

[Certificates of Participation - Treasure Island Improvement Project - Not to Exceed \$13,500,000]

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**Resolution authorizing the execution and delivery of not to exceed \$13,500,000 of Certificates of Participation (Certificates) or other forms of indebtedness to finance the cost of additions and improvements to the utility infrastructure at Treasure Island; authorizing the Director of Public Finance to cause the preparation of documents necessary for the execution and delivery of the certificates or other forms of indebtedness, including a Trust Agreement, a Property Lease, a Project Lease, Notice of Sale, Official Notice of Sale, an Official Statement and, if required, a Purchase Contract and such other necessary documents; authorizing the Director of Public Finance to cause the issuance of commercial paper certificates in an amount not to exceed \$13,500,000 in anticipation of the issuance of the certificates or other forms of indebtedness; granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of the certificates or other form of indebtedness and the Commercial Paper Certificates; approving modifications to documents and agreements; making California Environmental Quality Act findings, and a General Plan consistency determination; and ratifying previous actions taken in connection therewith.**

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WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island (the "Development Project"); and

1           WHEREAS, The Authority manages Treasure Island under the terms of a Cooperative  
2 Agreement, as amended and modified, and as currently dated October 1, 2012, by and  
3 between the Authority and the United States Department of the Navy, the Authority has  
4 agreed to assume certain responsibilities for the (i) operation and maintenance for the water,  
5 waste water, storm water, electric and gas utility systems (the "Utility Infrastructure") on former  
6 Naval Station Treasure Island, (ii) security and public health and safety services, (iii) grounds  
7 and street maintenance and repair, and (iv) property management and caretaker services;  
8 and

9           WHEREAS, The majority of the Utility Infrastructure at Treasure Island is fifty or more  
10 years of age and has not been the subject of capital improvement or renewal, and the  
11 accumulation of deferred maintenance and renewal capital needs has diminished the Utility  
12 Infrastructures' reliability and, if not addressed, such deferred maintenance could result in  
13 significant system failures which could present a threat to the safety and welfare of residents  
14 and other occupants of Treasure Island; and

15           WHEREAS, The Authority has entered into a Disposition and Development Agreement  
16 with the Treasure Island Community Development which provides for the Utility Infrastructure  
17 to be replaced over the next twenty years in connection with the Development Project; and

18           WHEREAS, The Board of the City and County of San Francisco (the "City") desires to  
19 finance the cost of construction and installation of certain additions and improvements related  
20 to the Utility Infrastructure at Treasure Island (the "Treasure Island Utility Improvement  
21 Project") to substantially extend the useful life of the Utility Infrastructure and to address its  
22 most critical maintenance, repair and renewal needs to increase system resiliency and  
23 reliability, and decreasing the likelihood of future utility service failure or disruption; and

24           WHEREAS, The Board of Supervisors has adopted Resolution 85-09 on March 17,  
25 2009 and signed by the Mayor on March 24, 2009, Resolution 136-10 on April 6, 2010 and

1 signed by the Mayor on April 14, 2010 and Resolution 247-13 adopted by the Board on July  
2 16, 2013 and signed by the Mayor on July 25, 2013 (collectively the "Program Resolutions")  
3 in connection with the establishment and expansion of a general fund backed commercial  
4 paper program (the "Program") with an authorization of not to exceed \$250,000,000 in  
5 aggregate principal amount of tax-exempt or taxable Commercial Paper Certificates  
6 ("Commercial Paper Certificates"), a portion of the proceeds of which will be applied toward  
7 the interim financing of the acquisition, construction and rehabilitation of capital improvements  
8 within or owned by the City, and the financing of vehicles and equipment (herein the "Capital  
9 Projects"); and

10 WHEREAS, The Board desires to authorize the Director of Public Finance to cause the  
11 preparation of documents required for the execution and delivery of one or more series of  
12 certificates of participation or other forms of fixed rated indebtedness (the "Obligations") to  
13 finance some of the costs of the Treasure Island Utility Improvement Project, including without  
14 limitation a trust agreement, a property lease, a project lease, a notice of sale, an official  
15 notice of sale, an official statement, and a purchase contract, as applicable, or other  
16 documents necessary to cause the issuance of the Obligations; and

17 WHEREAS, The Board also desires to authorize the Director of Public Finance to  
18 cause the issuance of Commercial Paper Certificates in anticipation of the issuance of the  
19 Obligations, and now, therefore, be it

