

1 [Resolution of Intention to Issue Bonds Related to Infrastructure and Revitalization Financing
2 District No. 1 (Treasure Island)]

3 **Resolution of intention to issue bonds for City and County of San Francisco**
4 **Infrastructure and Revitalization Financing District No. 1 (Treasure Island); and**
5 **determining other matters in connection therewith.**

6
7 WHEREAS, Naval Station Treasure Island (“NSTI”) is a former United States Navy
8 base located in the City and County of San Francisco (“City”) that consists of two islands
9 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of
10 Yerba Buena Island; and

11 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
12 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of
13 the Statutes of 1968, the California Legislature: (i) designated the Treasure Island
14 Development Authority, a California non-profit public benefit corporation (“TIDA”) as a
15 redevelopment agency under California redevelopment law with authority over NSTI upon
16 approval of the City’s Board of Supervisors, and (ii) with respect to those portions of NSTI
17 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public
18 trust for commerce, navigation and fisheries as to such property; and

19 WHEREAS, The Board of Supervisors approved the designation of TIDA as the
20 redevelopment agency for NSTI in 1997; and

21 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
22 TIDA as the redevelopment agency for Treasure Island under California Community
23 Redevelopment Law in Resolution No. 11-12; but such rescission did not affect TIDA’s status
24 as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of NSTI
25 subject to the Tidelands Trust, or any of the other powers or authority; and

1 WHEREAS, The United States of America, acting by and through the Department of
2 the Navy (“Navy”), and TIDA entered into an Economic Conveyance Memorandum of
3 Agreement (as amended and supplemented from time to time, the “Conveyance Agreement”)
4 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; under
5 the Conveyance Agreement, the Navy has and will convey NSTI to TIDA in phases after the
6 Navy has completed environmental remediation and issued a Finding of Suitability to Transfer
7 (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;
8 and

9 WHEREAS, Treasure Island Community Development, LLC (“Developer”) and TIDA
10 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba
11 Buena Island) dated June 28, 2011 (“DDA”), in Board File No. 110291, including a Financing
12 Plan (Treasure Island/Yerba Buena Island) (“Financing Plan”), which governs the disposition
13 and development of a portion of NSTI (“Project Site”) after the Navy’s transfer of NSTI to TIDA
14 in accordance with the Conveyance Agreement; and

15 WHEREAS, The DDA contemplates a project (“Project”) under which TIDA acquires
16 the Project Site from the Navy and conveys portions of the Project Site to Developer for the
17 purposes of: (i) alleviating blight in the Project Site through development of certain
18 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public
19 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and
20 improving certain public parks and open spaces, (v) remediating certain existing hazardous
21 substances, and (vi) selling and ground leasing lots to vertical developers who will construct
22 residential units and commercial and public facilities; and

23 WHEREAS, Developer and the City previously entered into a Development Agreement
24 related to the Project Site, in Board File No. 110226, to eliminate uncertainty in the City’s land
25 use planning for the Project Site and secure orderly development of the Project consistent

1 with the DDA and other applicable requirements, and the Financing Plan is also an exhibit to
2 the Development Agreement; and

3 WHEREAS, The Financing Plan identifies certain financial goals for the Project and the
4 contractual framework for cooperation between TIDA, the City, and Developer in achieving
5 those goals and implementing the Project; and,

6 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to
7 take all actions reasonably necessary for, and obligates Developer to cooperate reasonably
8 with the efforts of: (i) the City to form requested community facilities districts (each, a “CFD”;
9 together, the “CFDs”) and take related actions under the Mello-Roos Community Facilities Act
10 of 1982 (“Mello-Roos Act”) to pay for Qualified Project Costs, Ongoing Park Maintenance and
11 Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the City
12 to form requested infrastructure financing districts and take related actions under applicable
13 provisions of the Government Code of the State of California to pay for Qualified Project Costs
14 and (iii) the City to issue bonds and other debt for the CFDs and the infrastructure financing
15 districts and other public financing instruments described in the Financing Plan (defined in the
16 Financing Plan as “Public Financing”); and

17 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California,
18 commencing with Government Code Section 53369 (“IRFD Law”), this Board of Supervisors is
19 authorized to establish an infrastructure and revitalization financing district and to act as the
20 legislative body for an infrastructure and revitalization financing district; and

