Resolution of Intention to Issue Bonds Related to Project Area I of Port Infrastructure Financing District No. 2 (Port of San Francisco)

Resolution of Intention to Issue Bonds for Project Area I of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).

WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San Francisco Charter, Sections 4.114 and B3.581 empower the City and County of San Francisco (City), acting through the San Francisco Port Commission, to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction; and

WHEREAS, Under Government Code, Section 53395 et seq. (IFD Law), this Board of Supervisors is authorized to establish an infrastructure financing district and to act as the legislative body for an infrastructure financing district; and

WHEREAS, Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be divided into project areas; and

WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of Intention to Establish IFD), this Board of Supervisors declared its intention to establish a waterfront district to be known as “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (IFD), and designated initial proposed project areas within the IFD, including Project Area G (Pier 70); and

WHEREAS, On June 12, 2012, by Resolution No. 227-12 (First Amending Resolution), this Board of Supervisors amended the Original Resolution of Intention to propose, among other things, an amended list of project areas; and

WHEREAS, On November 17, 2015, by Resolution 421-15 (Second Amending Resolution), and together with the Original Resolution of Intention to Establish IFD and the
First Amending Resolution, the Resolution of Intention to Establish IFD), this Board of
Supervisors amended the Original Resolution of Intention, as amended by the First Amended
Resolution, to propose, among other things, a further amended list of project areas; and

WHEREAS, In the Resolution of Intention to Establish IFD, this Board of Supervisors
directed the Executive Director of the Port of San Francisco (Executive Director) to prepare an
infrastructure financing plan for the IFD (Infrastructure Financing Plan) that would comply with
the IFD Law, and reserved the right to establish infrastructure financing plans in the future
specific to other project areas and sub-project areas within the IFD; and

WHEREAS, In accordance with the IFD Law, at the direction of this Board of Directors,
the Executive Director prepared the Infrastructure Financing Plan; and

WHEREAS, On February 23, 2016, by Ordinance No. 27-16 (Ordinance Establishing
IFD), this Board of Supervisors, among other things, declared the IFD to be fully formed and
established with full force and effect of law and adopted the Infrastructure Financing Plan; and

WHEREAS, On ________, 2017, by Resolution No. ____ (Resolution of Intention to
Establish Sub-Project Areas G-2, G-3 and G-4), this Board of Supervisors declared its
intention to establish Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3
(Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site), each a Pier 70
district and a sub-project area within Project Area G (Pier 70); and

WHEREAS, Pursuant to the Resolution of Intention to Establish Sub-Project Areas
G-2, G-3 and G-4), this Board of Supervisors directed the Executive Director of the Port
(Executive Director) to prepare Appendix G-2 to the IFP, relating to Sub-Project Area G-2
(Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area
G-4 (Pier 70 - 28-Acre Site), consistent with the requirements of the IFD Law; and

WHEREAS, At its hearing on October 5, 2017, and prior to recommending the
proposed Planning Code amendments for approval, by Motion No. M-20017, the Planning
Commission certified a Final Environmental Impact Report (FEIR) for the Seawall 337 and Pier 48 Mixed-Use Project (Project) pursuant to the California Environmental Quality Act (CEQA) (California Public Resources Code, Section 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg., Section 15000 et seq.), and Administrative Code, Chapter 31; and

WHEREAS, A copy of said Motion is on file with the Clerk of the Board of Supervisors in File No. 171118, and, is incorporated herein by reference; and

WHEREAS, In accordance with the actions contemplated herein, this Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the Planning Commission's certification of the FEIR, and finds that the actions contemplated herein are within the scope of the Project described and analyzed in the FEIR; and

WHEREAS, In recommending the proposed Planning Code Amendments for approval by this Board of Supervisors at its hearing on October 5, 2017, by Motion No. M-20018, the Planning Commission also adopted findings under CEQA, including a statement of overriding consideration, and a Mitigation Monitoring and Reporting Program (MMRP); and

WHEREAS, A copy of said Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 171118, and is incorporated herein by reference; and

WHEREAS, This Board of Supervisors hereby adopts and incorporates by reference as though fully set forth herein the Planning Commission's CEQA approval findings, including the statement of overriding considerations; and

WHEREAS, This Board of Supervisors also adopts and incorporates by reference as though fully set forth herein the Project's MMRP; and

WHEREAS, On __________, 2017, by Resolution No. ____ (Resolution of Intention to Establish Project Area I and Sub-Project Areas of Project Area I), in connection with the Project, this Board of Supervisors further declared its intention to establish (i) "Project Area I (Mission Rock)," (ii) "Sub-Project Area I-1 (Mission Rock)," (iii) "Sub-Project Area I-2 (Mission
(iv) "Sub-Project Area I-3 (Mission Rock)," (v) "Sub-Project Area I-4 (Mission Rock),"
(vi) "Sub-Project Area I-5 (Mission Rock)," (vii) "Sub-Project Area I-6 (Mission Rock)," (viii)
"Sub-Project Area I-7 (Mission Rock)," (ix) "Sub-Project Area I-8 (Mission Rock)," (x) "Sub-
Project Area I-9 (Mission Rock)," (xi) "Sub-Project Area I-10 (Mission Rock)," (xii) "Sub-Project
Area I-11 (Mission Rock)," (xiii) "Sub-Project Area I-12 (Mission Rock)," and (xiv) "Sub-Project
Area I-13 (Mission Rock)" (such sub-project areas collectively referred to herein as, the Sub-
Project Areas of Project Area I), each a waterfront district; and

