

1 [Resolution of Intention to Issue Bonds - Not To Exceed \$273,900,000 for Sub-Project Area  
2 G-2, \$196,100,000 for Sub-Project Area G-3, and \$323,300,000 for Sub-Project Area G-4 -  
3 Infrastructure Financing District No. 2 (Port of San Francisco)]

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4 **Resolution of Intention to issue bonds in an amount not to exceed \$273,900,000 for**  
5 **Sub-Project Area G-2, \$196,100,000 for Sub-Project Area G-3, and \$323,300,000 for Sub-**  
6 **Project Area G-4, for the City and County of San Francisco Infrastructure Financing**  
7 **District No. 2 (Port of San Francisco).**

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 Francisco  
11 (City), acting through the San Francisco Port Commission, to use, conduct, operate, maintain,  
12 manage, regulate and control the lands within Port Commission jurisdiction; and,

13 WHEREAS, Under Government Code Section 53395 et seq. (IFD Law), this Board of  
14 Supervisors is authorized to establish an infrastructure financing district and to act as the  
15 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, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of  
19 Intention to Establish IFD), this Board of Supervisors declared its intention to establish a  
20 waterfront district to be known as “City and County of San Francisco Infrastructure Financing  
21 District No. 2 (Port of San Francisco)” (IFD), and designated initial proposed project areas  
22 within the IFD, including Project Area G (Pier 70); and,

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

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

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

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

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

17           WHEREAS, On \_\_\_\_\_, 2017, by Resolution No. \_\_\_\_\_, this Board of Supervisors  
18 declared its intention to establish Sub-Project Area G-2 (Pier 70 - Waterfront Site), Sub-  
19 Project Area G-3 (Pier 70 - Waterfront Site) and Sub-Project Area G-4 (Pier 70 - Waterfront  
20 Site), each a Pier 70 district and a sub-project area within Project Area G (Pier 70); and,

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

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

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

6           RESOLVED, By the Board of Supervisors as follows:

7           1.       Purposes of Bonds. This Board of Supervisors proposes that the IFD issue one  
8 or more series of bonds of the IFD payable from and secured by a pledge of available tax  
9 increment allocated to the IFD with respect to Sub-Project Area G-2 (Pier 70 - Waterfront Site)  
10 (Sub-Project Area G-2 Bonds) and other sources identified by this Board of Supervisors for  
11 the purpose of financing the costs of the facilities specified in Appendix G-2 (Sub-Project Area  
12 G-2 Facilities), including acquisition and improvement costs and all costs incidental to or  
13 connected with the accomplishment of said purposes and of the financing thereof. This Board  
14 of Supervisors further proposes that the IFD issue one or more series of bonds of the IFD  
15 payable from and secured by a pledge of available tax increment allocated to the IFD with  
16 respect to Sub-Project Area G-3 (Pier 70 - Waterfront Site) (Sub-Project Area G-3 Bonds) and  
17 other sources identified by this Board of Supervisors for the purpose of financing the costs of  
18 the facilities specified in Appendix G-3 (Sub-Project Area G-3 Facilities), including acquisition  
19 and improvement costs and all costs incidental to or connected with the accomplishment of  
20 said purposes and of the financing thereof. This Board of Supervisors further proposes that  
21 the IFD issue one or more series of bonds of the IFD payable from and secured by a pledge  
22 of available tax increment allocated to the IFD with respect to Sub-Project Area G-4 (Pier 70 -  
23 Waterfront Site) (Sub-Project Area G-4 Bonds, and together with the Sub-Project Area G-2  
24 Bonds and the Sub-Project Area G-3 Bonds, the Bonds) and other sources identified by this  
25 Board of Supervisors for the purpose of financing the costs of the facilities specified in

1 Appendix G-4 (Sub-Project Area G-4 Facilities), including acquisition and improvement costs  
2 and all costs incidental to or connected with the accomplishment of said purposes and of the  
3 financing thereof.

4 This Board of Supervisors hereby declares that it reasonably expects (i) to pay certain  
5 costs of the Sub-Project Area G-2 Facilities prior to the date of issuance of the Sub-Project  
6 Area G-2 Bonds and (ii) to use a portion of the proceeds of the Sub-Project Area G-2 Bonds  
7 for reimbursement of expenditures for the Sub-Project Area G-2 Facilities that are paid before  
8 the date of issuance of the Sub-Project Area G-2 Bonds. This Board of Supervisors hereby  
9 further declares that it reasonably expects (i) to pay certain costs of the Sub-Project Area G-3  
10 Facilities prior to the date of issuance of the Sub-Project Area G-3 Bonds and (ii) to use a  
11 portion of the proceeds of the Sub-Project Area G-3 Bonds for reimbursement of expenditures  
12 for the Sub-Project Area G-3 Facilities that are paid before the date of issuance of the Sub-  
13 Project Area G-3 Bonds. This Board of Supervisors hereby further declares that it reasonably  
14 expects (i) to pay certain costs of the Sub-Project Area G-4 Facilities prior to the date of  
15 issuance of the Sub-Project Area G-4 Bonds and (ii) to use a portion of the proceeds of the  
16 Sub-Project Area G-4 Bonds for reimbursement of expenditures for the Sub-Project Area G-4  
17 Facilities that are paid before the date of issuance of the Sub-Project Area G-4 Bonds.

