

File No. 151007

Committee Item No. 5

Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance

Date October 28, 2015

Board of Supervisors Meeting

Date November 3, 2015

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
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| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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Completed by: Victor Young Date October 23, 2015

Completed by: L. Wong Date October 29, 2015

1 [Resolution of Intention to Issue Bonds - Port Infrastructure Financing District - Not To Exceed
2 \$25,100,000]

3 **Resolution of Intention to Issue Bonds in an amount not to exceed \$25,100,000 for City**
4 **and County of San Francisco Infrastructure Financing District No. 2 (Port of San**
5 **Francisco).**

6
7 WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San
8 Francisco Charter, Sections 4.114 and B3.581 empower the City and County of San
9 Francisco (City), acting through the San Francisco Port Commission, to use, conduct,
10 operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction;
11 and

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

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

17 WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Initial Resolution of
18 Intention to Establish IFD), this Board of Supervisors declared its intention to establish a
19 waterfront district to be known as "City and County of San Francisco Infrastructure Financing
20 District No. 2 (Port of San Francisco)" (IFD), and designated initial proposed project areas
21 within the IFD, including Project Area G (Pier 70); and

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

1 WHEREAS, On _____, by Resolution No. ____ (Second Amending Resolution), this
2 Board of Supervisors amended the Initial Resolution of Intention to Establish IFD as amended
3 by the First Amending Resolution to designate Sub-Project Area G-1 (Pier 70-Historic Core)
4 (Sub-Project Area G-1) (the Initial Resolution of Intention to Establish IFD, as amended by the
5 First Amending Resolution and the Second Amending Resolution, Resolution of Intention to
6 Establish IFD); and

7 WHEREAS, In the Resolution of Intention to Establish IFD, this Board of Supervisors
8 directed the Executive Director of the Port of San Francisco to prepare an infrastructure
9 financing plan for the IFD (Infrastructure Financing Plan) that would comply with the IFD Law,
10 including an infrastructure financing plan for Sub-Project Area G-1 as an appendix to the
11 Infrastructure Financing Plan (Appendix G-1); and

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

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

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

20 RESOLVED, By the Board of Supervisors as follows:

21 Section 1. Purposes of Bonds. This Board of Supervisors proposes issuing one or
22 more series of bonds (Bonds) payable from and secured by a pledge of available tax
23 increment allocated to the IFD with respect to Sub-Project Area G-1 and other sources
24 identified by this Board of Supervisors for the purpose of financing the costs of the facilities
5 specified in Appendix G-1 (Facilities), including acquisition and improvement costs and all

1 costs incidental to or connected with the accomplishment of said purposes and of the
2 financing thereof. The Bonds may be issued by this Board of Supervisors for and on behalf of
3 the IFD with respect to Sub-Project Area G-1 and they may be issued by this Board of
4 Supervisors for and on behalf of a community facilities district related to the territory in Sub-
5 Project Area G-1, as determined by this Board of Supervisors in connection with its approval
6 of the issuance of a series of Bonds.

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

11 Section 2. Estimated Cost. This Board of Supervisors hereby estimates that the cost
12 of the Facilities will be approximately \$18.26 million (2015 dollars) and that the estimated
13 costs of preparing and issuing each series of the Bonds (not including underwriter's discount)
14 will be equal to approximately 2% of the principal amount of such series of Bonds. Prior to the
15 issuance of any Bonds authorized hereby, this Board of Supervisors will approve the payment
16 of the actual costs of preparing and issuing each series of Bonds, including the underwriter's
17 discount.

