

FILE NO. 021839

RESOLUTION NO.

1-03

1 [Redevelopment Agency Budget]

2

3 **Resolution approving an amendment to the budget of the Redevelopment Agency of**

4 **the City and County of San Francisco for fiscal year 2002-2003 by increasing the**

5 **Agency's expenditure authority in an amount not to exceed \$43,100,000; authorizing**

6 **the Agency's issuance of Tax Allocation Bonds, in one or more series, each in either**

7 **variable rate or fixed rate mode, in an amount not to exceed \$43,100,000; authorizing**

8 **the Agency's receipt of Additional Tax Increment necessary to repay the principal**

9 **and interest on said bonds; and approving a Cooperation and Tax Increment**

10 **Reimbursement Agreement with the Agency with respect to the Yerba Buena Center**

11 **Redevelopment Project Area; and authorizing an agreement between the Agency and**

12 **the Parking Authority pertaining to thte operation of the proposed Jessie Square**

13 **Garage.**

14

15 WHEREAS, The Redevelopment Agency of the City and County of San Francisco

16 (the "Agency") is implementing various Redevelopment Plans and programs in the City and

17 County of San Francisco (the "City") in accordance with the California Community

18 Redevelopment Law (the "CRL"); and,

19 WHEREAS, Section 33606 of the CRL requires the legislative body of the

20 Agency (the "Board of Supervisors"), to approve the Agency's annual Budget, and

21 any amendment to the Agency's Budget; and,

22 WHEREAS, The Board of Supervisors approved the Agency's budget for the fiscal

23 year 2002-2003 by the adoption of Resolution No. 491-02; and,

24 WHEREAS, The Agency by Resolution Nos. 185-2002 through 192-2002, inclusive

25 ("Agency Authorizations"), has authorized several actions concerning the development of

1 open space, cultural and parking facilities on Central Block-1 (located on the block bounded
2 by Mission and Market Streets and Third and Fourth Streets), in the Yerba Buena Center
3 Redevelopment Project Area, designed to construct Jessie Square, an approximately 450
4 space public parking garage beneath Jessie Square, the substructures for the Mexican
5 Museum and The Magnes Museum (formerly known as the Jewish Museum) and related
6 improvements, (together, the "Jessie Square Improvements"), that will complete the last
7 major cultural and open space development contemplated by the Yerba Buena Center
8 Redevelopment Plan, all as described in the Agency Authorizations on file with the Clerk of
9 the Board of Supervisors; and,

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

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

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

1 Constitution (such taxes referred to as “Tax Increment”); and,

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

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

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

17 WHEREAS, The Agency wishes to enter into a Cooperation and Tax Increment
18 Reimbursement Agreement with the City that obligates the Agency to reimburse the City for
19 ~~that portion of the Tax Increment provided to repay the principal and interest related to~~ on the
20 Bonds which is not otherwise reimbursed by the New City Revenues generated by the
21 Garage; ~~and, and authorizes the Agency to retain certain net garage revenues to replace~~
22 ~~income from the City’s Moscone Convention Center lease payments to the Agency that will~~
23 ~~cease after fiscal year 2017-2018 (“Moscone Replacement Payments”), which the Agency will~~
24 ~~use for the operation and maintenance of the Agency-owned facilities in Yerba Buena~~
25 ~~Gardens; and,~~ Gardens; and,

1 WHEREAS, It is appropriate to provide for the Parking Authority's execution of an
2 agreement with the Agency pertaining to operation and management of the Garage, by no
3 later than July 1, 2007; now, therefore, be it

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

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

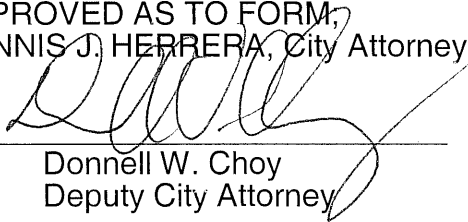
- 10 (1) An amendment to the Fiscal Year 2002-2003 Budget of the Agency that
11 increases the Agency's expenditure authority in an amount not to exceed
12 \$43,100,000 for the development of the Jessie Square Improvements;
- 13 (2) The issuance by the Agency of the Bonds, in one or more series, each in
14 either a variable interest rate or fixed interest rate mode, in an aggregate
15 principal amount not to exceed \$43,100,000, which will be repaid from Tax
16 Increment, for the purpose of funding the Jessie Square Improvements;
- 17 (3) ~~Entering into Execution of a Cooperation and Tax Increment Reimbursement~~
18 ~~Agreement with the Redevelopment Agency of the City and County of~~
19 ~~San Francisco~~ in substantially the form on file with the office of the Clerk of the
20 Board of Supervisors, and as approved by the Office of the City Attorney, that
21 obligates the City to provide the Agency with Tax Increment sufficient to pay
22 the debt service on the bonds to be issued to finance the Jessie Square
23 Improvements, obligates the Agency to reimburse the City for ~~that portion of~~
24 Tax Increment utilized to repay the principal and interest associated with
25 the debt service on the Bonds to be issued to fund the Jessie Square

1 Improvements, which debt service is not otherwise reimbursed by New City
2 Revenues generated by the Garage; and ~~also authorizes the Agency to~~
3 ~~retain certain net garage revenues to replace ground lease revenue from~~
4 ~~the City to the Agency that will cease in fiscal year 2018, conditioned on~~
5 ~~the Agency's use of such replacement revenue for the operation and~~
6 ~~maintenance of the Agency owned facilities in the Yerba Buena Gardens.~~

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

20 APPROVED AS TO FORM,
21 DENNIS J. HERRERA, City Attorney

22 By _____

23 
24 Donnell W. Choy
25 Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 021839

Date Passed:

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

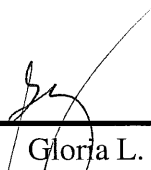
Ayes: 11 - Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom, Peskin, Ammiano, Sandoval

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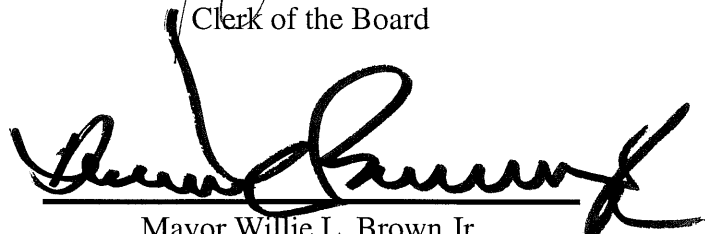
I hereby certify that the foregoing Resolution was ADOPTED on January 13, 2003 by the Board of Supervisors of the City and County of San Francisco.

JAN 21 2003

Date Approved



Gloria L. Young
Clerk of the Board



Mayor Willie L. Brown Jr.