WHEREAS, Pursuant to Resolution of Intention to Establish Project Area I and Sub-
Project Areas of Project Area I, this Board of Supervisors directed the Executive Director of
the Port (Executive Director) to prepare Appendix I to the IFP, relating to Project Area I
(Mission Rock) and the Sub-Project Areas of Project Area I, consistent with the requirements
of the IFD Law; and

WHEREAS, Pursuant to Section 53397.1 of the IFD Law, this Board of Supervisors
may initiate proceedings to issue bonds pursuant to the IFD Law by adopting a resolution by
majority vote stating its intention to issue the bonds; and

WHEREAS, United States Income Tax Regulations, Section 1.150-2 generally requires
this Board of Supervisors to declare its official intent to reimburse with proceeds of tax-exempt
debt expenditures made by the City prior to the date of issuance of such debt; and

WHEREAS, It is in the public interest and for the public benefit that the City declares its
official intent to reimburse the expenditures referenced herein; now, therefore, be it

RESOLVED, By the Board of Supervisors as follows:

1. Purposes of Bonds. This Board of Supervisors proposes that the IFD issue one
or more series of bonds of the IFD payable from and secured by a pledge of available tax
increment allocated to the IFD with respect to Project Area I (Mission Rock) and the Sub-
Project Areas of Project Area I (Bonds), and other sources identified by this Board of
1 Supervisors. This Board of Supervisors proposes that such Bonds be issued for the purpose
2 of financing the costs of the facilities specified in Appendix I to be financed with available tax
3 increment allocated to the IFD with respect to Project Area I (Mission Rock) and the Sub-
4 Project Areas of Project Area I (Facilities), including acquisition and improvement costs and all
5 costs incidental to or connected with the accomplishment of said purposes and of the
6 financing thereof. The Bonds will be paid from property tax revenues allocated to the IFD
7 from Project Area I (Mission Rock) and all of the Sub-Project Areas of Project Area I.
8
9 This Board of Supervisors hereby declares that it reasonably expects to pay certain
10 costs of the Facilities prior to the date of issuance of the Bonds and to use a portion of the
11 proceeds of the Bonds for reimbursement of expenditures for the Facilities that are paid
12 before the date of issuance of the Bonds.

13 2. Estimated Cost. This Board of Supervisors hereby estimates that the cost of the
14 Facilities will be approximately $692,000,000 (2017 dollars), and that the estimated costs of
15 preparing and issuing each series of the Bonds (not including underwriter’s discount) will be
16 equal to approximately 2% of the principal amount of such series of Bonds. Prior to the
17 issuance of any Bonds authorized hereby, this Board of Supervisors will approve the payment
18 of the actual costs of preparing and issuing each series of Bonds, including the underwriter’s
19 discount.

20 3. Terms of Bonds. This Board of Supervisors intends to authorize the issuance
21 and sale of Bonds in one or more series in the maximum aggregate principal amount of not to
22 exceed $1,378,000,000; provided however, that such maximum aggregate principal amounts
23 do not include the principal amount of (i) any bonds issued for the sole purpose of refinancing
24 the Bonds, funding a reserve fund for such refunding bonds and paying related costs of
25 issuance and (ii) any bonds issued for the sole purpose of refunding such refunding bonds,
26 funding a reserve fund and paying related costs of issuance. The Bonds will bear interest
payable semi-annually or in such other manner as this Board of Supervisors shall determine,
at a rate not to exceed the maximum rate of interest as may be authorized by applicable law
at the time of sale of the Bonds. The maximum underwriter's discount for each series of the
Bonds (excluding original issue discount) shall be 2%. As permitted by Section 53397.71 of
the IFD Law, this Board of Supervisors may increase the maximum aggregate principal
amount described above by adopting a resolution and complying with the publication
requirements specified in the IFD Law.

4. Available Tax Revenues. This Board of Supervisors estimates, based on the
analysis set forth in Appendix I, that the incremental property tax revenues that will be
available to the IFD from Project Area I (Mission Rock) and the Sub-Project Areas of Project
Area I, collectively, are approximately $3,858,500,000. This Board of Supervisors hereby finds
that the amount necessary to pay principal of and interest on the Bonds is less than or equal
to the incremental property tax revenues that will be available to the IFD from Bonds.

5. Election. Pursuant to Section 53397.71 of the IFD Law, no election is required
prior to issuance of the Bonds.

6. Debt. This Board of Supervisors also proposes to incur debt (as defined in the
IFD Law) other than the Bonds as set forth in Appendix I, as Appendix I may be amended
from time to time. The limitations on Bonds set forth in this Resolution, including, but not
limited to, the respective maximum aggregate principal amounts specified in Section 3, shall
apply only to the Bonds and not to other debt (as defined in the IFD Law) payable from
available tax increment allocated to the IFD from Project Area I and the Sub-Project Areas of
Project Area I pursuant to Appendix I, including, without limitation, any bonds issued by the
City for and on behalf of a community facilities district related to the territory in Project Area I
and the Sub-Project Areas of Project Area I secured, in whole or in part, by available tax
increment allocated to the IFD with respect to Project Area I and the Sub-Project Areas of
Project Area I.

7. No Obligation. This Resolution shall in no way obligate this Board of Supervisors
to issue Bonds for the IFD with respect to Project Area I or any of the Sub-Project Areas of
Project Area I. Issuance of the Bonds shall be subject to the approval of this Board of
Supervisors.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By:
MARK D. BLAKE
Deputy City Attorney
Resolution of Intention to Issue Bonds for Project Area I of City and County of San Francisco Infrastructure Financing District No. 2. (Port of San Francisco).

November 15, 2017 Government Audit and Oversight Committee - AMENDED

November 15, 2017 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

November 28, 2017 Board of Supervisors - ADOPTED
   Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 11/28/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved
11/30/17