21 WHEREAS, Pursuant to IRFD Law Section 53369.5, an infrastructure and revitalization
22 financing district may be divided into project areas; and

23 WHEREAS, Pursuant to the Financing Plan and the IRFD Law, this Board of
24 Supervisors has adopted its “Resolution of intention to establish City and County of San
25 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and

1 project areas therein to finance the construction and/or acquisition of facilities on Treasure
2 Island and Yerba Buena Island; to provide for annexation; to call a public hearing on the
3 formation of the district and project areas therein and to provide public notice thereof; and
4 determining other matters in connection therewith” (“Resolution of Intention to Establish
5 IRFD”), stating its intention to form (i) the “City and County of San Francisco Infrastructure
6 and Revitalization Financing District No. 1 (Treasure Island)” (“IRFD”) pursuant to the IRFD
7 Law, (ii) “Project Area A of the City and County of San Francisco Infrastructure and
8 Revitalization Financing District No. 1 (Treasure Island)” (“Project Area A”) as a project area
9 within the IRFD, (iii) “Project Area B of the City and County of San Francisco Infrastructure
10 and Revitalization Financing District No. 1 (Treasure Island)” (“Project Area B”) as a project
11 area within the IRFD, (iv) “Project Area C of the City and County of San Francisco
12 Infrastructure and Revitalization Financing District No. 1 (Treasure Island)” (“Project Area C”),
13 (v) “Project Area D of the City and County of San Francisco Infrastructure and Revitalization
14 Financing District No. 1 (Treasure Island)” (“Project Area D”), (vi) “Project Area E of the City
15 and County of San Francisco Infrastructure and Revitalization Financing District No. 1
16 (Treasure Island)” (“Project Area E” and, together with Project Area A, Project Area B, Project
17 Area C and Project Area D, the “Initial Project Areas” and together with any future project
18 areas that may be established in the IRFD, the “Project Areas”) as a project area within the
19 IRFD, for the purpose of financing certain facilities (“Facilities”) as further provided in the
20 Resolution of Intention to Establish IRFD; and

21 WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors
22 declared its intent to provide for future annexations of property on Yerba Buena Island and
23 Treasure Island into the IRFD any time after formation of the IRFD, but only if the Board of
24 Supervisors has completed the procedures set forth in the Infrastructure Financing Plan,
25 which shall be based on the following: (i) this Board of Supervisors adopts a resolution of

1 intention to annex property (the “annexation territory”) into the IRFD and describes whether
2 the annexation territory will be included in one of the then-existing Project Areas or in a new
3 Project Area and to issue bonds, (ii) the resolution of intention is mailed to each owner of land
4 in the annexation territory and each affected taxing entity in the annexation territory, in
5 substantial compliance with IRFD Law Sections 53369.11 and 53369.12, (iii) this Board of
6 Supervisors designates TIDA to prepare an amendment to the Infrastructure Financing Plan, if
7 necessary, and the designated official prepares any such amendment, in substantial
8 compliance with IRFD Law Sections 53369.13 and 53369.14, (iv) any amendment to the
9 Infrastructure Financing Plan is sent to each owner of land and each affected taxing entity (if
10 any) within the annexation territory, in substantial compliance with IRFD Law Sections
11 53369.15 and 53369.16, (v) this Board of Supervisors notices and holds a public hearing on
12 the proposed annexation, in substantial compliance with IRFD Law Sections 53369.17 and
13 53369.18, (vi) this Board of Supervisors adopts a resolution proposing the adoption of any
14 amendment to the Infrastructure Financing Plan and annexation of the annexation territory to
15 the IRFD, and submits the proposed annexation to the qualified electors in the annexation
16 territory, in substantial compliance with IRFD Law Sections 53369.20-53369.22, with the ballot
17 measure to include the question of the proposed annexation of the annexation territory into
18 the IRFD, approval of the appropriations limit for the IRFD and approval of the issuance of
19 bonds and other debt for the IRFD, and (vii) after canvass of returns of any election, and if
20 two-thirds of the votes cast upon the question are in favor of the ballot measure, this Board
21 may, by ordinance, adopt the amendment to the Infrastructure Financing Plan, if any, and
22 approve the annexation of the annexation territory to the IRFD, in substantial compliance with
23 IRFD Law Section 53369.23; and

