

1 [Authorizing Issuance of Bonds - Port Infrastructure Financing District - Pier 70 (Historic Core)
2 - Not to Exceed \$25,100,000]

3 **Resolution approving issuance of bonds in an amount not to exceed \$25,100,000 for**
4 **City and County of San Francisco Infrastructure Financing District No. 2 (Port of San**
5 **Francisco) with respect to Sub-Project Area G-1 (Pier 70 - Historic Core); approving an**
6 **Indenture of Trust and a Pledge Agreement; and approving other matters in connection**
7 **therewith.**

8
9 WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San
10 Francisco Charter, Sections 4.114 and B3.581, empower the City and County of San
11 Francisco (City), acting through the Port Commission, to use, conduct, operate, maintain,
12 manage, regulate and control the lands within Port Commission jurisdiction; and

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

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

18 WHEREAS, By Resolution No. 110-12, which the Board of Supervisors adopted on
19 March 27, 2012, and the Mayor approved on April 5, 2012, (Initial Resolution of Intention to
20 Establish IFD), the City declared its intention to establish a waterfront district to be known as
21 “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San
22 Francisco)” (IFD), and designated initial proposed project areas within the IFD, including
23 Project Area G (Pier 70); and

24 WHEREAS, By Resolution No. 227-12, which the Board of Supervisors adopted on
25 June 12, 2012 and the Mayor approved on June 20, 2012 (First Amending Resolution), the

1 City amended the Initial Resolution of Intention to Establish IFD to propose, among other
2 things, an amended list of project areas; and

3 WHEREAS, By Resolution No. 421-15, which the Board of Supervisors adopted on
4 November 17, 2015, and the Mayor approved on November 25, 2015, (Second Amending
5 Resolution), the City amended the Initial Resolution of Intention to Establish IFD as amended
6 by the First Amending Resolution to designate Sub-Project Area G-1 (Pier 70-Historic Core)
7 (Sub-Project Area G-1) (the Initial Resolution of Intention to Establish IFD, as amended by the
8 First Amending Resolution and the Second Amending Resolution, Resolution of Intention to
9 Establish IFD); and

10 WHEREAS, Pursuant to the Resolution of Intention to Establish IFD, the Board of
11 Supervisors directed the Executive Director of the Port (Executive Director) to prepare an
12 infrastructure financing plan for the IFD (Infrastructure Financing Plan), including an Appendix
13 G-1 relating to Sub-Project Area G-1, consistent with the requirements of the IFD Law; and

14 WHEREAS, By Resolution No. 416-15, which the Board of Supervisors adopted on
15 November 3, 2015, and the Mayor approved on November 10, 2015, (Resolution of Intention
16 to Issue Bonds), the City declared its intention to issue one or more series of bonds payable
17 from and secured by a pledge of available tax increment allocated to the IFD with respect to
18 Sub-Project Area G-1 and other sources identified by the Board of Supervisors for the
19 purpose of financing the costs of the facilities specified in Appendix G-1 (Facilities), including
20 acquisition and improvement costs and all costs incidental to or connected with the
21 accomplishment of said purposes and of the financing thereof; and

22 WHEREAS, The Clerk of the Board of Supervisors has caused to be published the
23 Resolution of Intention to Issue Bonds in the manner required by the IFD Law; and

24 WHEREAS, On January 26, 2016, the Board of Supervisors held a public hearing on
25 the Infrastructure Financing Plan, including Appendix G-1; and

1 WHEREAS, On the date hereof, the Board of Supervisors, by Ordinance No. _____,
2 among other things, declared the IFD, including Sub-Project Area G-1 (Pier 70 - Historic
3 Core), to be fully formed and established with full force and effect of law, and approved the
4 Infrastructure Financing Plan, including Appendix G-1, subject to amendment as permitted by
5 the IFD Law; and

