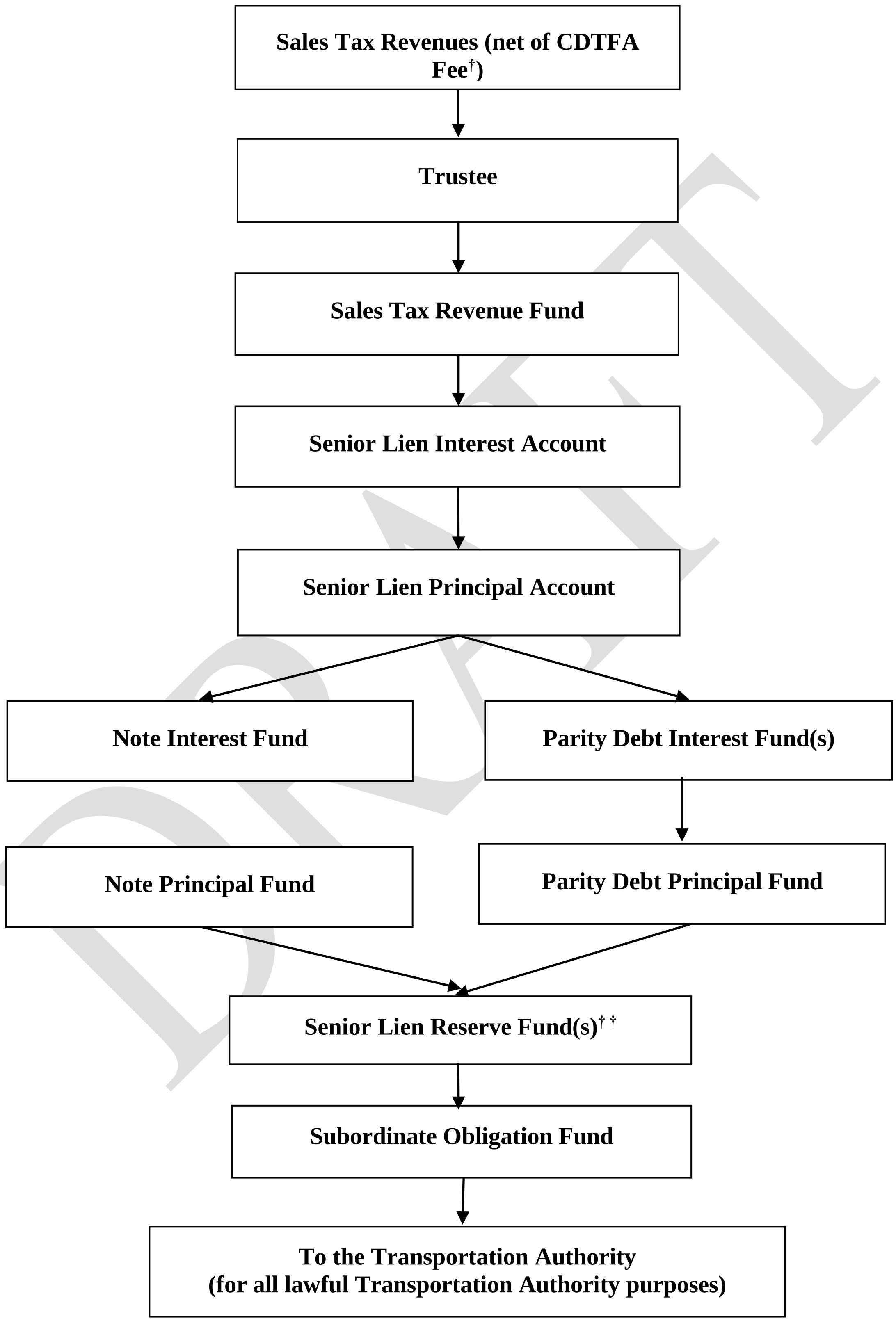
Flow of Funds Chart



† Net of amounts payable by the Transportation Authority to the CDTFA as costs and expenses in connection with the Sales Tax.

†† No reserve fund has been established for the Series 2017 Bonds or for any other Authority obligations payable from Sales Tax Revenues (i.e., the Note).

No Reserve Fund for the Series 2017 Bonds

The Transportation Authority will not create, or cause to be created and funded, any debt service reserve fund in connection with the Series 2017 Bonds. In connection with the future issuance of Senior Lien Bonds pursuant to a Supplemental Indenture, the Transportation Authority may elect to establish a reserve fund under such Supplemental Indenture to support such Senior Lien Bonds, which reserve fund would not support or be a source of payment for the Series 2017 Bonds.

Obligations of the Transportation Authority Payable from Sales Tax Revenues

Limitations on the Issuance of Obligations Payable from Sales Tax Revenues; Parity Obligations; Subordinate Obligations. The Transportation Authority will not, so long as any Series 2017 Bonds are Outstanding, issue any obligations or securities, howsoever denominated, payable in whole or in part from Sales Tax Revenues, except: (i) additional Senior Lien Bonds of any Series authorized pursuant to the provisions of the Indenture described below under the caption "Additional Senior Lien Bonds," (ii) Refunding Senior Lien Bonds authorized pursuant to the provisions of the Indenture described below under the caption "Refunding Senior Lien Bonds;" (iii) Senior Lien Obligations authorized pursuant to the provisions of the Indenture described below under the caption "Senior Lien Obligations," (iv) Parity Debt, provided that certain conditions precedent to the issuance of such Parity Debt specified in the Indenture and described below are satisfied; and (v) Subordinate Obligations.

Additional Senior Lien Bonds. In addition to the Series 2017 Bonds, the Transportation Authority may by Supplemental Indenture establish one or more additional Series of Senior Lien Bonds (hereinafter referred to as "Additional Senior Lien Bonds"), payable from Revenues and secured by the pledge made under the Indenture equally and ratably with the Series 2017 Bonds, and the Transportation Authority may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Senior Lien Bonds of any Series so established, in such principal amount as the Transportation Authority determines, but only upon compliance by the Transportation Authority with the provisions set forth in the Indenture, and subject to certain specific conditions precedent set forth in the Indenture, including but not limited to the following:

(a) no Event of Default has occurred and is then continuing;

(b) the aggregate principal amount of the additional Senior Lien Bonds to be issued shall not cause the Transportation Authority to exceed any limitation imposed by the Act, the Ordinance and the Expenditure Plan or any other law or by any Supplemental Indenture, and the Transportation Authority shall file with the Trustee a Certificate of the Transportation Authority certifying that the issuance of such additional Series of Senior Lien Bonds and the expected use of proceeds thereof is in compliance with the provisions of the Act, the Ordinance and the Expenditure Plan;

(c) the Transportation Authority will file with the Trustee a certificate prepared by a consultant showing that the amount of Sales Tax Revenues collected during any 12 consecutive calendar months specified by the Transportation Authority within the most recent 18 calendar months immediately preceding the date on which such additional Series of Senior Lien Bonds will become Outstanding are at least equal to 1.5 times Maximum Annual Projected Senior Lien Debt Service on all Senior Lien Debt then Outstanding and the Additional Senior Lien Bonds then proposed to be issued, which certificate will also set forth the computations upon which such certificate is based; and

(d) so long as the Revolving Loan Agreement is in effect, the requirements set forth in the applicable section of the Revolving Loan Agreement shall have been satisfied or shall have been waived in writing by State Street.