24 WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors
25 made certain findings under the California Environmental Quality Act (“CEQA”) about the Final

1 Environmental Impact Report (“FEIR”) for the disposition and development of a portion of
2 Naval Station Treasure Island, and those findings are incorporated in this Resolution as if set
3 forth in their entirety herein; and

4 WHEREAS, In addition, this Board of Supervisors has adopted its “Resolution
5 authorizing and directing the Director of the Office of Public Finance, or designee of the
6 Director of the Office of Public Finance, to prepare an infrastructure financing plan for the City
7 and County of San Francisco Infrastructure and Revitalization Financing District No. 1
8 (Treasure Island) and project areas therein; and determining other matters in connection
9 therewith,” ordering preparation of an infrastructure financing plan for the IRFD and the
10 Project Areas (the “Infrastructure Financing Plan”) consistent with the requirements of the
11 IRFD Law; and

12 WHEREAS, The Infrastructure Financing Plan includes a list of Facilities to be financed
13 by the IRFD and the Project Areas; and

14 WHEREAS, Pursuant to IRFD Law Section 53369.40, the Board of Supervisors may,
15 by majority vote, initiate proceedings to issue bonds pursuant to the IRFD Law by adopting a
16 resolution stating its intent to issue the bonds, and pursuant to IRFD Law Section 53369.14,
17 the Infrastructure Financing Plan must contain a detailed description of any intention to incur
18 debt for financing facilities for the IRFD; and

19 WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally
20 that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are
21 used for reimbursement of expenditures made prior to the date of issuance of such debt
22 unless certain procedures are followed, one of which is a requirement that (with certain
23 exceptions), prior to the payment of any such expenditure, the issuer declares an intention to
24 reimburse such expenditure; and

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

3 RESOLVED, That the Board of Supervisors proposes issuing one or more series of
4 bonds or other debt ("Bonds") for the purpose of financing the costs of the Facilities, including
5 acquisition and improvement costs and all costs incidental to or connected with the
6 accomplishment of said purposes and of the financing thereof; and, be it

7 FURTHER RESOLVED, The Board of Supervisors hereby declares that it reasonably
8 expects (i) to pay certain costs of the Facilities prior to the date of issuance of the Bonds and
9 (ii) to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the
10 Facilities that are paid before the date of issuance of the Bonds; and, be it

11 FURTHER RESOLVED, That the Bonds will be paid from property tax revenues
12 allocated to the IRFD, including all of the Initial Project Areas; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors hereby estimates that the cost
14 of the Facilities will be \$3.12 billion (in 2016 dollars), and that the estimated costs of preparing
15 and issuing the Bonds will be equal to up to 10.0% of the par amount of the Bonds; and, be it

16 FURTHER RESOLVED, That this Board of Supervisors intends to authorize the
17 issuance and sale of the Bonds in one or more series for the IRFD in the maximum aggregate
18 principal amount of (i) \$780 million plus (ii) the principal amount of Bonds approved by this
19 Board of Supervisors and the qualified electors of the annexation territory in connection with
20 the annexation of the annexation territory to the IRFD, so long as the Board makes the finding
21 specified in IRFD Law Section 53369.41(f), and the Bonds shall bear interest payable semi-
22 annually or in such other manner as this Board of Supervisors shall determine, at a rate not to
23 exceed the maximum rate of interest as may be authorized by applicable law at the time of
24 sale of the Bonds, and the maximum underwriter's discount of the Bonds shall be 2.0% of the
25 par amount of the Bonds; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors estimates, based on the
2 analysis set forth in the Infrastructure Financing Plan with respect to the Initial Project Areas,
3 that the incremental property tax revenues that are expected to be available to the IRFD from
4 the Initial Project Areas to pay principal of and interest on the Bonds is \$1.08 billion, and in
5 accordance with IRFD Law Section 53369.41(f), the Board of Supervisors hereby finds that
6 the amount necessary to pay principal of and interest on the initial maximum principal amount
7 of Bonds specified in clause (i) of the preceding paragraph is less than or equal to the
8 incremental property tax revenues that are expected to be available to the IRFD from the
9 Initial Project Areas to pay principal of and interest on the Bonds; and be it

