

1 [Redevelopment Agency Budget]

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3 **Resolution approving an amendment to the Budget of the Redevelopment Agency**
4 **of the City and County of San Francisco for Fiscal Year 2002-2003 by increasing**
5 **the Agency's expenditure authority in an amount not to exceed \$43,100,000;**
6 **authorizing the Agency's issuance of Tax Allocation Bonds, in one or more series,**
7 **each in either Variable Rate or Fixed Rate Mode, in an amount not to exceed**
8 **\$43,100,000; authorizing the Agency's receipt of additional Tax Increment**
9 **necessary to repay the principal and interest on said bonds; and approving a**
10 **Cooperation and Tax Increment Reimbursement Agreement with the Agency with**
11 **respect to the Yerba Buena Center Redevelopment Project Area.**

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13 WHEREAS, the Redevelopment Agency of the City and County of San Francisco
14 (the "Agency") is implementing various Redevelopment Plans and programs in the City
15 and County of San Francisco (the "City") in accordance with the California Community
16 Redevelopment Law (the "CRL"); and

17 WHEREAS, Section 33606 of the CRL requires the legislative body of the
18 Agency (the "Board of Supervisors"), to approve the Agency's annual Budget, and any
19 amendment to the Agency's Budget; and

20 WHEREAS, the Board of Supervisors approved the Agency's budget for the
21 fiscal year 2002-2003 by the adoption of Resolution No. 491-02; and

22 WHEREAS, the Agency by Resolution Nos.185-2002 through 192-2002,
23 inclusive ("Agency Authorizations"), has authorized several actions concerning the
24 development of open space, cultural and parking facilities on Central Block-1 (located
25 on the block bounded by Mission and Market Streets and Third and Fourth Streets), in

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

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

13 WHEREAS, the Agency wishes to amend its Budget for the fiscal year 2002-
14 2003 to increase the expenditure authority of the Agency by an amount not to exceed
15 \$43,100,000 to enable the Agency to construct or cause the construction of the Jessie
16 Square Improvements; and

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

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

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

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

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

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1 NOW, THEREFORE BE IT RESOLVED, by the Board of Supervisors of the City
2 and County of San Francisco that it has reviewed and considered in Agency Resolution
3 No. 185-2002 and the Agency's environmental review memorandum dated October 17,
4 2002, and incorporates by reference the Agency 's environmental review findings as
5 though fully set forth herein; and

6 BE IT FURTHER RESOLVED that the Board of Supervisors that it does hereby
7 approve the following:

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

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

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9 APPROVED AS TO FORM:

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12 DENNIS J. HERRERA, City Attorney

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15 By: _____

16 Donnell Choy

17 Deputy City Attorney

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