Refunding Senior Lien Bonds. The Transportation Authority may authorize and issue Refunding Senior Lien Bonds to refund any Outstanding Senior Lien Bonds or outstanding Senior Lien Obligations without compliance with the requirements of the Indenture described immediately above under the caption "Additional Senior Lien Bonds," including the debt service coverage requirement described in subparagraph (c) under such caption, provided that the Trustee has been provided with a certificate of a Consultant to the effect that Maximum Annual Projected Senior Lien Debt Service on all Senior Lien Bonds Outstanding and all Senior Lien Obligations outstanding following the issuance of such Refunding Senior Lien Bonds is less than or equal to Maximum Annual Projected Senior Lien Debt Service on all Senior Lien Bonds Outstanding and all Senior Lien Obligations outstanding prior to the issuance of such Refunding Senior Lien Bonds. Such Refunding Senior Lien Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

(a) the principal or Redemption Price of the Outstanding Senior Lien Bonds or outstanding Senior Lien Obligations to be refunded;

(b) all expenses incident to the calling, retiring or paying of such Outstanding Senior Lien Bonds or outstanding Senior Lien Obligations and the Costs of Issuance of such Refunding Senior Lien Bonds;

(c) any Swap Termination Payment under any Interest Rate Swap Agreement that was entered into in connection with the Senior Lien Bonds or Senior Lien Obligations to be refunded;

(d) interest on all Outstanding Senior Lien Bonds or outstanding Senior Lien Obligations to be refunded to the date such Senior Lien Bonds or Senior Lien Obligations will be called for redemption or paid at maturity;

(e) interest on the Refunding Senior Lien Bonds from the date thereof to the date of payment or redemption of the Senior Lien Bonds or Senior Lien Obligations to be refunded; and

(f) funding a reserve fund for the Refunding Senior Lien Bonds, if applicable.

Senior Lien Obligations. The Transportation Authority may authorize and incur Senior Lien Obligations, provided that the following conditions to the issuance or incurrence of such Senior Lien Obligations are satisfied:

(a) such Senior Lien Obligations have been duly and legally authorized by the Transportation Authority for any lawful purpose;

(b) no Event of Default has occurred and is then continuing, as evidenced by the delivery of a certificate of the Transportation Authority to that effect, which certificate of the Transportation Authority shall be filed with the Trustee;

(c) (1) such Senior Lien Obligations are being issued or incurred for purposes of refunding in compliance with the requirements for the issuance of Refunding Senior Lien Bonds set forth in the Indenture or (2) the Transportation Authority has placed on file with the Trustee a certificate of a consultant, upon which the Trustee may conclusively rely, certifying (on the basis of calculations made no later than the date of sale or incurrence of such Senior Lien Obligations, as applicable) that the requirements set forth in the Indenture relating to the issuance of an additional Series of Senior Lien Bonds have been satisfied with respect to such Senior Lien Obligations, which certificate shall also set forth the computations upon which such certificate is based; and

(d) as and to the extent applicable, the Trustee has been designated as paying agent or trustee for such Senior Lien Obligations and the Transportation Authority delivers to the Trustee a transcript of the proceedings providing for the issuance of such Senior Lien Obligations (but the Trustee is not to be responsible for the validity or sufficiency of such proceedings or such Senior Lien Obligations).

Other Senior Debt Not Permitted

The Transportation Authority may not issue any Debt secured by the Sales Tax Revenues on a basis senior to the lien on Sales Tax Revenues securing the Senior Lien Bonds and Senior Lien Obligations.

Parity Debt and Subordinate Obligations

The Transportation Authority may by Supplemental Indenture issue or incur Parity Debt and Subordinate Obligations, subject to the limitations set forth in the Indenture, the Act, the Ordinance and other applicable law. As described below, the Transportation Authority's payment obligations under and pursuant to the Revolving Loan and the Note are secured under the Indenture by Sales Tax Revenues (and certain funds) as Parity Debt. Parity Debt, including debt service payments in respect of the Note, has a lien upon the Revenues that is subordinate to the lien upon the Revenues of the Senior Lien Bonds and senior to the lien upon the Revenues of any Subordinate Obligations.

Outstanding Senior Lien Bonds and Parity Debt

Upon the issuance of the Series 2017 Bonds, the Series 2017 Bonds will be the only Senior Lien Bonds Outstanding, and, as of the date of this Official Statement, the Transportation Authority has no Senior Lien Obligations Outstanding.

The Transportation Authority's payment obligations under and pursuant to the Revolving Loan and the Note are secured under the Indenture by Sales Tax Revenues (and certain funds) as Parity Debt, and such pledge of Sales Tax Revenues (and certain funds) is subordinate to the pledge of and the lien on Sales Tax Revenues (and certain funds) securing the Series 2017 Bonds, any subsequently issued Senior Lien Bonds, and any subsequently incurred Senior Lien Obligations. Under the Revolving Loan Agreement, State Street may make Revolving Loan advances to the Transportation Authority in a maximum principal amount of $140,000,000. As of the date of this Official Statement, $139,664,165 in principal amount of the Revolving Loan was drawn by the Transportation Authority. The Transportation Authority intends to apply a portion of the proceeds of the Series 2017 Bonds to pay approximately $[_________] of the Outstanding balance of the Revolving Loan and the Note. The Revolving Loan has a stated expiration date of June 8, 2018, subject to extension or early termination as provided under the terms of the Revolving Loan Agreement. Following the issuance of the Series 2017 Bonds and prior to the expiration of the Revolving Loan, the Transportation Authority may draw upon the Revolving Loan, from time to time (and re-draw following additional principal repayments), up to the maximum principal amount thereof. See "SOURCES AND USES OF FUNDS" herein.

DEBT SERVICE SCHEDULE

The following table shows the combined debt service requirements on the Series 2017 Bonds for each twelve month period ending on February 1 (assuming no optional redemptions):

San Francisco County Transportation Authority
Series 2017 Bonds Debt Service Schedule[1]

Maturity (February 1)	Principal	Interest	Total Debt Service
2020	$	$	$
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
Total	$	$	$

[1] Totals may not add due to rounding.
Sources: The Transportation Authority and the Municipal Advisor.

THE TRANSPORTATION AUTHORITY

General Description

The Transportation Authority, established in 1989 pursuant to the provisions of the Act and by voter approval of Proposition B, is a sub-regional transportation planning and programming agency for the County. Originally created to administer the proceeds of the retail transactions and use tax also approved by Proposition B, the County's first local sales tax for transportation, the Transportation Authority has since been asked to take on a number of additional roles and responsibilities mandated by State law. On November 4, 2003, County voters approved Proposition K, adopting a new transportation expenditure plan referred to herein as the Expenditure Plan, which superseded Proposition B, and extended the existing one-half of one percent (½%) County-wide sales tax through April 1, 2034.

Pursuant to the Act, the Transportation Authority is a separate legal entity from the County, with its own staff, budget, operating rules, policies, board and committee structure. The Transportation Authority's borrowing capacity is separate and distinct from that of the County. The Transportation Authority does not own or operate any transit systems, but it coordinates with and provides funding to certain other agencies that do operate transit systems.

Since 1990, the Transportation Authority has also been the designated Congestion Management Agency (CMA) for the County. In this role, the Transportation Authority is responsible for developing and administering the Congestion Management Program (CMP). Through its CMA activities, the Transportation Authority leverages State and federal transportation dollars to complement Proposition K sales tax revenues and performs project delivery oversight to assist with project implementation. The Transportation Authority also tracks transportation system performance to ensure that the County gets good value for its transportation investments, and it prepares the long-range San Francisco Transportation Plan to guide future investment decisions.

The Transportation Authority has also served as the San Francisco Program Manager for grants from the Bay Area Air Quality Management District's Transportation Fund for Clean Air (TFCA) since 1990. In such role, the Transportation Authority approves funding for transportation projects that directly benefit air quality, through reduced motor vehicle emissions.

The Transportation Authority also serves as the administrator of Proposition AA, a $10 annual vehicle registration fee on motor vehicles registered in the County, which was passed by County voters in November 2010. In such role, the Transportation Authority oversees the Proposition AA program and allocates funds to street repair and reconstruction, pedestrian safety, and transit reliability and mobility improvement projects. This fee is separate and apart from, and does not form any part of, the Sales Tax Revenues.

The Transportation Authority was also designated as the Treasure Island Mobility Management Agency (TIMMA) in 2014, and although TIMMA and the Transportation Authority share staff and a common board of commissioners, TIMMA's functions (and its budget) are separate and apart from those of the Transportation Authority. TIMMA is charged with planning for sustainable mobility on Treasure Island, sponsoring the provisions of new ferry and regional bus service, on-island shuttle, bike share, and car share opportunities. In 2008, State legislation enabled TIMMA to implement congestion pricing to manage vehicle traffic as the island develops, and to fund the new transit and other mobility services.