18 Section 3. Terms of Bonds. This Board of Supervisors intends to authorize the
19 issuance and sale of the Bonds in one or more series in the maximum aggregate principal
20 amount of not to exceed \$25,100,000; provided however, the maximum aggregate principal
21 amount does not include the principal amount of (i) any bonds issued for the sole purpose of
22 refinancing the Bonds, funding a reserve fund for such refunding bonds and paying related
23 costs of issuance and (ii) any bonds issued for the sole purpose of refunding such refunding
24 bonds, funding a reserve fund and paying related costs of issuance. The Bonds will bear
25 interest payable semi-annually or in such other manner as this Board of Supervisors shall

1 determine, at a rate not to exceed the maximum rate of interest as may be authorized by
2 applicable law at the time of sale of the Bonds. The maximum underwriter's discount of the
3 Bonds (excluding original issue discount) shall be 2%. As permitted by Section 53397.71 of
4 the IFD Law, this Board of Supervisors may increase the maximum aggregate principal
5 amount described above by adopting a resolution and complying with the publication
6 requirements specified in the IFD Law.

7 Section 4. Available Tax Revenues. This Board of Supervisors estimates, based on
8 the analysis set forth in Appendix G-1, that the incremental property tax revenues that will be
9 available to the IFD from Sub-Project Area G-1 are approximately \$49.2 million. This Board of
10 Supervisors hereby finds that the amount necessary to pay principal of and interest on the
11 Bonds is less than or equal to the incremental property tax revenues that will be available to
12 the IFD to pay principal of and interest on the Bonds.

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

15 Section 6. Debt. This Board of Supervisors also proposes to incur debt (as defined
16 in the IFD Law) other than the Bonds as set forth in Appendix G-1, as Appendix G-1 may be
17 amended from time to time. The limitations on Bonds set forth in this Resolution, including, but
18 not limited to, the maximum aggregate principal amount specified in Section 3, shall apply
19 only to the Bonds and not to other debt (as defined in the IFD Law) payable from available tax
20 increment allocated to the IFD with respect to Sub-Project Area G-1 pursuant to
21 Appendix G-1.

22 Section 7: No Obligation. This Resolution shall in no way obligate this Board of
23 Supervisors to issue Bonds for the IFD with respect to Sub-Project Area G-1. Issuance of the
24 Bonds shall be subject to the approval of this Board of Supervisors.

1 Section 8. California Environmental Quality Act. This Board of Supervisors hereby
2 finds that, pursuant to Title 14, California Code of Regulations, Sections 15378 and
3 15060(c)(2), adoption of this Resolution is not a "project" under the California Environmental
4 Quality Act because it does not result in a physical change in the environment.

5
6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA
8 City Attorney

9 By: _____

10 MARK D. BLAKE
11 Deputy City Attorney

12 n:\port\as2015\1300117\01055021.doc

<p>Items 4 and 5 Files 15-1006 and 15-1007</p>	<p>Department: Port</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- **15-1006:** Resolution further amending Resolutions of Intention (Resolution Nos. 110-12 and 227-12) to establish infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco.
- **15-1007:** Resolution of Intention to issue bonds in an amount not to exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 for the Port of San Francisco.

Key Points

- On March 27, 2012, the Board of Supervisors approved a Resolution of Intention to establish an Infrastructure Financing District (IFD) No. 2 on Port property, designating six project areas. On June 12, 2012, the Board of Supervisors approved a subsequent Resolution of Intent to create one more project area within the Port's IFD No. 2.
- Under the proposed resolution (File 15-1006), a new Sub-Project Area G-1 would be created as a smaller Historic Core district within Pier 70. The major public infrastructure improvements that are intended to be financed by the IFD and through the related bonds in Sub-Project Area G-1 include streets and sidewalks, electrical system improvements, and Crane Cove Park improvements.

Fiscal Impact

- State law allows a waterfront IFD at Pier 70 to be allocated Educational Revenue Augmentation Fund (ERAF) revenues to fund the Port's public facilities, such that 89.92% of incremental property taxes collected can be allocated to the IFD.
- Initially, the IFD is projected to receive \$720,000 of incremental property tax revenues per year, such that incremental property tax revenues are estimated to be approximately \$49.2 million over the 45-year term. The Port estimates total costs of \$18.26 million for the infrastructure improvements, which would be paid on a pay-as-you-go basis and with issuance of an estimated \$8.7 million bond. The Port estimates that total principal and interest debt service costs on the \$8.7 million bonds would be approximately \$20 million, which is significantly less than the projected \$49.2 million of estimated incremental property tax revenue to be collected over the 45-year term of the IFD.
- The Executive Director of the Port is directed to prepare an Infrastructure Financing Plan, which is currently being finalized by Keyser Marston Associates, Inc., under contract to the Port and will be submitted to the Board of Supervisors on November 9, 2015. The Infrastructure Financing Plan will be subject to future Board of Supervisors approval, prior to creating the IFD and/or issuing any bonds.

