Resolution approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2002-2003 by increasing the Agency's expenditure authority in an amount not to exceed $43,100,000; authorizing the Agency's issuance of Tax Allocation Bonds, in one or more series, each in either variable rate or fixed rate mode, in an amount not to exceed $43,100,000; authorizing the Agency's receipt of Additional Tax Increment necessary to repay the principal and interest on said bonds; and approving a Cooperation and Tax Increment Reimbursement Agreement with the Agency with respect to the Yerba Buena Center Redevelopment Project Area; and authorizing an agreement between the Agency and the Parking Authority pertaining to the operation of the proposed Jessie Square Garage.

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing various Redevelopment Plans and programs in the City and County of San Francisco (the "City") in accordance with the California Community Redevelopment Law (the "CRL"); and,

WHEREAS, Section 33606 of the CRL requires the legislative body of the Agency (the "Board of Supervisors"), to approve the Agency's annual Budget, and any amendment to the Agency's Budget; and,

WHEREAS, The Board of Supervisors approved the Agency's budget for the fiscal year 2002-2003 by the adoption of Resolution No. 491-02; and,

WHEREAS, The Agency by Resolution Nos. 185-2002 through 192-2002, inclusive ("Agency Authorizations"), has authorized several actions concerning the development of
open space, cultural and parking facilities on Central Block-1 (located on the block bounded by Mission and Market Streets and Third and Fourth Streets), in the Yerba Buena Center Redevelopment Project Area, designed to construct Jessie Square, an approximately 450 space public parking garage beneath Jessie Square, the substructures for the Mexican Museum and The Magnes Museum (formerly known as the Jewish Museum) and related improvements, (together, the “Jessie Square Improvements”), that will complete the last major cultural and open space development contemplated by the Yerba Buena Center Redevelopment Plan, all as described in the Agency Authorizations on file with the Clerk of the Board of Supervisors; and,

WHEREAS, On October 22, 2002, the Agency found and determined in Resolution No. 185-2002 that the environmental impacts of the Jessie Square Improvements are within the scope of the environmental impacts previously analyzed in the YBC Subsequent EIR and that no additional environmental review is required by the California Environmental Quality Act; and,

WHEREAS, The Agency wishes to amend its Budget for the fiscal year 2002-2003 to increase the expenditure authority of the Agency by an amount not to exceed $43,100,000 to enable the Agency to construct or cause the construction of the Jessie Square Improvements; and,

WHEREAS, The Agency wishes to enter into loans and/or to issue and to refund, as necessary, or to cause to be loaned and/or issued and/or refunded on its behalf or by a public finance authority, bonds, notes, or other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness being referred to as the “Bonds”) in an aggregate principal amount not to exceed $43,100,000 and which will be repaid from and secured by the taxes allocated to and paid to the Agency pursuant to the CRL (and in particular but not limited to Sections 33670 - 33674) and pursuant to Section 16 of Article XVI of the California
Constitution (such taxes referred to as “Tax Increment”); and,

WHEREAS, The Board of Supervisors finds that the issuance of tax allocation bonds to finance part of the construction costs of the Jessie Square Improvements is necessary and appropriate and there is no other reasonable means of financing such Improvements available; and,

WHEREAS, The construction of the Jessie Square Improvements with public financing will (1) produce tax revenue from parking taxes, the possessory interest tax on the long-term lease of approximately fifteen percent of the parking stalls in the garage to CB-1 Entertainment Partners LP, a California limited partnership and its affiliates, as well as hotel tax revenues from the use of a portion of the garage by hotel guests (collectively “New City Revenues”); and (2) create an income stream from the operation of the garage in the form of net garage revenues to the Agency, and said New City Revenues and net garage revenues that can be used to reimburse the City for the financing costs of the Jessie Square Improvements; and,

WHEREAS, The CRL provides that the issuance of the Bonds is subject to the approval of the Board of Supervisors; and,

