

1 [Acquisition of Property at 814-820 Bryant Street, 444-6th Street, 450 6th-Street and 470-6th
2 Street - Various Owners - At Fair Market Value - Not to Exceed \$16,750,000]

3 **Resolution authorizing the acquisition of real property at 814-820 Bryant Street, 444-6th**
4 **Street, 450-6th Street and 470-6th Street (Assessor's Block No. 3759, Lot Nos. 009, 012,**
5 **014, 043, and 045 from Lin Trust, Musso Trust, and Myung Chun, respectively; and the**
6 **issuance of Commercial Paper Notes in an aggregate principal amount not to exceed**
7 **\$16,750,000.**

8
9 WHEREAS, In 1992, the City and County of San Francisco (the "City") developed
10 Seismic Hazard Ratings for over 200 of its public buildings on a scale from one to four, with
11 four representing the most seismically deficient, and City's Hall of Justice building at 850
12 Bryant Street (the "HOJ") is a seismically deficient building that received a rating of three; and

13 WHEREAS, If the HOJ sustains significant damage due to a major seismic event, the
14 estimated cost to relocate this hub of San Francisco's criminal justice system and provide
15 transport to inmates currently housed in County Jail No. 3 and County Jail No. 4 is estimated
16 to be tens of millions of dollars, and replacing the HOJ has been a high priority of the City's
17 Ten-Year Capital Plan since its inception in 2006; and

18 WHEREAS, This Board of Supervisors adopted a FY2016-2025 Ten-Year Capital Plan
19 on April 30, 2015, showing that the City could fully fund the replacement of the HOJ, known as
20 the Justice Facilities Improvement Program, with General Fund supported certificates of
21 participation; and

22 WHEREAS, On July 21, 2015, this Board of Supervisors adopted Resolution No.
23 261-15, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 150701
24 and is incorporated herein by reference, to adopt the Mitigated Negative Declaration and
25 Mitigation Monitoring & Reporting Program relative to the Program Site; and

1 WHEREAS, The City has identified five separate lots (Lot Nos. 009, 012, 014, 043 and
2 045), all within Assessor’s Block No. 3759 (Program Site) as necessary to acquire in order to
3 facilitate the replacement of the Hall of Justice through relocation of certain as-yet identified
4 elements of existing occupancy; and

5 WHEREAS, The Director of Property has commissioned independent appraisals of the
6 Program Site, and the initial combined appraised values of the Program Site is \$14,350,000;
7 and

8 WHEREAS, Under companion legislation on file with the Clerk of the Board of
9 Supervisors in File No. _____ (the “Companion Resolution”), which is incorporated herein
10 by reference, this Board of Supervisors would authorize the execution and delivery of
11 Certificates of Participation on a tax-exempt or taxable basis evidencing and representing an
12 aggregate principal amount of not to exceed \$16,750,000 to finance the costs of acquisition of
13 the Program Site and other authorized expenses; authorizing the issuance of commercial
14 paper notes in advance of the delivery of the Certificates of Participation; and

15 WHEREAS, Pursuant to Charter, Section 9.113(e), the Board of Supervisors has the
16 authority to borrow money on an interim basis through the issuance from time to time of its
17 commercial paper notes (the “CP Notes”); and

18 WHEREAS, In order to pay the costs of the Program Site, the Board now desires to
19 authorize the use of the CP Program, together with other available funds, to effect the
20 purchases of the Program Site in an aggregate amount not to exceed \$14,500,000; and,
21 consistent with applicable law, anticipates repayment of such CP Notes from subsequent
22 delivery of Certificates of Participation; and

23 WHEREAS, The Property shall be placed in the jurisdiction of City Administrator upon
24 acquisition; now, therefore, be it

1 RESOLVED, That in accordance with the recommendations of the Director of Property,
2 the Board of Supervisors hereby authorizes City staff to take all actions necessary to acquire
3 the Program Site pursuant to the Purchase Agreements on file with the Clerk of the Board of
4 Supervisors in File No. _____ and incorporated herein by reference, which included
5 consideration to the seller benefit of no transfer taxes applying to said acquisitions, and at
6 purchase prices no greater than Fair Market Value; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
8 Property to complete the purchase of the Program Site and, working with and through the
9 Director of Public Works and others as necessary, remediate the Program Site as necessary,
10 using grant funds or other sources of funds, as they may be available as contemplated herein;
11 and, be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
13 Property, in consultation with the City Attorney, to enter into any additions, amendments or
14 other modifications to the Purchase Agreements that the Director of Property determines are
15 in the best interests of the City, do not materially increase the obligations or liabilities of the
16 City or materially decrease the benefits to the City, and are in compliance with all applicable
17 laws, including the City's Charter; and, be it

18 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
19 in the name and on behalf of the City and County, to accept the Deeds to the Program Site
20 from their respective owners of record, in accordance with the negotiated Purchase
21 Agreements, place the Program Site under the jurisdiction of the City Administrator, and to
22 take any and all steps (including, but not limited to, the execution and delivery of any and all
23 certificates, agreements, notices, consents, escrow instructions, closing documents and other
24 instruments or documents) as the Director of Property deems necessary or appropriate in
25 order to consummate the purchases of the Program Site pursuant to the negotiated Purchase

1 Agreements, or to otherwise effectuate the purpose and intent of this Resolution, such
2 determination to be conclusively evidenced by the execution and delivery by the Director of
3 Property of any such documents; and, be it

4 FURTHER RESOLVED, That the Board hereby authorizes the Controller or the
5 Director of the Office of Public Finance to issue CP Notes in an aggregate principal amount
6 not to exceed \$16,750,000 to provide financing for the acquisition of the Program Site, other
7 authorized expenses, and to pay costs incurred in connection with the sale and delivery of the
8 CP Notes; provided that the interest rate on any CP Notes shall not exceed the maximum rate
9 permitted by law and the CP Notes shall mature not later than 270 days from the date of
10 issuance although each certificate may be remarketed for a subsequent period(s) also not to
11 exceed 270 days; and, be it

12 FURTHER RESOLVED, that the CP Notes will be executed and delivered under the
13 financing and security documents approved by the Program Resolutions, and, consistent with
14 applicable law, be repaid from the subsequent delivery of Certificates of Participation; and, be
15 it

16 FURTHER RESOLVED, That the Director of Property provide to the Clerk of the Board
17 of Supervisors a copy of each fully executed Purchase and Sale Agreement within thirty (30)
18 days after execution; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors authorizes and directs the
20 Clerk of the Board of Supervisors, the Director of Property, the Director of Public Finance, the
21 Director of San Francisco Public Works and the City Administrator, and any other officer of the
22 City involved in the jurisdictional assignment to take all action necessary or appropriate to
23 effectuate the purpose of this Resolution.

24 \$14,500,000 available
25 Subject to Board of Supervisor approval and issuance of
\$16,750,000 Certificate of Participation in FY2015-2016.

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Controller

RECOMMENDED:

Director of Property

RECOMMENDED:

City Administrator

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