Recommendation

- Approve the proposed resolutions.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

California Government Code Section 53395 et seq. authorizes cities and counties to establish Infrastructure Financing Districts (IFD), subject to approval by the city council or county board of supervisors, to finance "public capital facilities of communitywide significance". In addition, Section 53395.8 of the State Code specifically authorizes the establishment of an IFD by the Board of Supervisors on land under the jurisdiction of the Port of San Francisco to finance improvement projects along the San Francisco waterfront, such as structural repairs and improvements to piers, seawalls, wharves and other maritime facilities, removal of bay fill, shoreline restoration, utility infrastructure, public open space improvements, as well as historic restoration and seismic and life-safety improvements to existing buildings. Section 53395.8(g) in the State Code also allows the Board of Supervisors to adopt or amend one or more infrastructure financing plans for the Port, such that IFDs may be divided into project areas.

Background

On March 27, 2012, the Board of Supervisors approved a Resolution of Intention (File 12-0128; Resolution No. 110-12)¹ regarding the City's intent to establish an Infrastructure Financing District (IFD) No. 2 on Port property. This Resolution of Intention initiated the State statutory requirements to form a waterfront IFD on Port property. This IFD designated the following project areas, with the caveat that the City intends to establish additional project areas from time to time in compliance with the IFD State law:

- Project Area A: Seawall Lot 330;
- Project Area B: Piers 30-32;
- Project Area C: Pier 28;
- Project Area D: Pier 26;
- Project Area F: Pier 48; and
- Project Area G: Pier 70.

On June 12, 2012, the Board of Supervisors approved a resolution to amend the earlier Resolution of Intention, in order to add Seawall Lot 351 as Project Area E to the City's intent to establish an IFD No. 2 on Port property (File 12-0278; Resolution No. 227-12). Under both of these prior resolutions, the Executive Director of the Port was directed to prepare an infrastructure financing plan for the IFD, in compliance with State law. In addition, both of these Resolutions of Intent specified that the Board of Supervisors was not obligated to establish an IFD No. 2 on Port property.

¹ This resolution was adopted as part of the Host and Venue Agreement and Disposition Development Agreement for the 34th America's Cup held in San Francisco.

DETAILS OF PROPOSED LEGISLATION

15-1006: The proposed resolution would further amend the previous Resolutions of Intention (Resolution Nos. 110-12 and 227-12) to establish and designate Sub-Project Area G-1 within Project Area G (Pier 70) in the City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).

Under the proposed resolution, Sub-Project Area G-1 would be the smaller Historic Core district within Pier 70 and Project Area G would be the rest of the Pier 70 district. The proposed amended boundaries of Project Area G and G-1 are shown in the attached map.

In July 2014, the Board of Supervisors approved a long-term 66-year lease (Resolution No. 273-14) and Disposition and Development Agreement (DDA) with Orton Development, Inc. (Orton) for the development, rehabilitation and use of the 20th Street historic buildings at Pier 70. These agreements were for approximately 241,082 net square feet of space for industrial, office and retail tenants. At the time the lease and DDA agreements were approved, a portion of the public infrastructure improvements to support the rehabilitation of the historic buildings at Pier 70 were intended to be financed through the creation of an IFD. Under such an IFD, the City will allocate to the IFD possessory interest tax payments, in lieu of property taxes, from Orton to fund specific infrastructure improvements within Sub-Project Area G-1 and in areas around Sub-Project Area G-1 within Pier 70.