6 WHEREAS, The Board of Supervisors now wishes to provide for the issuance of the
7 bonds to finance the Facilities; and

8 WHEREAS, There has been presented to this meeting a form of Indenture of Trust
9 (Indenture), by and between the IFD with respect to Sub-Project Area G-1 (Pier 70 - Historic
10 Core), and a corporate trustee to be identified in the future by the Director of the Office of
11 Public Finance, that provides, among other things, for the issuance and administration of any
12 bonds issued for the IFD; and

13 WHEREAS, There has been presented to this meeting a form of Pledge Agreement
14 (Pledge Agreement), by and between the IFD with respect to Sub-Project Area G-1 (Pier 70 -
15 Historic Core), and a corporate trustee to be identified in the future by the Director of the
16 Office of Public Finance, that provides, among other things, for the pledge of tax increment
17 revenues allocated to the IFD with respect to Sub-Project Area G-1 to bonds issued for a
18 community facilities district that is formed by the Board of Supervisors to finance the Facilities;
19 and

20 WHEREAS, All conditions, things and acts required to exist, to have happened and to
21 have been performed precedent to and in the issuance of the bonds as contemplated by this
22 resolution, have happened and have been performed in due time, form and manner as
23 required by the laws of the State of California, including the IFD Law; now, therefore, be it

24 RESOLVED, That the foregoing recitals are true and correct; and, be it
25

1 FURTHER RESOLVED, That pursuant to the IFD Law and this resolution, (i) bonds
2 designated the “City and County of San Francisco Infrastructure Financing District No. 2 (Port
3 of San Francisco) Sub-Project Area G-1 (Pier 70 - Historic Core) Tax Increment Revenue
4 Bonds” (Bonds) in an aggregate principal amount not to exceed Twenty-Five Million One
5 Hundred Thousand Dollars (\$25,100,000) are hereby authorized to be issued in or more
6 series, with a series designation (such as “Series 20__ A”) to be appended to the designation
7 of the Bonds, provided however, the maximum aggregate principal amount does not include
8 the principal amount of (A) any bonds issued for the sole purpose of refinancing the Bonds,
9 funding a reserve fund for such refunding bonds and paying related costs of issuance and
10 (B) any bonds issued for the sole purpose of refunding such refunding bonds, funding a
11 reserve fund and paying related costs of issuance, (ii) the Board of Supervisors may increase
12 the maximum aggregate principal amount described above by adopting a resolution and
13 complying with the publication requirements specified in the IFD Law, (iii) the Bonds may be
14 issued by the Board of Supervisors for and on behalf of the IFD with respect to Sub-Project
15 Area G-1 and they may be issued by the Board of Supervisors for and on behalf of a
16 community facilities district related to the territory in Sub-Project Area G-1, as determined by
17 the Board of Supervisors in connection with its approval of the issuance of a series of Bonds;
18 and, be it

19 FURTHER RESOLVED, That the terms of the Bonds shall be as follows: (i) each Bond
20 shall be dated its date of issuance, (ii) the maturity date of each Bond shall be a date not to
21 exceed 30 years from the date of its issuance or such later date as is permitted by the IFD
22 Law and approved by the Director of the Office of Public Finance, (iii) the Bonds shall be
23 issued in denominations of \$5,000 or any integral multiple of \$5,000, (iv) the form of the
24 Bonds shall be substantially the form attached hereto as Appendix A, (v) the Bonds shall be
25 executed by the Mayor or his designee, (vi) the principal of and interest on the Bonds shall be