Board of Commissioners

The Transportation Authority is governed by a board of commissioners (the "Board") which consists of the eleven (11) members of the San Francisco Board of Supervisors, who act as Transportation Authority Commissioners. The current members of the Board are presented below:

Aaron Peskin, Chair
Katy Tang, Vice Chair
London Breed
Malia Cohen
Mark Farrell
Sandra Lee Fewer
Jane Kim
Hillary Ronen
Ahsha Safai
Jeff Sheehy
Norman Yee

Transportation Authority Administration

Current members of the Transportation Authority's management and administrative staff are presented below:

Tilly Chang, Executive Director. Ms. Chang serves as Executive Director of the Transportation Authority and provides overall management of the Transportation Authority, including the planning, funding and continued delivery of a broad range of transportation projects and programs. Ms. Chang also oversees the development of and provides critical input on the Transportation Authority's policies and procedures. Ms. Chang is also responsible for the board-approved budget and workplan and all personnel decisions. Ms. Chang has two decades of experience, including serving previously as the Transportation Authority's Deputy Director for Planning. She has also held posts with the World Bank, Metropolitan Transportation Commission, and a technology startup. Ms. Chang attended M.I.T. and UC Berkeley and serves on the boards of the California Transportation Foundation, SPUR and UC CONNECT.

Maria E. Lombardo, Chief Deputy Director. Ms. Lombardo is responsible providing strategy and policy input for internal and external initiatives. Ms. Lombardo joined the Transportation Authority in 1994, and has been with the Transportation Authority continuously except for one year at the Bay Area Rapid Transit District, rejoining the Transportation Authority in 2001. Ms. Lombardo played a lead role in development of Proposition K and the Expenditure Plan, and has served in various policy, programming and planning capacities including as Deputy Director for Policy and Programming. Ms. Lombardo obtained a Master's Degree in Urban Planning from the University of California, Los Angeles. Ms. Lombardo is past president of the San Francisco Bay Area Chapter of the Women's Transportation Seminar.

Anna LaForte, Deputy Director for Policy and Programming. Ms. LaForte is responsible for the financial planning, allocations and project delivery oversight of the County's voter-approved revenue sources dedicated to transportation. Anna LaForte has served as Deputy Director for the Transportation Authority since 2008. Prior to joining the Transportation Authority, Ms. LaForte spent over five years as Transportation Finance Analyst at the San Francisco Department of Public Works and previously oversaw transportation agency funding for the San Francisco Board of Supervisors Budget and Legislative Analyst's Office. Ms. LaForte obtained a Master's Degree in Public Affairs from the University of Wisconsin-Madison.

Cynthia W. Fong, Deputy Director for Finance and Administration. Ms. Fong oversees the accounting, finance and administrative support functions, including financial systems, capital finance, budgeting, investments, procurement, and contracting and human resources. Ms. Fong joined the Transportation Authority in 2007. Prior to joining the Transportation Authority, she worked in the Controller's Office for the City and County of San Francisco and in the public accounting industry for seven years. Ms. Fong is a licensed CPA in the State of California, Chartered Global Management Accountant, and holds a Bachelor of Science Degree in Business Administration from the University of California, Riverside.

THE SALES TAX

General Description

The Act, among other things, authorizes the board of supervisors of any county within the nine-county Bay Area to develop a countywide consensus on a proposed transportation expenditure plan to be submitted to the voters, following various local governmental approvals, as part of an ordinance imposing a retail transactions and use tax in accordance with the provisions of the California Transactions and Use Tax Law (Revenue and Taxation Code Sections 7251, *et seq.*) In accordance with the Act, on November 7, 1989, more than two-thirds of the voters of the County approved Proposition B, which authorized the formation of the Transportation Authority and imposed the Original Sales Tax, for a minimum period of twenty (20) years commencing April 1, 1990, for the purpose of funding the Transportation Authority's Original Expenditure Plan (herein defined). The Original Sales Tax was extended on November 4, 2003 by 74.79% of the voters of the County voting on the measure (Proposition K) providing for the imposition of a retail transactions and use tax of one-half of one percent (½%). The Original Sales Tax, as extended by Proposition K, is referred to in this Official Statement as the "Sales Tax," and the Sales Tax will continue to be imposed and collected without interruption during the implementation of the Expenditure Plan for an initial period of thirty (30) years, beginning on April 1, 2004 and continuing through April 1, 2034. The Sales Tax consists of a one-half of one percent (½%)

sales tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions described below.

The Sales Tax imposed by the Transportation Authority pursuant to Proposition K is in addition to the 7.25% sales and use tax currently levied statewide (the "State Sales Tax"). In general, the sales tax component of the State Sales Tax applies to the gross receipts of retailers from the sale of tangible personal property, and the use tax component of the State Sales Tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. The use tax component of the State Sales Tax does not apply to cases where the sale of property is subject to the sale tax component of the State Sale Tax; therefore, the application of the use tax component of the State Sales Tax is generally limited to purchases made outside of the State for use within the State.

The Sales Tax is generally imposed upon the same transactions and items subject to the State Sales Tax, with generally the same exceptions. Many categories of transactions are exempt from the State Sales Tax and the Sales Tax. The most important of these exemptions are: sales of food products for home consumption, prescription medicines, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas, electricity and water when delivered to consumers through mains, lines and pipes. In addition, "Occasional Sales" (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from the State Sales Tax and from the Sales Tax; however, the "Occasional Sales" exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County which are shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee, at such point, are exempt from the State Sales Tax and from the Sales Tax.

Action by the State Legislature or by voter initiative or judicial decisions interpreting State law could change the transactions and items upon which the State Sales Tax and the Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on Sales Tax Revenues. The Transportation Authority is not currently aware of any proposed legislative changes or voter initiatives which could have a material adverse effect on Sales Tax Revenues.

As imposed throughout the County, the Sales Tax and the State Sales Tax are also in addition to a one-half of one percent (½%) sales tax levied by the San Francisco Bay Area Rapid Transit District ("BART") and a one-quarter of one percent (¼%) sales tax levied by the San Francisco Public Financing Authority for public schools.

Collection of the Sales Tax

Collection of the Sales Tax is administered by the CDTFA, which imposes a charge for its administration of the Sales Tax. The Transportation Authority and the State Board of Equalization entered into an Agreement for State Administration of District Transactions and Use Taxes, which agreement has been assumed by the CDTFA, and pursuant thereto the Transportation Authority directs payment of Sales Tax Revenues from the CDTFA directly to the Trustee. The CDTFA, after deducting amounts payable to it for its services, is required to remit the balance of amounts received from the Sales Tax directly to the Trustee. The fee due to the CDTFA is approximately one percent (1%) of the total Sales Tax collections for a given year (the "CDTFA Fee"), and such CDTFA Fee is subject to change in the discretion of the CDTFA. The CDTFA customarily transfers Sales Tax Revenues on a monthly basis. The Trustee is required to apply the Sales Tax Revenues to make deposits to the funds and accounts established under the Indenture and, after such allocations, to the full extent practicable, to transfer the remaining unapplied Sales Tax Revenues to the Transportation Authority on the same Business Day as the receipt thereof. A table of Historical Sales Tax Revenues for the Transportation Authority's last fourteen fiscal years is set forth below. The total fees deducted by the State Board of Equalization, as predecessor to the CDTFA, for the fiscal year ended June 30, 2016 were $1,280,090. The total fees which the Transportation Authority anticipates will have been deducted by the State Board of Equalization, as predecessor to the CDTFA, for the fiscal year ending June 30, 2017 are approximately $1,082,191. See "Historical Sales Tax Revenues."