Similar to the prior Resolutions of Intent, the Executive Director of the Port is directed to prepare an infrastructure financing plan for Sub-Project Area G-1, which would be included as an appendix to the previously required Infrastructure Financing Plan. According to Ms. Elaine Forbes, Deputy Director of Finance and Administration for the Port, the Infrastructure Financing Plan for the IFD No. 2 is currently being finalized by Keyser Marston Associates, Inc., under contract to the Port and will be submitted to the Board of Supervisors on November 9, 2015. In addition, the proposed resolution states that the Board of Supervisors shall not be obligated to establish this IFD.

15-1007: The proposed Resolution of Intention would declare that it is the intent of the Board of Supervisors to issue bonds in an amount not to exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 for the Port of San Francisco.

Under the proposed resolution, the Board of Supervisors would:

- 1- Issue one or more series of bonds to be secured with pledges of available tax increment funds allocated to the IFD under Sub-Project Area G-1 and other sources that could be identified by the Board of Supervisors to finance the cost of these public facilities.
- 2- Expect to pay certain cost of the facilities prior to the date of issuance of the bonds and use a portion of the bond proceeds to reimburse the expenditures for the facilities paid before the bonds are sold.

The major public infrastructure improvements that are intended to be financed by the IFD and through the related bonds in Sub-Project Area G-1 include:

- Streets and sidewalks serving Pier 70-Historic Core;
- Electrical system improvements to Building 102; and
- Phase 2 of Crane Cove Park improvements.

The proposed resolution states

- Estimated current 2015 cost of these public infrastructure improvements is approximately \$18.26 million;
- Estimated cost to prepare and issue each series of bonds (excluding underwriter's discount) is approximately 2% of the principal amount of the bonds.
- The Board of Supervisors intends to authorize the issuance and sale of IFD bonds for a maximum aggregate principal amount of \$25,100,000, excluding refinancing and/or refunding of the bonds, related reserve funds and the costs of issuance.
- The Board of Supervisors could increase this maximum aggregate principal amount by adopting a subsequent resolution, in compliance with IFD law.
- The Board of Supervisors estimates (as estimated by the Port) incremental property tax revenues available for Sub-Project Area G-1 would be approximately \$49.2 million over the 45-year term, such that the principal and interest debt service costs on the proposed bonds would be less than or equal to this level of incremental property tax revenues.
- This resolution does not obligate the Board of Supervisors to issue any bonds for the IFD for Sub-Project Area G-1. Rather, issuance and sale of the IFD bonds would be subject to separate subsequent approval by the Board of Supervisors.

FISCAL IMPACT

IFDs are being proposed as a financing mechanism to be used to fund improvements on waterfront land under jurisdiction of the Port because the Port does not generate sufficient revenues to complete the Port's necessary capital improvements for the Pier 70 project². Pursuant to IFD law, IFDs use incremental property tax revenue that would otherwise accrue to the City's General Fund to finance the necessary infrastructure improvements. As noted above, the City will allocate to the IFD possessory interest taxes, in lieu of property taxes, from Orton, to fund capital infrastructure improvements within Sub-Project Area G-1 and in areas around Sub-Project Area G-1 within Pier 70.

² The Port's overall Ten-Year Capital Plan identifies \$1.62 billion of capital projects to be completed over the next ten years. However, the Port also projects approximately \$609.4 of various funding sources, leaving an unfunded backlog of approximately \$1.01 billion of capital projects.

In general, for every \$1.00 of Property Taxes (not including property taxes designated to pay for the debt service on General Obligation bonds), \$0.65 is allocated to the City's General Fund, \$0.25 is allocated to Educational Revenue Augmentation Fund (ERAF)³, and \$0.10 is allocated to the other taxing entities (San Francisco Unified School District, Community College District, BART and the Bay Area Air Quality Management District). As shown in Table 1 below, State law allows a waterfront IFD at Pier 70 to be allocated ERAF revenues to fund the Port's public facilities, such that 89.92% of incremental property taxes collected can be allocated to the IFD.