10 FURTHER RESOLVED, That the Board of Supervisors will call a special landowner
11 election for January 24, 2017, to consider the proposed authorization to issue Bonds; and, be
12 it

13 FURTHER RESOLVED, The election will be consolidated with the election on the issue
14 of the proposed formation of the IRFD and the Initial Project Areas and approval of the
15 proposed Infrastructure Financing Plan and appropriations limit for each of the Initial Project
16 Areas to be held on January 24, 2017; and, be it

17 FURTHER RESOLVED, The Director of Elections is hereby designated as the official
18 to conduct the election in the IRFD and to receive all ballots until 3:00 p.m. on January 24,
19 2017, and pursuant to IRFD Law Section 53369.20, the election shall be conducted by
20 personal service or mail-delivered ballot; and, be it

21 FURTHER RESOLVED, That all references in this Resolution to Bonds shall be
22 deemed to include a reference to debt (as defined in the IRFD Law), to the extent applicable;
23 and, be it

24 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
25 Supervisors to propose establishment of the IRFD or the Project Areas or to authorize the

1 issuance of bonds for the IRFD, and the authorization to issue bonds shall be subject to the
2 approval of this Board of Supervisors by resolution following the elections of the qualified
3 electors described above; and, be it

4 FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall publish this
5 resolution once a day for at least seven successive days in a newspaper published in the City
6 and County of San Francisco at least six days a week, or at least once a week for two
7 successive weeks in a newspaper published in the City and County of San Francisco less
8 than six days a week, and if there are no newspapers meeting the foregoing criteria, this
9 resolution shall be posted in three public places within the territory of the IRFD and the Project
10 Areas for two succeeding weeks; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
12 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution
13 and incorporates the FEIR and the CEQA findings contained in Board of Supervisors
14 Resolution No. 246-11 by this reference; and, be it

15 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
16 word of this resolution, or any application thereof to any person or circumstance, is held to be
17 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
18 shall not affect the validity of the remaining portions or applications of this resolution, this
19 Board of Supervisors hereby declaring that it would have passed this resolution and each and
20 every section, subsection, sentence, clause, phrase, and word not declared invalid or
21 unconstitutional without regard to whether any other portion of this resolution or application
22 thereof would be subsequently declared invalid or unconstitutional; and, be it

1 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
2 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
3 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
4 things and take any and all actions, including execution and delivery of any and all
5 documents, assignments, certificates, requisitions, agreements, notices, consents,
6 instruments of conveyance, warrants and documents, which they, or any of them, may deem
7 necessary or advisable in order to effectuate the purposes of this Resolution; provided
8 however that any such actions be solely intended to further the purposes of this Resolution,
9 and are subject in all respects to the terms of the Resolution; and, be it

10 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
11 consistent with any documents presented herein, and heretofore taken are hereby ratified,
12 approved and confirmed by this Board of Supervisors; and, be it

13 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.
14

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

17
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19 By: _____

20 MARK D. BLAKE
Deputy City Attorney

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City and County of San Francisco
Tails
Resolution

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

File Number: 161037

Date Passed: December 06, 2016

Resolution of intention to issue bonds for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island); and determining other matters in connection therewith.

October 19, 2016 Budget and Finance Committee - RECOMMENDED

October 25, 2016 Board of Supervisors - CONTINUED

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

November 15, 2016 Board of Supervisors - CONTINUED

Ayes: 9 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin and Tang
Excused: 2 - Wiener and Yee

December 06, 2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

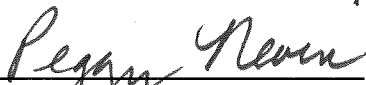
Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

December 06, 2016 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

File No. 161037

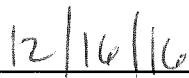
I hereby certify that the foregoing
Resolution was ADOPTED AS AMENDED
on 12/6/2016 by the Board of Supervisors
of the City and County of San Francisco.



for Angela Galvillo
Clerk of the Board



Mayor



Date Approved