20 RESOLVED, By the People of the City and County of San Francisco, as follows:

21 Findings. The Board hereby finds and determines that the recitals set forth above are  
22 true and correct.

23 Authorization of the Obligations. The Board hereby authorizes and directs the Director  
24 of Public Finance, acting for and on behalf of the City Controller (the "Director of Public  
25 Finance"), to cause the necessary documents to be prepared in connection with the issuance

1 of the Obligations. The Obligations will be delivered to fund (i) costs of the Treasure Island  
2 Utility Improvement Project, including repayment of the CP Notes and interest thereon issued  
3 for such purpose; (ii) a debt service or other similar reserve, as appropriate; (iii) capitalized  
4 interest, if any; and (iv) costs of issuance related to the execution and delivery of the  
5 Certificates. The Certificates shall be designated as "Certificates of Participation (Treasure  
6 Island Utility Improvement Project)," with such other or additional designation for other forms  
7 of indebtedness, including the year of execution and delivery, as determined by the Director of  
8 Public Finance.

9 The Obligations shall be issued in an aggregate principal amount of not to exceed  
10 Thirteen Million Five Hundred Thousand Dollars (\$13,500,000), shall bear interest at a true  
11 interest cost of not to exceed twelve percent (12%) per annum, and shall mature not greater  
12 than 25 years from the date of issue. The Director of Public Finance is hereby authorized, to  
13 the extent she deems it necessary or advisable and in the interests of the City, to procure  
14 credit enhancement for the Obligations, including but not limited to municipal bond insurance  
15 or a debt service reserve fund surety bond or other reserve fund instrument.

16 The Director of Public Finance is hereby authorized, to the extent she deems it  
17 necessary or advisable and in the interests of the City, to cause the preparation of documents  
18 necessary for the execution and delivery of the Certificates, including without limitation, a trust  
19 agreement, a property lease, a project lease, a notice of sale, an official notice of sale, an  
20 official statement, and a purchase contract, as applicable, and such other documents and  
21 instruments necessary to secure the delivery of the Obligations and receipt of the funds.

22 Sale of the Obligations. The Director of Public Finance is hereby authorized to sell the  
23 Obligations by competitive or negotiated sale. If the Director of Public Finance determines to  
24 sell the Obligations by negotiated sale, the Director of Public Finance is authorized to appoint  
25 one or more financial institutions to act as underwriter for the Obligations in accordance with

1 City policies and procedures, including but not limited to the City's policy to provide locally  
2 disadvantaged business enterprises an equal opportunity to participate in the performance of  
3 all City contracts. Notwithstanding anything herein to the contrary, before the sale of any  
4 Obligations, the Director of Public Finance shall return to the Board with substantially final  
5 documents, including without limitation any official statement prepared in connection with the  
6 Obligations, for the Board's consideration and approval.

7 Authorization of Commercial Paper Certificates. Before the execution and delivery of  
8 the Obligations, the Director of Public Finance is hereby authorized and directed to cause the  
9 execution of the City's Commercial Paper Certificates in an amount not to exceed Thirteen  
10 Million Five Hundred Thousand Dollars (\$13,500,000) to finance some or all of the Treasure  
11 Island Utility Improvement Project, such Commercial Paper Certificates to be issued in  
12 accordance with City policies and retired with proceeds of the Obligations or other available  
13 funds.

14 Treasure Island Utility Improvement Project. The Authority, working with the SFPUC, is  
15 authorized and directed to expend the proceeds of the Certificates and/or the Commercial  
16 Paper Certificates on upgrades and improvements to the Utility Infrastructure, in accordance  
17 with a prioritization of work as determined by the Authority Director and the SFPUC General  
18 Manager.

19 Additional Reporting and Financial Plan. The Authority shall submit a report to the  
20 Board of Supervisors' Budget and Finance Committee during the annual budget review  
21 process each year that details the General Fund share of annual debt service requested for  
22 TIHDI residents, and provide to the Committee a 10-year financial plan that coincides with the  
23 debt service on any Certificates of Participation issued in connection with the Treasure Island  
24 Utility Improvement Project. In connection with any General Fund subsidy, other than the  
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1 subsidy for TIHDI residents, the Board of Supervisors will require the Authority to enter into an  
2 memorandum of understanding with the City to reimburse the General Fund.