Historical Taxable Sales

For information concerning historical, total taxable transactions and historical taxable sales in the County, see "APPENDIX B—CITY AND COUNTY OF SAN FRANCISCO ECONOMIC AND DEMOGRAPHIC INFORMATION – Retail Sales."

Historical Sales Tax Revenues

Proposition K and the 2003 Ordinance, approved on November 4, 2003 by 74.79% of the electors of the County voting on the measure, continued without interruption the collection of the Sales Tax for an initial period of thirty (30) years, beginning on April 1, 2004 and continuing through April 1, 2034. The following table shows Sales Tax Revenues received by the Transportation Authority from the State Board of Equalization, as predecessor to the CDTFA, during fiscal years ended June 30, 2004 through June 30, 2017. Sales Tax Revenues set forth in the following table are the amounts received by or on behalf of the Transportation Authority from the State Board of Equalization, as predecessor to the CDTFA, after deduction by the State Board of Equalization of the fees payable to the State Board of Equalization and do not include any investment earnings.

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San Francisco County Transportation Authority
Historical Proposition K Sales Tax Revenues[1]
Fiscal Years Ended June 30, 2004 − June 30, 2017

Fiscal Year Ended June 30	Sales Tax Revenues[2][3]	Percent Change
2004	$64,113,802	
2005	66,672,381	4.13%
2006	72,064,318	7.94
2007	76,910,273	6.72
2008	79,555,917	3.44
2009	71,132,080	-10.59
2010	68,164,315	-4.17
2011	75,172,298	10.28
2012	81,164,517	7.97
2013	85,753,558	5.65
2014	93,930,566	9.54
2015	100,278,511	6.76
2016	102,136,600	1.85
2017[4]	[_.__]	[_.__]

(1) Source: The Transportation Authority.
(2) Amounts are net of the fees payable to the State Board of Equalization for its services.
(3) Sales Tax Revenue amounts have been rounded.
(4) Fiscal Year ended June 30, 2017 data is unaudited

[Based on Fiscal Year ended June 30, 2017 Sales Tax Revenues of $[___________], the ratio of such Sales Tax Revenues to estimated aggregate maximum annual debt service on the Series 2017 Bonds is ____x.]

THE PROPOSITION K PROGRAM

General Description

On November 7, 1989, County voters approved Proposition B, which included a twenty-year transportation expenditure plan (the "Original Expenditure Plan") and the Original Sales Tax to help fund the transportation improvements contained in such Original Expenditure Plan. On November 4, 2003, County voters approved Proposition K, which included a thirty-year transportation expenditure plan (the "Expenditure Plan") superseding the Original Expenditure Plan and extended the Original Sales Tax, which, as extended by Proposition K, is herein referred to as the Sales Tax, for a 30-year period, beginning on April 1, 2004 and continuing through April 1, 2034, to help fund the transportation improvements contained in the Expenditure Plan.

The Transportation Authority's Expenditure Plan was developed in 2003 by the Board-appointed Expenditure Plan Advisory Committee (EPAC) consisting of representatives of business, labor, environmental groups, pedestrian advocates, cyclists, motorists, transit and paratransit users and the Transportation Authority's Citizens Advisory Committee. The EPAC was staffed by Transportation Authority personnel with input from representatives of the San Francisco Municipal Railway (MUNI), the San Francisco Department of Public Works, BART, the Metropolitan Transportation Commission, the California Department of Transportation (Caltrans), and other transportation agencies. The Expenditure Plan funds four categories of transportation projects and allocates Sales Tax Revenues over the 30-year life of the Expenditure Plan in the following percentages: Transit (65.5%), Paratransit (8.6%), Streets and Traffic Safety (24.6%) and Transportation System Management/Strategic Initiatives (1.3%).

An overall summary of the Expenditure Plan is shown on the next page.

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EXPENDITURE PLAN SUMMARY
(Year of Expenditure $ Millions)

	Total Proposition K[*]	% of Proposition K Funding[*]
TRANSIT	**$1,781.01**	**65.5%**
Major Capital Projects	**689.6**	
MUNI	361.0	
Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network	110.0	
Third Street Light Rail (Phase 1)	70.0	
Central Subway (Third St. LRT Phase 2)	126.0	
Geary LRT	55.0	
Caltrain	313.1	
Downtown Extension to a Rebuilt Transbay Terminal	270.0	
Electrification	20.5	
Caltrain Capital Improvement Program	22.6	
BART Station Access, Safety and Capacity	10.5	
Ferry	5.0	
Transit Enhancements	**52.5**	
System Maintenance and Renovation	**1,039.0**	
Vehicles	575.0	
Facilities	115.7	
Guideways	348.3	
PARATRANSIT	**291.0**	**8.6**
STREETS AND TRAFFIC SAFETY	**714.7**	**24.6**
Major Capital Projects	**117.5**	
Golden Gate Bridge South Access (Doyle Drive)	90.0	
New and Upgraded Streets	27.5	
System Operations, Efficiency and Safety	**60.6**	
New Signals and Signs	41.0	
Advanced Technology and Information Systems (Sfgo)	19.6	
System Maintenance and Renovation	**281.6**	
Signals and Signs	99.8	
Street Resurfacing, Rehabilitation, and Maintenance	162.7	
Pedestrian and Bicycle Facility Maintenance	19.1	
Bicycle and Pedestrian Improvements	**255.0**	
Traffic Calming	70.0	
Bicycle Circulation/Safety	56.0	
Pedestrian Circulation/Safety	52.0	
Curb Ramps	36.0	
Tree Planting and Maintenance	41.0	
TRANSPORTATION SYSTEM MANAGEMENT/STRATEGIC INITIATIVES	**33.2**	**1.3**
Transportation Demand Management/Parking Management	13.2	
Transportation/Land Use Coordination	20.0	
Total	**$2,820.0**	**100.0%**

[*] Proposition K amounts are based on sales tax forecast in the 2014 Proposition K Strategic Plan (defined herein). "Proposition K" refers to the Sales Tax Revenues.

The Expenditure Plan primarily funds capital projects rather than operations. The most notable exception is the 8.6% of Sales Tax Revenues allocated to support MUNI's paratransit operations. The Expenditure Plan specifies which projects and programs are eligible to receive Sales Tax Revenues, including planning, project development (environmental studies and engineering design), right-of-way activities and acquisition, and construction. The Expenditure Plan also identifies implementing agencies or project sponsors such as MUNI, the San Francisco Department of Parking and Traffic, the San Francisco Department of Public Works, BART, the Transportation Authority itself, and the Transbay Joint Powers Authority. The project sponsors of capital projects are expected to own or operate the capital improvements.

About every two years, the Transportation Authority adopts a Proposition K strategic plan that guides the day-to-day administration of the program and provides for the programming and financing of Proposition K projects over the 30-year Expenditure Plan period. On September 23, 2014 the Transportation Authority's Board adopted the latest update, the 2014 Proposition K Strategic Plan (the "2014 Proposition K Strategic Plan").

Pursuant to the Act and the Indenture, principal of and interest on the Series 2017 Bonds and the Revolving Loan and the Note are payable prior to funding capital projects in the Expenditure Plan.

RISK FACTORS

The following section discusses certain risk factors that should be considered by potential investors, along with all other information presented in this Official Statement, in evaluating the risks inherent in the purchase of the Series 2017 Bonds. The following discussion is not meant to be a comprehensive or definitive list of the risks associated with an investment in the Series 2017 Bonds. Any one or more of the risk factors discussed below, among others, could adversely affect the ability of the Transportation Authority to pay principal of or interest on the Series 2017 Bonds or lead to a decrease in the market value and/or in the liquidity of the Series 2017 Bonds. The order in which this information is presented does not necessarily reflect the relative importance of the various issues. There can be no assurance that other risk factors not discussed herein will not become material in the future, and the Transportation Authority has not undertaken to update investors about the emergence of other risk factors in the future.