Table 1: Share of Gross Property Tax Increment

City Share of Tax Increment Generated at Pier 70	64.59%
State of California ERAF Share of Tax Increment Generated at Pier 70	25.33%
Total Allocated Tax Increment to Pier 70 IFD	89.92%

Initially, the IFD would receive approximately \$720,000 of possessory interest taxes annually from Orton, which would increase over time. The IFD could extend up to 45 years from the date the IFD actually receives \$100,000 in incremental tax revenues, in accordance with State law. The proposed resolution (File 15-1007) states that incremental property tax revenues available for Sub-Project Area G-1 would be approximately \$49.2 million over the 45-year term. This resolution also identifies an estimated cost of \$18.26 million for the specified infrastructure improvements and a maximum aggregate principal issuance amount of \$25,100,000 of bonds.

According to Ms. Forbes, a portion of the \$18.26 million costs of the infrastructure improvements would be paid for on a pay-as-you-go basis. In addition, the Port anticipates initially issuing one 30-year bond in the principal amount of \$8.7 million in approximately 2123 to pay the remaining costs for the infrastructure improvements. The Port estimates that total principal and interest debt service costs on the \$8.7 million bonds would be approximately \$20 million, which is significantly less than the projected \$49.2 million of estimated incremental property tax revenue to be collected over the 45-year term of the IFD. Therefore, this resolution finds that the principal and interest debt service costs on the proposed bonds would be less than or equal to this level of incremental property tax revenues.

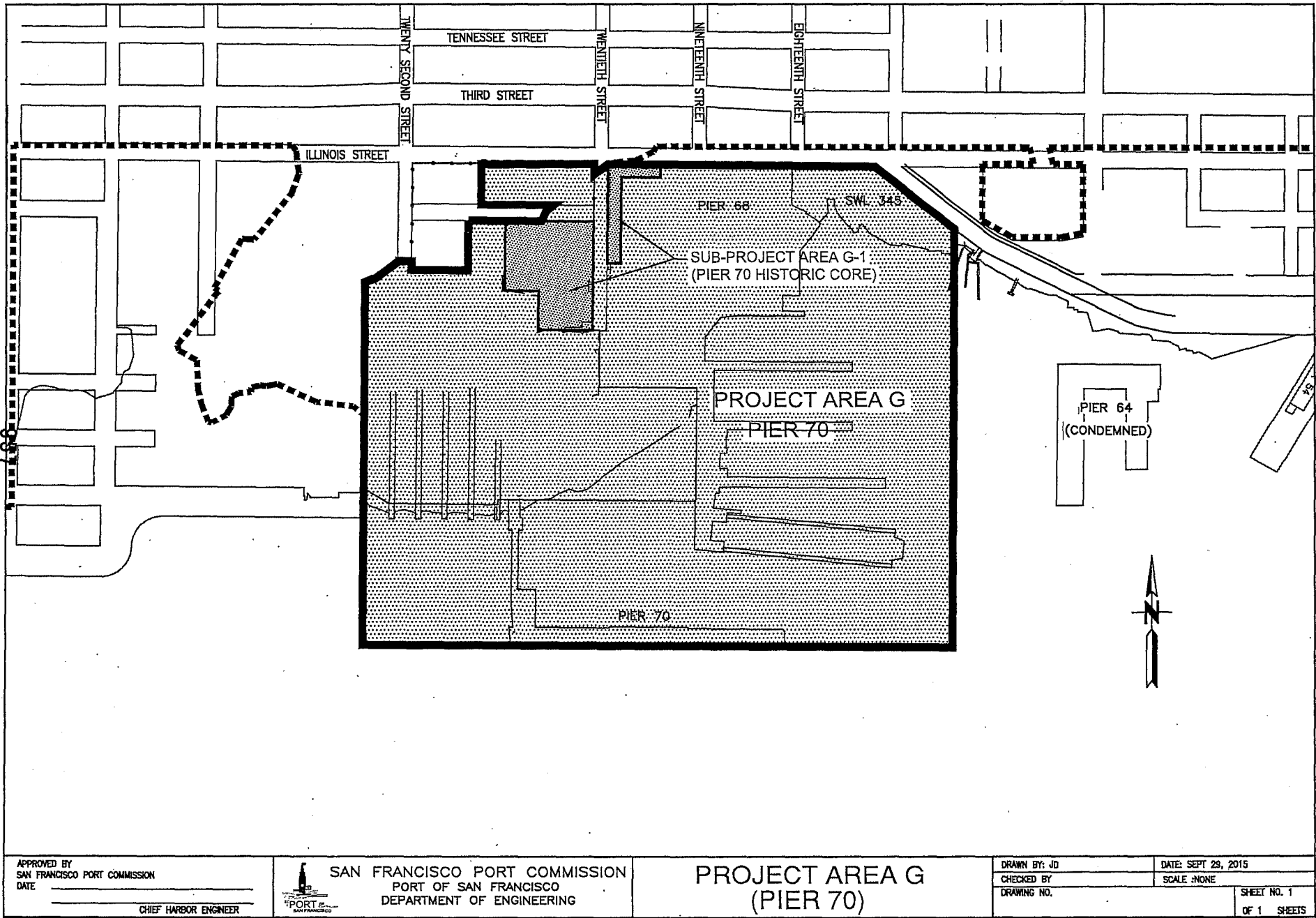
The proposed resolution also sets a maximum principal bond amount of \$25,100,000, which reflects the total bonding capacity of the IFD's tax, assuming (a) robust growth assumptions (30% higher than the actual projections), (b) more than one bond is issued over the 45-year term and (c) interest rates which are lower than current levels. This assumes that 100% of the City's General Fund portion and 100% of the ERAF portion of the tax increment are annually allocated to the IFD. Under State law, the amount of ERAF's share of tax increment allocated to the Port IFD must be proportional to the City's share of tax increment allocated to the Port IFD; the Board of Supervisors determines such allocation prior to approving the Port's IFD financing plan and issuance of debt.