WHEREAS, The Agency wishes to enter into a Cooperation and Tax Increment Reimbursement Agreement with the City that obligates the Agency to reimburse the City for that portion of the Tax Increment provided to repay the principal and interest related to the Bonds which is not otherwise reimbursed by the New City Revenues generated by the Garage; and, and authorizes the Agency to retain certain net garage revenues to replace income from the City’s Moscone Convention Center lease payments to the Agency that will cease after fiscal year 2017-2018 (“Moscone Replacement Payments”), which the Agency will use for the operation and maintenance of the Agency-owned facilities in Yerba Buena Gardens; and,
WHEREAS, It is appropriate to provide for the Parking Authority's execution of an agreement with the Agency pertaining to operation and management of the Garage, by no later than July 1, 2007; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco has reviewed and considered in Agency Resolution No. 185-2002 and the Agency’s environmental review memorandum dated October 17, 2002, and incorporates by reference the Agency’s environmental review findings as though fully set forth herein; and, be it

FURTHER RESOLVED, That the Board of Supervisors does hereby approve the following:

(1) An amendment to the Fiscal Year 2002-2003 Budget of the Agency that increases the Agency’s expenditure authority in an amount not to exceed $43,100,000 for the development of the Jessie Square Improvements;

(2) The issuance by the Agency of the Bonds, in one or more series, each in either a variable interest rate or fixed interest rate mode, in an aggregate principal amount not to exceed $43,100,000, which will be repaid from Tax Increment, for the purpose of funding the Jessie Square Improvements;

(3) Entering into Execution of a Cooperation and Tax Increment Reimbursement Agreement with the Redevelopment Agency of the City and County of San Francisco in substantially the form on file with the office of the Clerk of the Board of Supervisors, and as approved by the Office of the City Attorney, that obligates the City to provide the Agency with Tax Increment sufficient to pay the debt service on the bonds to be issued to finance the Jessie Square Improvements, obligates the Agency to reimburse the City for that portion of Tax Increment utilized to repay the principal and interest associated with the debt service on the Bonds to be issued to fund the Jessie Square
Improvements, which debt service is not otherwise reimbursed by New City
Revenues generated by the Garage; and also authorizes the Agency to
retain certain net garage revenues to replace ground lease revenue from
the City to the Agency that will cease in fiscal year 2018, conditioned on
the Agency's use of such replacement revenue for the operation and
maintenance of the Agency owned facilities in the Yerba Buena Gardens.

(4) Execution of an agreement between the Agency and the Parking Authority
pertaining to the operation and management of the Agency's Garage, that
provides for the Parking Authority's operation of the Garage on behalf of the
Agency to take effect by no later than July 1, 2007, in a manner that facilitates
the fulfillment of the Agency's obligations to reimburse the City under the
Cooperation and Tax Increment Reimbursement Agreement and is consistent
with Agency agreements pertaining to the Garage authorized before the
effective date of this Resolution and applicable tax requirements, and also
requiring the Agency to submit any proposed agreement with an initial Garage
operator for the operation of the Garage during the period before July 1, 2007, to
the Director of the Parking Authority or the Director's designee, for review and
approval of the form of such proposed agreement between an initial Garage
operator and the Agency.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By
Donnell W. Choy
Deputy City Attorney
Resolution approving an amendment to the Budget of the Redevelopment Agency of the City and County of San Francisco for Fiscal Year 2002-2003 by increasing the Agency's expenditure authority in an amount not to exceed $43,100,000; authorizing the Agency's issuance of Tax Allocation Bonds, in one or more series, each in either Variable Rate or Fixed Rate Mode, in an amount not to exceed $43,100,000; authorizing the Agency's receipt of additional Tax Increment necessary to repay the principal and interest on said bonds; and approving a Cooperation and Tax Increment Reimbursement Agreement with the Agency with respect to the Yerba Buena Center Redevelopment Project Area; and authorizing an agreement between the Agency and the Parking Authority pertaining to the operation of the proposed Jessie Square Garage.

January 13, 2003 Board of Supervisors — ADOPTED
Ayes: 11 - Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom, Peskin, Ammiano, Sandoval
I hereby certify that the foregoing Resolution was ADOPTED on January 13, 2003 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

JAN 21 2003

Date Approved

Mayor Willie L. Brown Jr.