Changes in Economic, Political, Social and Environmental Conditions

The Series 2017 Bonds are limited obligations of the Transportation Authority and are payable as to principal of and interest thereon, exclusively from the Revenues held by the Trustee pursuant to the Indenture and from certain other amounts held by the Trustee pursuant to the Indenture. Sales Tax Revenues generally consist of amounts collected from the Sales Tax less amounts payable by the Transportation Authority to the CDTFA for costs and expenses for the CDTFA's services in connection with administration of the Sales Tax. The amount of Sales Tax Revenues collected at any time is dependent upon the amount of retail sales within the County, which, in turn, is dependent upon the level of economic activity in the County and in the State generally. To project future Sales Tax Revenues for budgetary purposes, the Transportation Authority relies upon reports from local economics and other publicly available sources of data. The Transportation Authority does not itself develop forecasts of current or future economic conditions. Furthermore, the CDTFA does not provide the Transportation Authority with any forecasts of Sales Tax receipts for future periods. The Transportation Authority is unable to predict with certainty future levels of Sales Tax receipts. Any substantial deterioration in the level of economic activity within the County or in the State could have a material adverse impact upon the level of Sales Tax receipts, and Sales Tax Revenues, and upon the ability of the Transportation Authority to pay the principal of and interest on the Series 2017 Bonds. For information relating to current economic conditions and demographic statistics within the County, see "APPENDIX B—CITY AND COUNTY OF SAN FRANCISCO ECONOMIC AND DEMOGRAPHIC INFORMATION."

In addition, changes in political, social or environmental conditions on a local, State, federal or international level may adversely affect the County's local economy and investment risk generally. Such changes may include (but are not limited to) the reduction or elimination of previously available State or federal revenues, fluctuations in business production, consumer prices or financial markets; unemployment rates; technological advancements; shortages or surpluses in natural resources or energy supplies; changes in law; social unrest; fluctuations in the crime rate; political conflict; acts of war or terrorism; environmental damage and natural disasters. The impact of the reduction or elimination of previously available State or federal revenues cannot be predicted by the Transportation Authority, but such impact could be material. In any such event, the Transportation Authority may need to forego certain projects and/or cover funding gaps for certain projects with Sales Tax Revenues available to it after payment of debt service on the Series 2017 Bonds and on other obligations of the Transportation Authority payable from and secured by Sales Tax Revenues. The Transportation Authority might also elect to issue additional obligations payable from and secured by Sales Tax Revenues, including on a parity with the Series 2017 Bonds, to meet certain funding commitments which have been accelerated due to the reduction or elimination of previously available State or federal revenues.

Other State Sales Taxes; Future Transportation Authority Plans

In addition to the Sales Tax levied by the Transportation Authority, the State also imposes a 7.25% State-wide sales tax. With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the sales tax levied State-wide by the State. The State Legislature or the voters within the State through the initiative process could change or limit the transactions and items upon which the State Sales Tax and the Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax, and the Sales Tax Revenues, collected. In addition, any future increases in the State Sales Tax or the other sales taxes levied and applicable in the County could have an adverse effect on consumer spending decisions and consumption, potentially resulting in a reduction in Sales Tax Revenues. See "THE SALES TAX" herein.

Internet Purchases and Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Proposition K Sales Tax Revenues by displacing sales from retailers located within the County and by the failure of e-commerce sellers to collect and remit the tax revenues. Internet sales of physical products by businesses in the State and Internet sales of products delivered to purchasers within the State by sellers located outside of the State are generally subject to the retail transactions and use tax imposed by Proposition K. Legislation passed as part of the California Budget Act of 2011 imposes a use tax collection responsibility for certain out-of-state, and particularly Internet, retailers that meet certain criteria. The new responsibility went into effect in 2012. However, some Internet transactions may still avoid the tax through error or deliberate non-reporting, potentially reducing the amount of Sales Tax Revenues collected by the Transportation Authority. See "THE SALES TAX" herein.

Seismic Risks

The County is located in a seismically active region. Active earthquake faults underlie both the County and the surrounding Bay Area, including the San Andreas Fault, which passes about three miles to the southeast of the County's border, and the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the County, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the County and surrounding areas. The San Francisco-Oakland Bay Bridge, the only east-west vehicle access into the County, was closed for a month for repairs, and several highways in the County were permanently closed and eventually removed. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake centered near Napa along the West Napa Fault. The County did not suffer any material damage as a result of this earthquake.

In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of about magnitude 6.7 or larger will occur in the San Francisco Bay Area before the year 2045. Such earthquakes may be very destructive. Due to the importance of the County as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the San Francisco Bay Area may cause significant temporary and possibly long-term harm to the County's economy, tax receipts, and residential and business real property values.

In early 2016, the Port Commission of the City and County of San Francisco (the "Port Commission") commissioned an earthquake vulnerability study of the Northern Waterfront Seawall (the "Seawall"). The Seawall was constructed over 100 years ago and sits on reclaimed land, rendering it vulnerable to seismic risk. The Seawall provides flood and wave protection to downtown areas of the County, and stabilizes hundreds of acres of filled land. Preliminary findings of the study indicate that a strong earthquake may cause most of the Seawall to settle and move outward toward the San Francisco Bay, which would significantly increase earthquake damage and disruption along the waterfront.

The Transportation Authority is unable to predict whether a seismic event or other impacts of such an event will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the local economy and the amount of Sales Tax Revenues collected by the Transportation Authority.

Risk of Sea Level Changes and Flooding

In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation and the California Ocean Protection Council. The title of the paper is "The Impacts of Sea-Level Rise on the California Coast." The paper posits that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from projected sea-level rise if no actions are taken to protect the coast. The paper concluded that significant property is at risk of flooding from 100-year flood events as a result of a 1.4 meter sea level rise. The paper further estimates that the replacement value of this property totals nearly $100 billion (in 2000 dollars). Two-thirds of this at-risk property is concentrated in the San Francisco Bay Area, which includes the County, indicating that this region is particularly vulnerable to impacts associated with sea-level rise due to extensive development on the margins of the San Francisco Bay. A wide range of critical infrastructure, such as roads, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

The Transportation Authority is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the local economy and the amount of Sales Tax Revenues collected by the Transportation Authority.

Climate Change Regulations

The U.S. Environmental Protection Agency (the "EPA") has taken steps towards the regulation of greenhouse gas ("GHG") emissions under existing federal law. On December 14, 2009, the EPA made an "endangerment and cause or contribute finding" under the Clean Air Act, codified at 40 C.F.R. 1. In the finding, the EPA determined that the body of scientific evidence supported a finding that six identified GHGs – carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride – cause global warming, and that global warming endangers public health and welfare. The EPA also found that GHGs are a pollutant and that GHG emissions from motor vehicles cause or contribute to air pollution. This finding requires that the EPA regulate emissions of certain GHGs from motor vehicles.

Regulation by the EPA can be initiated by private parties or by governmental entities other than the EPA. On July 11, 2008, the EPA issued an Advanced Notice of Proposed Rulemaking (the "ANPR") relating to GHG emissions and climate change. The final rule, the Mandatory Reporting of Greenhouse Gases Rule (74 FR 56260), requires reporting of GHG data and other relevant information from large stationary sources and electricity and fuel suppliers.

In addition to these regulatory actions, other laws and regulations limiting GHG emissions have been adopted by a number of states, including the State, and have been proposed on the federal level. The State passed Assembly Bill 32, the "California Global Warming Solutions Act of 2006," which requires the State-wide level of GHGs to be reduced to 1990 levels by 2020. On October 20, 2011, the California Air Resources Board ("CARB") made the final adjustments to its implementation of Assembly Bill 32: the "California Cap-and-Trade Program" (the "Program") which was implemented in January 2012. The Program covers regulated entities emitting 25,000 metric tons of carbon dioxide equivalent (MtCO2e) per year or more and entities in certain listed industries, including major industrial sources, electricity generating facilities, and fuel suppliers. Non-covered entities are encouraged to opt-in and voluntarily participate in the Program. It is expected that the Program will result in rising electricity and fuel costs, which may adversely affect the County and the local economy.