18 2. Estimated Cost. This Board of Supervisors hereby estimates that the cost of the  
19 Sub-Project Area G-2 Facilities, Sub-Project Area G-3 Facilities and the Sub-Project Area G-4  
20 Facilities will be approximately \$273.9 million (2017 dollars), \$196.1 million (2017 dollars) and  
21 \$323.3 million (2017 dollars), respectively, and that the estimated costs of preparing and  
22 issuing each series of the Bonds (not including underwriter's discount) will be equal to  
23 approximately 2% of the principal amount of such series of Bonds. Prior to the issuance of  
24 any Bonds authorized hereby, this Board of Supervisors will approve the payment of the  
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1 actual costs of preparing and issuing each series of Bonds, including the underwriter's  
2 discount.

3 3. Terms of Bonds. This Board of Supervisors intends to authorize the issuance  
4 and sale of (i) Sub-Project Area G-2 Bonds in one or more series in the maximum aggregate  
5 principal amount of not to exceed \$273,900,000, (ii) Sub-Project Area G-3 Bonds in one or  
6 more series in the maximum aggregate principal amount of not to exceed \$196,100,000 and  
7 (ii) Sub-Project Area G-4 Bonds in one or more series in the maximum aggregate principal  
8 amount of not to exceed \$323,300,000; provided however, that such maximum aggregate  
9 principal amounts do not include the principal amount of (i) any bonds issued for the sole  
10 purpose of refinancing the Bonds, funding a reserve fund for such refunding bonds and paying  
11 related costs of issuance and (ii) any bonds issued for the sole purpose of refunding such  
12 refunding bonds, funding a reserve fund and paying related costs of issuance. The Bonds will  
13 bear interest payable semi-annually or in such other manner as this Board of Supervisors  
14 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by  
15 applicable law at the time of sale of the Bonds. The maximum underwriter's discount for each  
16 series of the Bonds (excluding original issue discount) shall be 2%. As permitted by Section  
17 53397.71 of the IFD Law, this Board of Supervisors may increase the maximum aggregate  
18 principal amount described above by adopting a resolution and complying with the publication  
19 requirements specified in the IFD Law.

20 4. Available Tax Revenues. This Board of Supervisors estimates, based on the  
21 analysis set forth in Appendix G-2, Appendix G-3 and Appendix G-4, that the incremental  
22 property tax revenues that will be available to the IFD from Sub-Project Area G-2, Sub-Project  
23 Area G-3 and Sub-Project Area G-4 are approximately \$1.04 billion, \$770.5 million and \$1.19  
24 billion, respectively. This Board of Supervisors hereby finds that the amount necessary to pay  
25 principal of and interest on the Sub-Project Area G-2 Bonds is less than or equal to the

1 incremental property tax revenues that will be available to the IFD from Sub-Project Area G-2  
2 to pay principal of and interest on the Sub-Project Area G-2 Bonds. This Board of  
3 Supervisors hereby further finds that the amount necessary to pay principal of and interest on  
4 the Sub-Project Area G-3 Bonds is less than or equal to the incremental property tax  
5 revenues that will be available to the IFD from Sub-Project Area G-3 with respect to pay  
6 principal of and interest on the Sub-Project Area G-3 Bonds. This Board of Supervisors  
7 hereby further finds that the amount necessary to pay principal of and interest on the Sub-  
8 Project Area G-4 Bonds is less than or equal to the incremental property tax revenues that will  
9 be available to the IFD from Sub-Project Area G-4 with respect to pay principal of and interest  
10 on the Sub-Project Area G-4 Bonds.

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

13 6. Debt. This Board of Supervisors also proposes to incur debt (as defined in the  
14 IFD Law) other than the Bonds as set forth in Appendix G-2, Appendix G-3 and Appendix G-4,  
15 as Appendix G-2, Appendix-G-3 and Appendix G-4 may be amended from time to time. The  
16 limitations on Bonds set forth in this Resolution, including, but not limited to, the respective  
17 maximum aggregate principal amounts specified in Section 3, shall apply only to the Bonds  
18 and not to other debt (as defined in the IFD Law) payable from available tax increment  
19 allocated to the IFD (i) from Sub-Project Area G-2 pursuant to Appendix G-2, (ii) from Sub-  
20 Project Area G-3 pursuant to Appendix G-3 and (iii) from Sub-Project Area G-4 pursuant to  
21 Appendix G-4, including, without limitation, any bonds issued by the City for and on behalf of a  
22 community facilities district related to the territory in Sub-Project Area G-2 (Pier 70 -  
23 Waterfront Site), Sub-Project Area G-3 (Pier 70 - Waterfront Site) and Sub-Project Area G-4  
24 (Pier 70 - Waterfront Site) secured, in whole or in part, by available tax increment allocated to  
25

1 the IFD with respect to Sub-Project Area G-2 (Pier 70 - Waterfront Site), Sub-Project Area G-3  
2 (Pier 70 - Waterfront Site) and/or Sub-Project Area G-4 (Pier 70 - Waterfront Site).

3 7. No Obligation. This Resolution shall in no way obligate this Board of Supervisors  
4 to issue Bonds for the IFD with respect to Sub-Project Area G-2, Sub-Project Area G-3 or  
5 Sub-Project Area G-4. Issuance of the Bonds shall be subject to the approval of this Board of  
6 Supervisors.

7 8. California Environmental Quality Act. This Board of Supervisors hereby finds that,  
8 pursuant to Title 14, California Code of Regulations, Sections 15378 and 15060(c)(2),  
9 adoption of this Resolution is not a "project" under the California Environmental Quality Act  
10 because it does not result in a physical change in the environment.

11  
12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA  
14 City Attorney

15  
16 By: \_\_\_\_\_  
17 MARK D. BLAKE  
18 Deputy City Attorney  
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