³ ERAF redirects one-fifth of total statewide property tax revenue from cities, counties and special districts to school and community college districts, which is deposited into a countywide fund for schools and community colleges.

The specific infrastructure financing plan will be provided to the Board of Supervisors on November 9, 2015, which will be subject to future Board of Supervisors approval, prior to creating the IFD and/or issuing any bonds. The infrastructure financing plan will detail all of the components of the funding arrangements, including the fiscal impacts to the City's General Fund and the economic benefits to be generated by the Orton development project at Pier 70.

RECOMMENDATION

Approve the proposed resolutions.



Attachment



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2015 OCT -6 PM 12:58

JT *EB*

October 6, 2015

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Subject: Resolution of Intent to form and Infrastructure Financing District at Pier 70 and Resolution of Intent to issue bonds in conjunction with the Pier 70 Infrastructure Financing District

Dear Ms. Calvillo:

Attached please find an original and four copies of two proposed resolutions:

1. A resolution further amending Resolution of Intention to establish Infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco.
2. A Resolution of Intention to issue bonds for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).

The purpose of these two resolutions is to provide the public notice of the Port's intent to amend the Infrastructure Financing District #2, which encompasses the Port of San Francisco, to include a newly defined Pier 70 subarea consisting of the area known as the 20th Street Historic Buildings, under development by Orton Development, Inc. ("Orton") under a lease between Orton and the Port of San Francisco, and to subsequently issue bonds in an amount not to exceed \$12 million to fund infrastructure improvements at Pier 70.

Background

The Port of San Francisco, with the support of the City's State Legislation Committee, sought and received amendments to state law permitting it to form *infrastructure financing districts* (IFD) in 2005 (SB 1085; Senator Migden). In 2001, the Port sought further amendments to state law permitting it to capture the state's share of property tax through an infrastructure financing district at Pier 70 to fund the extraordinary costs of rehabilitating this historic maritime industrial area (AB 1199; Assemblymember Ammiano).

On March 27, 2012, by Resolution No. 110-12, the Board of Supervisors declared its intention to establish a waterfront district to be known as "City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)" (IFD), and designated initial proposed project areas within the IFD, including Pier 70 Project Area G (Resolution of Intention). The Board of Supervisors amended this Resolution of Intention on June 12, 2012, by Resolution No. 227-12, to propose, among other things, revised project areas within the Portwide Infrastructure Financing District.