The Transportation Authority is unable to predict what additional federal or State laws and regulations with respect to GHG emissions or other environmental issues (including but not limited to air, water, hazardous substances and waste regulations) will be adopted, or what effects such laws and regulations will have on the local economy or the amount of Sales Tax Revenues collected by the Transportation Authority. The effects, however, could be material.

Proposition 218 and Future Initiatives

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act ("Proposition 218"). Proposition 218 added Articles XIIIC and XIIID to the California Constitution. Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Transportation Authority. The Sales Tax received the approval of more than two-thirds of the voters as required by Article XIIIC. However, Article XIIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized taxes. Proposition 218 was adopted as a measure that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting revenues of the Transportation Authority or the Transportation Authority's ability to levy and cause the collection of the Sales Tax. The nature and impact of these measures cannot be predicted by the Transportation Authority.

No Acceleration Provision in the Indenture

The Indenture does not authorize the acceleration of the Series 2017 Bonds in the event of a default in the payment of principal and interest on the Series 2017 Bonds when due. In the event of a default by the Transportation Authority, each Owner of a Bond will have the rights to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See “APPENDIX C—SUMMARY OF LEGAL DOCUMENTS – Indenture – Events of Default and Remedies.”

Loss of Tax Exemption

As discussed under the heading “TAX MATTERS” herein, interest on the Series 2017 Bonds could become includable in the federal gross income of the holders thereof, possibly from the date of issuance of the Series 2017 Bonds, as a result of acts or omissions of the Transportation Authority or legislative or administrative actions and court decisions following the issuance of the Series 2017 Bonds. If interest on the Series 2017 Bonds were to become includable in the federal gross income of the holders thereof, the Series 2017 Bonds would not be subject to redemption by reason thereof, but would remain Outstanding unto maturity or earlier redemption by the Transportation Authority.

Limitation on Remedies; Bankruptcy of Transportation Authority

The rights of the owners of the Series 2017 Bonds are subject to the limitations on legal remedies against public agencies in the State. Also, the Transportation Authority may be qualified to file a petition for adjustment of debts under Chapter 9 under certain circumstances. In a Chapter 9 bankruptcy, the pledge of Sales Tax Revenues to the Trustee for the benefit of owners of the Series 2017 Bonds will be enforceable only if a bankruptcy court determines that the Sales Tax Revenues are “special revenues” as defined in Chapter 9 (“Special Revenues”). If a bankruptcy court rules that the Sales Tax Revenues constitute Special Revenues, the court could further rule that the pledge is subordinate to the payment of necessary operating expenses with respect to the projects to be funded by the Transportation Authority as part of the Expenditure Plan. Furthermore, it is uncertain which expenses would be considered “necessary operating expenses.”

The outcomes of Chapter 9 proceedings are difficult to predict. If a bankruptcy court concludes that the Sales Tax is a general sales tax levied to finance the general purposes of the Transportation Authority as well as the Transportation Authority’s projects, the court could rule that the Sales Tax Revenues do not constitute Special Revenues. If the Sales Tax Revenues are not Special Revenues, the owners of the Series 2017 Bonds would no longer be entitled to any lien on the Sales Tax Revenues and may be treated as general unsecured creditors of the Transportation Authority. In addition, there may be delays in payments on the Series 2017 Bonds while a bankruptcy court considers the various issues attendant to an Transportation Authority bankruptcy proceeding. Furthermore, a bankruptcy proceeding of the Transportation Authority could have an adverse effect on the liquidity and value of the Series 2017 Bonds.

LITIGATION

There is not now pending or, to the knowledge of the Transportation Authority, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2017 Bonds or questioning or affecting the validity of the Series 2017 Bonds or the proceedings and authority under which they are to be issued, or the levy, collection and pledge of the Sales Tax Revenues. Neither the creation, organization nor existence of the Transportation Authority, nor the title of the present members of the Transportation Authority to their respective offices is being contested.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2017 Bonds and with regard to the tax status of the interest on the Series 2017 Bonds (see "TAX MATTERS" herein) are subject to the legal opinions of Nixon Peabody LLP, Bond Counsel to the Transportation Authority. The signed legal opinions of Bond Counsel, dated and premised on facts existing and law in effect as of the date of original delivery of the Series 2017 Bonds, will be delivered to the initial purchaser of the Series 2017 Bonds at the time of original delivery of the Series 2017 Bonds.

The proposed form of the legal opinion of Bond Counsel is set forth in APPENDIX D of this Official Statement. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise will create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the respective opinion subsequent to its date. In rendering its opinion, Bond Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings for the Series 2017 Bonds, which Bond Counsel will not have independently verified.

Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The compensation of Bond Counsel is contingent upon the sale of the Series 2017 Bonds.

Certain legal matters will be passed upon by Nossaman LLP, acting as general counsel to the Transportation Authority, and Squire Patton Boggs (US) LLP acting as Disclosure Counsel for the Transportation Authority.

Squire Patton Boggs (US) LLP has served as disclosure counsel to the Transportation Authority and in such capacity has advised the Transportation Authority with respect to applicable securities laws and participated with responsible Transportation Authority officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy and completeness. The Transportation Authority is solely responsible for the accuracy and completeness of the statements and information contained in this Official Statement. Disclosure Counsel has not independently undertaken to verify the accuracy or completeness of the statements or information presented in this Official Statement. Upon the delivery of the Series 2017 Bonds, Disclosure Counsel will deliver a letter to the Transportation Authority which advises the Transportation Authority, subject to the assumptions, exclusions, qualifications and limitations set forth therein, that no facts came to attention of such firm which caused its attorneys providing services to the Transportation Authority to believe that this Official Statement as of its date and as of the date of delivery of the Series 2017 Bonds contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No purchaser or holder of the Series 2017 Bonds, or other person or party other than the Transportation Authority, will be entitled to or may rely upon such letter or Squire Patton Boggs (US) LLP's having acted in the role of disclosure counsel to the Transportation Authority. The compensation of Disclosure Counsel is contingent upon the sale of the Series 2017 Bonds.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2017 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2017 Bonds. Pursuant to the Indenture and the Tax and Nonarbitrage Certificate executed by the Transportation Authority in connection with the issuance of the Series 2017 Bonds (the "Tax Certificate"), the Transportation Authority has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Transportation Authority has made certain representations and certifications in the Indenture and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Transportation Authority described above, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2017 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

State Taxes

Bond Counsel is also of the opinion that interest on the Series 2017 Bonds is exempt from personal income taxes of the State under present State law. Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2017 Bonds nor as to the taxability of the Series 2017 Bonds or the income therefrom under the laws of any jurisdiction other than California.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of any maturity of the Series 2017A Bonds over the price at which a substantial amount of such maturity of the Series 2017A Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively, the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2017A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2017 Bonds sold at prices in excess of their principal amounts are "Premium Bonds." An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2017 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and individuals seeking to claim the earned income credit. Ownership of the Series 2017 Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2017 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2017 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2017 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix D. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2017 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2017 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2017 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2017 Bonds from gross income for federal or state income tax purposes, or otherwise. In this regard, there have been various proposals in recent years that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2017 Bonds may occur. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2017 Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2017 Bonds may affect the tax status of interest on the Series 2017 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2017 Bonds, or the interest thereon, if any action is taken with respect to the Series 2017 Bonds or the proceeds thereof upon the advice or approval of other counsel.

RATINGS

S&P Global Ratings. a Standard & Poor's Financial Services LLC business ("S&P"), and Fitch Ratings ("Fitch") have assigned the Series 2017 Bonds ratings of "____" (stable outlook) and "____" (stable outlook), respectively. Such credit ratings reflect only the views of such organizations and any desired explanation of the meaning and significance of such credit ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its credit rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will remain in effect for any given period of time or that any such rating will not be revised, either downward or upward, or withdrawn entirely, or a positive, negative or stable outlook announced, by the applicable rating agency, if, in its judgment, circumstances so warrant. The Transportation Authority undertakes no responsibility to bring to the attention of the Owners of the Series 2017 Bonds any announcement regarding the outlook of any rating agency with respect to the Series 2017 Bonds. Any downward revision or withdrawal or announcement of negative outlook could have an adverse effect on the market price of the Series 2017 Bonds. Maintenance of ratings will require periodic review of current financial data and other updating information by assigning agencies.