1 payable in lawful money of the United States of America, (vii) the Bonds shall be registered
2 with the trustee or fiscal agent for the Bonds identified by the Director of the Office of Public
3 Finance and shall be payable at the principal office of or by check or wire of the trustee or
4 fiscal agent for the Bonds and (viii) the Bonds shall be subject to redemption prior to maturity
5 at the times and subject to the premiums approved by the Director of the Office of Public
6 Finance; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors hereby approves the sale of
8 one or more series of Bonds, provided, however, that the Bonds shall not be issued until such
9 time as (i) the Board of Supervisors has approved the terms of the sale to the investor(s) and
10 (ii) an Authorized Officer has caused the legal documents relating to the Bonds and any
11 related disclosure document describing the Bonds and the security for the Bonds to be
12 prepared and caused such documents to be submitted to the Board of Supervisors for its
13 approval; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form of
15 the Indenture in substantially the form on file with the Clerk of the Board of Supervisors; and,
16 be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and directs
18 (i) each of the Mayor, the Controller, and the Director of the Office of Public Finance, or such
19 other official of the City as may be designated by such officials (each, an "Authorized Officer"),
20 to execute and deliver, and the Clerk of the Board of Supervisors is hereby authorized and
21 directed to attest to, the Indenture in substantially the form on file with the Clerk of the Board
22 of Supervisors, together with such additions or changes as are approved by such Authorized
23 Officer upon consultation with the City Attorney and bond counsel, including such additions or
24 changes as are necessary or advisable to permit the timely issuance, sale and delivery of the
25 Bonds and the approval of such additions or changes shall be conclusively evidenced by the

1 execution and delivery by an Authorized Officer of the Indenture (or one or more supplements
2 thereto), and (ii) the Authorized Officers to name a trustee for the Bonds; and, be it

3 FURTHER RESOLVED, That (i) the Board of Supervisors hereby approves the form of
4 the Pledge Agreement in substantially the form on file with the Clerk of the Board of
5 Supervisors, (ii) each Authorized Officer is hereby authorized and directed to execute and
6 deliver, and the Clerk of the Board of Supervisors is hereby authorized and directed to attest
7 to, the Pledge Agreement in substantially the form on file with the Clerk of the Board of
8 Supervisors, together with such additions or changes as are approved by such Authorized
9 Officer upon consultation with the City Attorney and the City's bond counsel, including such
10 additions or changes as are necessary or advisable to permit the timely issuance, sale and
11 delivery of the Bonds and the approval of such additions or changes shall be conclusively
12 evidenced by the execution and delivery by an Authorized Officer of the Pledge Agreement (or
13 one or more supplements thereto), and (iii) the terms and provisions of the Pledge
14 Agreement, as executed, are incorporated herein by this reference as if fully set forth herein;
15 and, be it

16 FURTHER RESOLVED, That (i) the Board of Supervisors approves the issuance of
17 debt (as defined in the IFD Law) other than the Bonds as set forth in Appendix G-1, as
18 Appendix G-1 may be amended from time to time, and (ii) the limitations on Bonds set forth in
19 this Resolution, including, but not limited to, the maximum aggregate principal amount
20 specified above, shall apply only to the Bonds and not to other debt (as defined in the IFD
21 Law) payable from available tax increment allocated to the IFD with respect to Sub-Project
22 Area G-1 pursuant to Appendix G-1; and, be it

23 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
24 the City (including, but not limited to, the Mayor, the Controller, the Director of the Office of
25 Public Finance, the City Attorney, the Executive Director or such other official of the City as

1 may be designated by such officer (each, an “Authorized City Officer”)) with respect to the
2 establishment of the IFD, including Sub-Project Area G-1 (Pier 70 - Historic Core), and the
3 sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the
4 appropriate officers of the City are hereby authorized and directed to do any and all things and
5 take any and all actions and execute any and all certificates, agreements and other
6 documents, which they, or any of them, may deem necessary or advisable in order to
7 consummate the transactions described in this Resolution. All actions to be taken by an
8 Authorized City Officer, as defined herein, may be taken by such Authorized City Officer or
9 any designee, with the same force and effect as if taken by the Authorized City Officer; and,
10 be it

11 FURTHER RESOLVED, That the Director of the Office of Public Finance and the City
12 Attorney, in consultation with bond counsel, are hereby authorized and directed to initiate a
13 judicial validation action with respect to the IFD, Sub-Project Area G-1 (Pier 70- Historic
14 Core), the Indenture, the Pledge Agreement and the Bonds pursuant to Code of Civil
15 Procedure Section 860 et seq.; and, be it

16 FURTHER RESOLVED, That this resolution shall take effect from and after its adoption
17 and the provisions of any previous resolutions in any way inconsistent with the provisions
18 hereof in and for the issuance of the Bonds as herein described are hereby repealed.
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1 APPROVED AS TO FORM:

2 DENNIS J. HERRERA
3 City Attorney

4
5 By: _____
6 MARK D. BLAKE
7 Deputy City Attorney

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APPENDIX A
FORM OF BOND

No. ____

\$_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure Financing District No. 2
(Port of San Francisco)
Sub-Project Area G-1 (Pier 70 - Historic Core)
Tax Increment Revenue Bond, Series _____

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

____ 1, _____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*****DOLLARS

City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) (the "IFD") with respect to Sub-Project Area G-1 (Pier 70 - Historic Core), for value received, hereby promises to pay solely from the Tax Revenues (as hereinafter defined) to be received by the IFD or amounts in certain funds and accounts held under the Indenture of Trust (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount, semiannually on each September 1 and March 1 (each an "Interest Payment Date"), commencing as set forth in the Indenture of Trust, at the interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest

1 from the Interest Payment Date to which interest has previously been paid or made available
2 for payment.

3 Principal of and interest on the Bonds (including the final interest payment upon
4 maturity or earlier redemption), is payable on the applicable Interest Payment Date by check
5 of the Trustee (defined below) mailed by first class mail to the registered Owner thereof at
6 such registered Owner's address as it appears on the registration books maintained by the
7 Trustee at the close of business on the Record Date preceding the Interest Payment Date, or
8 by wire transfer made on such Interest Payment Date upon written instructions of any Owner
9 of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Trustee prior
10 to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are
11 payable in lawful money of the United States of America upon surrender of the Bonds at the
12 Principal Office of the Trustee or such other place as designated by the Trustee.

13 This Bond is one of a duly authorized issue of bonds in the aggregate principal amount
14 of \$_____ approved by resolution of the Board of Supervisors of the City on ____, 20__
15 (the "Resolution"), under California Government Code Section 53395 et seq. (the "IFD Law")
16 for the purpose of funding certain facilities for the IFD, and is one of the series of bonds
17 designated "City and County of San Francisco Infrastructure Financing District No. 2 (Port of
18 San Francisco) Sub-Project Area G-1 (Pier 70 - Historic Core) Tax Increment Revenue
19 Bonds, Series _____" (the "Bonds"). The issuance of the Bonds and the terms and conditions
20 thereof are provided for by an Indenture of Trust, dated as of _____ 1, 20__ (the "Indenture of
21 Trust"), between the IFD and the _____ (the "Trustee") and this reference incorporates
22 the Indenture of Trust herein, and by acceptance hereof the owner of this Bond assents to
23 said terms and conditions. The Indenture of Trust is authorized under, this Bond is issued
24 under and both are to be construed in accordance with, the laws of the State of California.

1 Pursuant to the IFD Law, the Resolution and the Indenture of Trust, the principal of and
2 interest on this Bond are payable solely from certain funds held under the Indenture of Trust
3 and the "Tax Revenues," as defined in the Indenture of Trust. Any revenues for the payment
4 hereof shall be limited to the Tax Revenues, except to the extent that provision for payment
5 has been made by the City, as may be permitted by law.

6 The Bonds are not a debt of the City or the State of California or of any of its political
7 subdivisions, other than the IFD to the limited extent described herein, and none of those
8 entities, other than the IFD to the limited extent described herein, shall be liable on the Bonds,
9 and the Bonds shall be payable exclusively from the Tax Revenues and the specified funds
10 held under the Indenture of Trust. The Bonds do not constitute an indebtedness within the
11 meaning of any constitutional or statutory debt limitation.