Page two
Resolution of Intent
10/06/2015

On April 23, 2013, by Resolution 123-13, the Board of Supervisors adopted Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land.

By Resolution 273-14, the Board of Supervisors approved Lease No. L-15814 between the Port of San and Orton Development, Inc. for the development and lease of six historic buildings along 20th Street that are contributing resources to the Union Iron Works Historic District, listed on the National Register of Historic Places in 2014 (Orton Project).

Resolution 273-14 directed Port staff to prepare an Infrastructure Financing Plan in connection with the project:

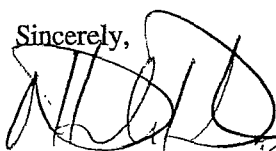
“WHEREAS, In addition to commitments of over \$35 million of construction loan proceeds from an institutional lender and Orton equity in excess of \$5 million, Port and Orton have identified public financing mechanisms, as potential additional funding sources for the Project including: (1) up to \$24,000,000 of loan proceeds from the City’s Seismic Safety Loan Program...., and (2) tax increment from the leasehold, conditioned on the Board’s creation of a Port Infrastructure Financing District and approval of an Infrastructure Financing Plan for public realm improvements within and adjacent to the leasehold, phase 2 of Crane Cove Park, and Crane Cove waterfront remediation; and

“FURTHER RESOLVED, That this Board directs Port staff to seek Board adoption of an ordinance to create the Port Infrastructure Financing District and approval of an Infrastructure Financing Plan for public realm improvements within and adjacent to the leasehold, installation of new electrical service to service the Pier 70 Shipyard and removal of old transformers from Building 102, and Phase 2 of Crane Cove Park including sediment remediation following completion of any necessary environmental documentation prepared in compliance with CEQA with respect to the foregoing improvements; and, be it [emphasis added]”

The Port respectfully requests that the Board of Supervisors and Mayor Edwin M. Lee consider the two attached resolutions, which if adopted, will provide public notice of the City’s intention to form an Infrastructure Financing District that encompasses the Orton Project. If adopted, the Port will return to the Board of Supervisors with a proposed ordinance approving an Infrastructure Financing Plan to finance the improvements referenced in Resolution 273-14, including economic analysis required pursuant to the Board’s adopted Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land and detailed sources and uses of Infrastructure Financing District tax increment.

Thank you for your consideration.