MUNICIPAL ADVISOR

KNN Public Finance, LLC (the "Municipal Advisor"), has served as Municipal Advisor to the Transportation Authority in connection with the issuance of the Series 2017 Bonds. The Municipal Advisor has assisted the Transportation Authority in its review and preparation of this Official Statement and in other matters relating to the planning, structuring, and sale of the Series 2017 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, an independent verification of any of the data contained herein nor has it conducted a detailed investigation of the affairs of the Transportation Authority to determine the accuracy or completeness of this Official Statement, and it assumes no responsibility for the accuracy or completeness or fairness of any of the information contained herein. The compensation of the Municipal Advisor is contingent upon the sale of the Series 2017 Bonds.

SALE OF SERIES 2017 BONDS

The Series 2017 Bonds are scheduled to be sold at a competitive sale on __________, 2017 as provided in the Official Notice of Sale, dated __________, 2017 (the "Official Notice of Sale"), a copy of which is attached hereto as Appendix G. The Official Notice of Sale provides that all Series 2017 Bonds would be purchased if any were purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Official Notice of Sale, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial purchaser(s) of the Series 2017 Bonds will represent to the Transportation Authority that the Series 2017 Bonds have been reoffered to the public at the prices or yields stated on the inside front cover page hereof.

FINANCIAL STATEMENTS

The financial statements of the Transportation Authority for the Fiscal Year ended June 30, 2016 and the Management's Discussion and Analysis and certain supplementary information, and the Independent Auditors' Report of Vavrinek, Trine, Day & Co., LLP, independent accountants (the "Auditor"), dated October 20, 2016 (collectively, the "2016 Financial Statements") are included as "APPENDIX A—SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017." The Transportation Authority's financial statements as of June 30, 2016 and for the year then ended, included in this Official Statement, have been audited by the Auditor, as stated in its Report appearing in Appendix A. The

Transportation Authority has not requested, nor has the Auditor given, the Auditor's consent to the inclusion in Appendix A of its Report on such financial statements. In addition, the Auditor has not performed any post-audit review of the financial condition of the Transportation Authority and has not reviewed this Official Statement.

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

Certain economic and demographic information about the County is included in "APPENDIX B—CITY AND COUNTY OF SAN FRANCISCO ECONOMIC AND DEMOGRAPHIC INFORMATION." The economic and demographic information provided has been collected from sources that the Transportation Authority considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of the County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2017 Bonds, the Transportation Authority will execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which will provide for disclosure obligations on the part of the Transportation Authority. Under the Continuing Disclosure Certificate, the Transportation Authority will covenant for the benefit of Owners and Beneficial Owners of the Series 2017 Bonds to provide, while any Series 2017 Bond remains outstanding, certain financial information and operating data relating to the Transportation Authority (the "Annual Reports") by no later than nine (9) months after the end of the Transportation Authority's fiscal year (which is June 30), commencing with the report for the 2016-2017 fiscal year (which is due not later than March 30, 2018), and to provide notices of the occurrence of certain enumerated events (the "Listed Events"). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. See "APPENDIX E—FORM OF CONTINUING DISCLOSURE CERTIFICATE." In the past five years, the Transportation Authority has not had any outstanding debt obligations with associated continuing disclosure reporting requirements.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the Deputy Director for Finance and Administration of the Transportation Authority at 1455 Market Street, 22nd Floor, San Francisco, California.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Transportation Authority and the initial purchaser or owners and beneficial owners of any of the Series 2017 Bonds.

The preparation and distribution of this Official Statement have been duly authorized by the Board of Commissioners of the Transportation Authority.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

By____
Executive Director

APPENDIX A

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

APPENDIX B

CITY AND COUNTY OF SAN FRANCISCO ECONOMIC AND DEMOGRAPHIC INFORMATION

The Sales Tax derives from a retail transactions and use tax applicable to all taxable sales throughout the County. As such, Sales Tax Revenues reflect a number of economic factors that influence taxable transactions, including population, employment and income. Some of those factors are described below.

The economic and demographic information provided below has been collected from sources that the Transportation Authority considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of the County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

The City and County of San Francisco

The limits of the County encompass over 93 square miles, of which 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay. The County is located at the Northern tip of the San Francisco Peninsula, bounded by the Pacific Ocean to the west, San Francisco Bay and the San Francisco-Oakland Bay Bridge to the east, the entrance to San Francisco Bay and the Golden Gate Bridge to the north, and San Mateo County to south.

Population

The table below summarizes the populations of the County and the State, estimated as of January 1 of each year. The population estimates for 2010 and later incorporate 2010 Census counts as the benchmark.

Table B-1
COUNTY AND STATE POPULATION STATISTICS

	City and County of San Francisco	Annual Growth Rate[1]	State of California	Annual Growth Rate[1]
2000	776,733		33,873,086	
2010	805,235	3.7%	37,253,956	10.0%
2014	848,186	5.3	38,567,459	3.5
2015	857,508	1.1	38,907,642	0.9
2016	866,583	1.1	39,255,883	0.9

[1] For multi-year time series, figures represent the average annual growth rate for each of the years of the multi-year period.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 and 2010 Census Counts, Sacramento, California, November 2012. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2016, with 2010 Census Benchmark. Sacramento, California, May 2016.

Industry and Employment

The following table summarizes the average number of employed and unemployed residents of the County, based on the annual "benchmark," an annual revision process in which monthly labor force and payroll employment data, which are based on estimates, are updated based on detailed tax records.

The California Employment Development Department has reported preliminary unemployment figures for May 2017 of 4.2% statewide and 2.7% for the County (not seasonally adjusted).

Table B-2
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND UNEMPLOYMENT OF RESIDENT LABOR FORCE[1]

	2012	2013	2014	2015	2016
Civilian Labor Force					
County					
Employed	474,900	488,200	506,500	526,600	541,600
Unemployed	34,500	28,100	23,100	19,700	18,200
Total	509,400	516,300	529,600	545,700	559,800
Unemployment Rates					
County	6.8%	5.5%	4.4%	3.6%	3.3%
State	10.4	8.9	7.5	6.2	5.4
United States	8.1	7.4	6.2	5.3	4.9

[1] March 2016 Benchmark report; not seasonally adjusted.
Source: California Employment Development Department, Labor Market Information Division for the State and County; U.S. Bureau of Labor, Department of Labor Statistics for the U.S. Items may not add to totals due to rounding.

[Remainder of page intentionally left blank.]

The table below summarizes the California Employment Development Department's estimated average annual employment for the County, which includes full-time and part-time workers who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Percentages indicate the percentage of the total employment for each type of employment for the given year. For purposes of comparison, the most recent employment data for the State is also summarized.

Table B-3
CITY AND COUNTY OF SAN FRANCISCO
ESTIMATED INDUSTRY EMPLOYMENT AND LABOR FORCE[1]

	City and County of San Francisco		State of California	
	2016	% of Total	2016	% of Total
Farm	100	0.0%	426,700	2.6%
Mining, Logging and Construction	20,400	2.9	798,500	4.7
Manufacturing	12,200	1.7	1,305,600	7.7
Trade, Transportation and Utilities	78,800	11.2	2,990,200	17.7
Information	39,000	5.5	523,100	3.1
Financial Activities	56,100	8.0	822,900	4.9
Professional and Business Services	190,600	27.1	2,530,800	15.0
Educational and Health Services	87,700	12.5	2,537,400	15.0
Leisure and Hospitality	97,300	13.8	1,897,300	11.2
Other Services	26,900	3.9	556,900	3.3
Government	94,300	13.4	2,514,600	14.9
Total[2]	703,600	100.0%	16,904,100	100.0%

[1] The California Economic Development Department has converted employer records from the Standard Industrial Classification coding system to the North American Industry Classification System.
[2] Total may not equal sum of parts due to independent rounding.
Note: Based on surveys distributed to employers; not directly comparable to Civilian Labor Force data reported in Table B-2.
Source: California Employment Development Department, Labor Market Information Division. Based on March 2015 Benchmark report.