3 General Authority. The Mayor, the City Treasurer, the City Attorney, the City  
4 Controller, the City Administrator, the Director of Public Finance, the Clerk, the Authority  
5 Director, and the SFPUC General Manager, and other officers of the City and their duly  
6 authorized deputies, designees and agents are hereby authorized and directed, jointly and  
7 severally, to take such actions and to execute and deliver such certificates, agreements,  
8 requests or other documents as they may deem necessary or desirable to accomplish the  
9 purposes of this Resolution, including but not limited to the execution and delivery of the  
10 documents for the Obligations, the Commercial Paper Certificates, and the Treasure Island  
11 Utility Improvement Project, to obtain bond insurance or other credit enhancements, to obtain  
12 title insurance, to clear any encumbrances to title and to carry out other title work.

13 Additional Actions. The Mayor, the City Treasurer, the City Controller, the Director of  
14 Public Finance, the Authority Director, and the SFPUC General Manager, each are hereby  
15 authorized to take such actions and prepare such documents, upon consultation with the City  
16 Attorney, as may be necessary or desirable and in the interests of the City in connection with  
17 execution, delivery and performance of the Obligations, Commercial Paper Certificates, and  
18 the Treasure Island Utility Improvement Project.

19 CEQA. On April 21, 2011, the Planning Commission by Motion No. 18325, and the  
20 TIDA Board of Directors by Resolution No. 11-14, as co-lead agencies, certified the  
21 completion of the Final Environmental Impact Report for the Development Project (the "EIR").  
22 The Board of Supervisors then adopted Resolution No. 246-11, making findings under the  
23 California Environmental Quality Act ("CEQA"), including a mitigation monitoring and reporting  
24 program and a statement of overriding considerations, which Resolution is on file with the  
25 Clerk of the Board of Supervisors in File No. 110328. The Development Project contemplated

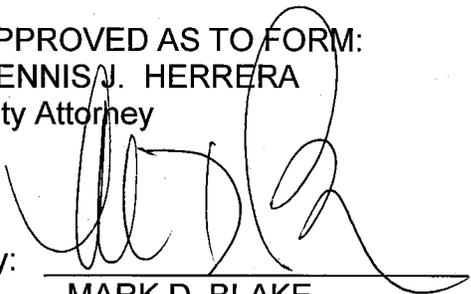
1 and the EIR considered the ongoing use, maintenance and repair of the Utility Infrastructure  
2 to the date of replacement. The Board of Supervisors finds that since the EIR was finalized,  
3 there have been no substantial project changes and no substantial changes in project  
4 circumstances that would require revisions to the EIR due to the involvement of new  
5 significant environmental effects or an increase in the severity of previously identified  
6 significant impacts, and there is no new information that would change the conclusions set  
7 forth in the EIR. The Board of Supervisors further finds that its General Plan consistency  
8 determination, on file with the Clerk of the Board of Supervisors in File No. 110228, applies to  
9 the Treasure Island Utility Improvement Project.

10 Partial Invalidity. Any provision of this Resolution found to be prohibited by law shall be  
11 ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this  
12 Resolution.

13 Ratification of Prior Actions. All actions authorized and approved by this Resolution but  
14 heretofore taken are hereby ratified, approved and confirmed by the Board.

15  
16 APPROVED AS TO FORM:  
17 DENNIS J. HERRERA  
18 City Attorney

19 By:

20   
21 MARK D. BLAKE  
22 Deputy City Attorney

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City and County of San Francisco

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

Tails  
Resolution

File Number: 130885

Date Passed: October 08, 2013

Resolution authorizing the execution and delivery of not to exceed \$13,500,000 of Certificates of Participation (Certificates) or other forms of indebtedness to finance the cost of additions and improvements to the utility infrastructure at Treasure Island; authorizing the Director of Public Finance to cause the preparation of documents necessary for the execution and delivery of the certificates or other forms of indebtedness, including a Trust Agreement, a Property Lease, a Project Lease, Notice of Sale, Official Notice of Sale, an Official Statement and, if required, a Purchase Contract and such other necessary documents; authorizing the Director of Public Finance to cause the issuance of commercial paper certificates in an amount not to exceed \$13,500,000 in anticipation of the issuance of the certificates or other forms of indebtedness; granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of the certificates or other form of indebtedness and the Commercial Paper Certificates; approving modifications to documents and agreements; making California Environmental Quality Act findings, and a General Plan consistency determination; and ratifying previous actions taken in connection therewith.

October 02, 2013 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 02, 2013 Budget and Finance Committee - RECOMMENDED AS AMENDED

October 08, 2013 Board of Supervisors - ADOPTED

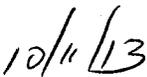
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130885

I hereby certify that the foregoing Resolution was ADOPTED on 10/8/2013 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

  
Date Approved