12 Optional Redemption. All of the Bonds are subject to redemption prior to their stated
13 maturities, on any Interest Payment Date, in whole or in part, at a redemption price
14 (expressed as a percentage of the principal amount of the Bonds to be redeemed) as set forth
15 below, together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
[to come]	

18 Mandatory Sinking Fund Redemption. The Term Bond maturing on _____ 1, ____ is
19 subject to mandatory redemption in part by lot, from sinking fund payments made by the IFD
20 from the Bond Fund, at a redemption price equal to the principal amount thereof to be
21 redeemed, without premium, in the aggregate respective principal amounts all as set forth in
22 the following table:

Sinking Fund Redemption Date <u>(_____ 1)</u>	Principal Amount <u>Subject to Redemption</u>
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1 Provided, however, if some but not all of the Term Bonds of a given maturity have been
2 redeemed as a result of an optional redemption or a mandatory redemption, the total amount
3 of all future Sinking Fund Payments relating to such maturity shall be reduced by the
4 aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated
5 among such Sinking Fund Payments on a pro rata basis in integral multiples of \$5,000 as
6 determined by the Trustee, notice of which determination shall be given by the Trustee to the
7 City.

8 Notice of redemption with respect to the Bonds to be redeemed shall be given to the
9 registered owners thereof, in the manner, to the extent and subject to the provisions of the
10 Indenture of Trust.

11 This Bond shall be registered in the name of the owner hereof, as to both principal and
12 interest. Each registration and transfer of registration of this Bond shall be entered by the
13 Trustee in books kept by it for this purpose and authenticated by its manual signature upon
14 the certificate of authentication endorsed hereon.

15 No transfer or exchange hereof shall be valid for any purpose unless made by the
16 registered owner, by execution of the form of assignment endorsed hereon, and authenticated
17 as herein provided, and the principal hereof, interest hereon and any redemption premium
18 shall be payable only to the registered owner or to such owner's order. The Trustee shall
19 require the registered owner requesting transfer or exchange to pay any tax or other
20 governmental charge required to be paid with respect to such transfer or exchange. No
21 transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date
22 established by the Trustee for selection of Bonds for redemption or (ii) with respect to a Bond
23 after such Bond has been selected for redemption.

1 The Indenture of Trust and the rights and obligations of the IFD thereunder may be
2 modified or amended as set forth therein. The principal of the Bonds is not subject to
3 acceleration upon a default under the Indenture of Trust or any other document.

4 This Bond shall not become valid or obligatory for any purpose until the certificate of
5 authentication and registration hereon endorsed shall have been dated and signed by the
6 Trustee.

7 IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the IFD that all acts,
8 conditions and things required by law to exist, happen and be performed precedent to and in
9 the issuance of this Bond have existed, happened and been performed in due time, form and
10 manner as required by law, and that the amount of this Bond, together with all other
11 indebtedness of the IFD, does not exceed any debt limit prescribed by the laws or Constitution
12 of the State of California.

13 Unless this Bond is presented by an authorized representative of The Depository Trust
14 Company, a New York corporation (“DTC”), to the Trustee for registration of transfer,
15 exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in
16 such other name as is requested by an authorized representative of DTC (and any payment is
17 made to Cede & Co. or to such other entity as is requested by an authorized representative of
18 DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR
19 OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner
20 hereof, Cede & Co., has an interest herein.

1 IN WITNESS WHEREOF, City and County of San Francisco Infrastructure Financing
2 District No. 2 (Port of San Francisco), with respect to Sub-Project Area G-1 (Pier 70 - Historic
3 Core), has caused this Bond to be to be signed by the facsimile signature of the _____
4 and countersigned by the facsimile signature of the Clerk of the Board of Supervisors with the
5 seal of the City imprinted hereon.

6
7 [S E A L]

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10 _____
11 Clerk of the Board of Supervisors

_____ [to come]

12
13 [FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

14
15 This is one of the Bonds described in the Indenture of Trust which has been
16 authenticated on _____, _____.

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18 _____,
19 *as Trustee*

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21 By: _____
22 Authorized Signatory

FORM OF ASSIGNMENT

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For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____
_____, attorney, to transfer the same on the registration books of the Trustee,
with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made
by a guarantor institution participating in the
Securities Transfer Agents Medallion Program
or in such other guarantee program
acceptable to the Trustee.

NOTICE: The signature on this assignment
must correspond with the name(s) as written
on the face of the within Bond in every
particular without alteration or enlargement or
any change whatsoever.