Major Employer

The following table identifies the major employers in the County.

Table B-4
CITY AND COUNTY OF SAN FRANCISCO
MAJOR EMPLOYERS
As of 2016[1]

Employer	Estimated Number of Employees
City and County of San Francisco	26,207
University of California. San Francisco	20,600
San Francisco Unified School District	8,497
Wells Fargo Bank, N.A.	8,300
California Pacific Medical Center	5,837
Salesforce	5,000
Gap Inc.	4,438
PG&E Corp.	4,297
State of California	4,078
Kaiser Permanente	3,500
San Francisco State University	3,234
United States Postal Service	2,980
Academy of Art University	2,519
Dignity Health	2,428
Charles Schwab & Co. Inc.	2,400
San Francisco VA Medical Center	2,354
City College of San Francisco	2,339
Accenture	2,200
University of San Francisco	2,141
Safeway	2,000
Twitter Inc.	2,000
Williams-Sonoma Inc.	1,760
BlackRock	1,547
Google Inc.	1,500
Lucasfilm Ltd.	1,500
PricewaterhouseCoopers LLP (PwC)	1,500

[1] Source: *San Francisco Business Times, 2016 Book of Lists*.
[2] San Francisco Employees.

Personal Income

The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of "net earnings," rental income, dividend income, interest income, and transfer receipts. "Net earnings" is defined as wages and salaries, supplements to wages and salaries, and proprietors' income, less contributions for government social insurance, before deduction of personal income and other taxes.

[Remainder of page intentionally left blank.]

The following table sets forth the estimate of personal income for the County, State and United States from 2011 to 2015.

Table B-5
COUNTY, STATE AND U.S.
PERSONAL INCOME

Year and Area	Personal Income[1] (thousands of dollars)	Per Capita Personal Income[1] (dollars)
2011		
County[2]	$ 66,093,535	$80,974
State[3]	1,727,433,579	45,849
United States[3]	13,233,436,000	42,461
2012		
County[2]	$ 73,114,806	$88,141
State[3]	1,838,567,162	48,369
United States[3]	13,904,485,000	44,282
2013		
County[2]	$ 74,676,689	$88,825
State[3]	1,861,956,514	48,570
United States[3]	14,068,960,000	44,493
2014		
County[2]	$ 83,120,429	$97,498
State[3]	1,977,923,740	51,134
United States[3]	14,801,624,000	46,464
2015		
County	$ 89,533,450	$103,529
State[3]	2,103,669,473	53,949
United States[3]	15,463,981,000	48,190

1 Per capita personal income was computed using Census Bureau midyear population estimates. Per capita personal income is total personal income divided by total midyear population.

2 Last updated: November 17, 2016—new estimates for 2015; revised estimates for 2011 – 2014 for the County. Estimates for 2011-2015 reflect county population estimates available as of March 2016. Source: U.S. Bureau of Economic Analysis, "Table CA1 – Personal Income Summary," (accessed July 10, 2017).

3 Last updated: March 28, 2017—revised estimates for 2011-2015 for the State and United States. Estimates for 2011-2015 reflect Census Bureau midyear state population estimates available as of December 2015. Source: U.S. Bureau of Economic Analysis, "Table SA1 – Personal Income Summary," (accessed July 10, 2017).

Taxable Sales

The following tables set forth taxable sales for the County for calendar years 2010 through 2015, with 2015 being the last full year for which data are currently available.

Table B-6
CITY AND COUNTY OF SAN FRANCISCO
2010-2014 CALENDAR YEARS TAXABLE SALES[3]
(in thousands)

	2010	2011	2012	2013	2014
Motor Vehicle and Parts Dealers	$413,479	$452,375	$505,612	$548,713	$588,769
Furniture and Home Furnishings Stores	325,165	361,828	443,334	496,720	519,766
Electronics and Appliance Stores	354,281	370,667	381,934	383,610	418,490
Bldg, Materials & Garden Equipment & Supplies	348,729	414,096	466,949	508,070	537,424
Food and Beverage Stores	617,920	651,528	698,890	740,746	782,750
Health and Personal Care Stores	368,023	421,767	445,678	491,692	519,909
Gasoline Stations	507,626	626,887	664,318	650,678	611,354
Clothing and Clothing Accessories Stores	1,499,912	1,701,395	1,886,746	2,040,734	2,168,822
Sporting Goods, Hobby, Book, and Music Stores	362,358	365,751	365,862	411,302	445,241
General Merchandise Stores	700,755	768,818	804,628	897,608	864,009
Miscellaneous Store Retailers	620,952	634,994	662,517	680,080	736,323
Nonstore Retailers	39,563	49,135	114,723	269,544	336,173
Food Services and Drinking Places	2,812,995	3,120,655	3,442,081	3,750,056	4,104,185
Total Retail and Food Services	8,971,759	9,939,895	10,883,271	11,869,555	12,633,215
All other outlets[1]	4,471,363	4,950,632	5,070,334	5,224,609	5,836,514
TOTAL ALL OUTLETS[2]	$13,443,121	$14,890,527	$15,953,605	$17,094,163	$18,469,729

[1] Primarily manufacturing and wholesale businesses.
[2] Items may not add to totals due to rounding.
[3] The State Board of Equalization's taxable sales reporting methodology changed in 2015; see Table B-7 for 2015 calendar year taxable sales.
Source: California State Board of Equalization – http://www.boe.ca.gov/news/tsalescont.htm. Effective July 1, 2017, the CDTFA is the successor to, and is vested with, nearly all of the duties, powers, and responsibilities of the State Board of Equalization.

Table B-7
CITY AND COUNTY OF SAN FRANCISCO
2015 CALENDAR YEAR TAXABLE SALES[3]
(in thousands)

	2015
Motor Vehicle and Parts Dealers	$565,638,768
Home Furnishings Stores and Appliance Stores	1,010,769,012
Building Material & Garden Equipment & Supplies Dealer	588,279,348
Food and Beverage Stores	830,061,280
Gasoline Stations	471,495,820
Clothing and Clothing Accessories Stores	2,163,743,243
General Merchandise Stores	825,300,427
Food Services and Drinking Places	4,441,352,078
Other Retail Group	2,136,115,347
Total Retail and Food Services	13,032,755,323
All other outlets[1]	5,839,078,821
TOTAL ALL OUTLETS[2]	$18,871,834,144

[1] Primarily manufacturing and wholesale businesses.
[2] Items may not add to totals due to rounding.
[3] The State Board of Equalization's taxable sales reporting methodology changed in 2015; see Table B-6 for 2010 - 2014 Taxable Sales.
Source: California State Board of Equalization – http://www.boe.ca.gov/news/tsalescont.htm.

APPENDIX C

SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS

APPENDIX D

FORM OF BOND COUNSEL APPROVING OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption "—General" below has been provided by DTC. The Transportation Authority makes no representations as to the accuracy or completeness of such information. Further, the Transportation Authority undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC's websites as described under "—General," including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The beneficial owners of the Series 2017 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE TRANSPORTATION AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2017 BONDS UNDER THE AGREEMENT; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2017 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE SERIES 2017 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2017 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017 Bond certificate will be issued for each maturity of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

While the Series 2017 Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2017 Bonds with a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Transportation Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Transportation Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Transportation Authority, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Transportation Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the Transportation Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The Transportation Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered to DTC.

The information in this Appendix F concerning DTC and DTC's book-entry system has been obtained from sources that the Transportation Authority believes to be reliable, but the Transportation Authority takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2017 BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE PARTICIPANTS.

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the Series 2017 Bonds will be payable as described in the front part of this Official Statement under the caption "DESCRIPTION OF THE SERIES 2017 BONDS—General."

APPENDIX G

OFFICIAL NOTICE OF SALE