Sincerely,

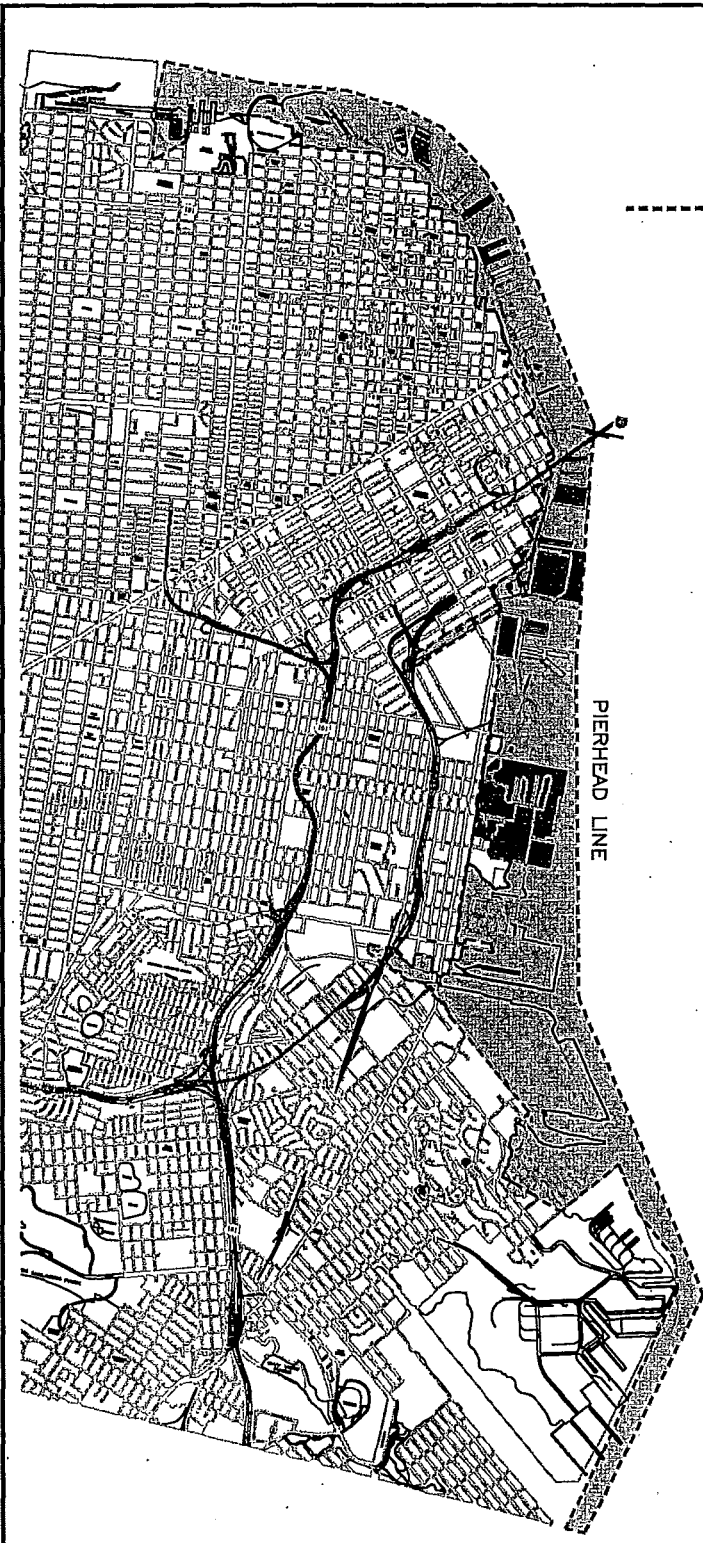


FOR Brad Benson

Brad Benson
Port of San Francisco

Exhibit A
Type of public facilities proposed to be financed by the IFD

- (1) Remediation of hazardous materials in, on, under, or around any real or tangible property, including environmental remediation of the San Francisco waterfront.
- (2) Seismic and life-safety improvements to existing buildings.
- (3) Rehabilitation, restoration, and preservation of structures, buildings, or other facilities having special historical, architectural, or aesthetic interest or value and that are listed on the National Register of Historic Places, are eligible for listing on the National Register of Historic Places individually or because of their location within an eligible registered historic district, or are listed on a state or local register of historic landmarks.
- (4) Structural repairs and improvements to piers, seawalls, and wharves.
- (5) Removal of bay fill.
- (6) Stormwater management facilities, other utility infrastructure, or public open-space improvements.
- (7) Shoreline restoration.
- (8) Other repairs and improvements to maritime facilities.
- (9) Planning and design work that is directly related to any public facilities authorized to be financed by a waterfront district.
- (10) Reimbursement payments made to the California Infrastructure and Economic Development Bank in accordance with paragraph (5) of subdivision (d) of Section 53395.81.
- (11) To the extent not included in the foregoing, a special waterfront district may be used to finance the following:
 - (A) Construction of the port's maritime facilities at Pier 27.
 - (B) Planning and design work that is directly related to the port's maritime facilities at Pier 27.
 - (C) Planning, design, and construction of improvements to publicly owned waterfront lands held by trustee agencies, such as the National Park Service and the California State Parks, and used as public spectator viewing sites for America's Cup-related events, including the San Francisco Bay Trail along the Marina Green.
 - (D) Future installations of shoreside power facilities on port maritime facilities.
- (12) Other facilities authorized under the IFD Law.



----- INFRASTRUCTURE
FINANCING DISTRICT BOUNDARY



PIERHEAD LINE

This boundary map amends the map of Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), City and County of San Francisco, California, which was approved by the Board of Supervisors on June 12th, 2012 by Resolution No. 227-12, and this boundary map was filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco

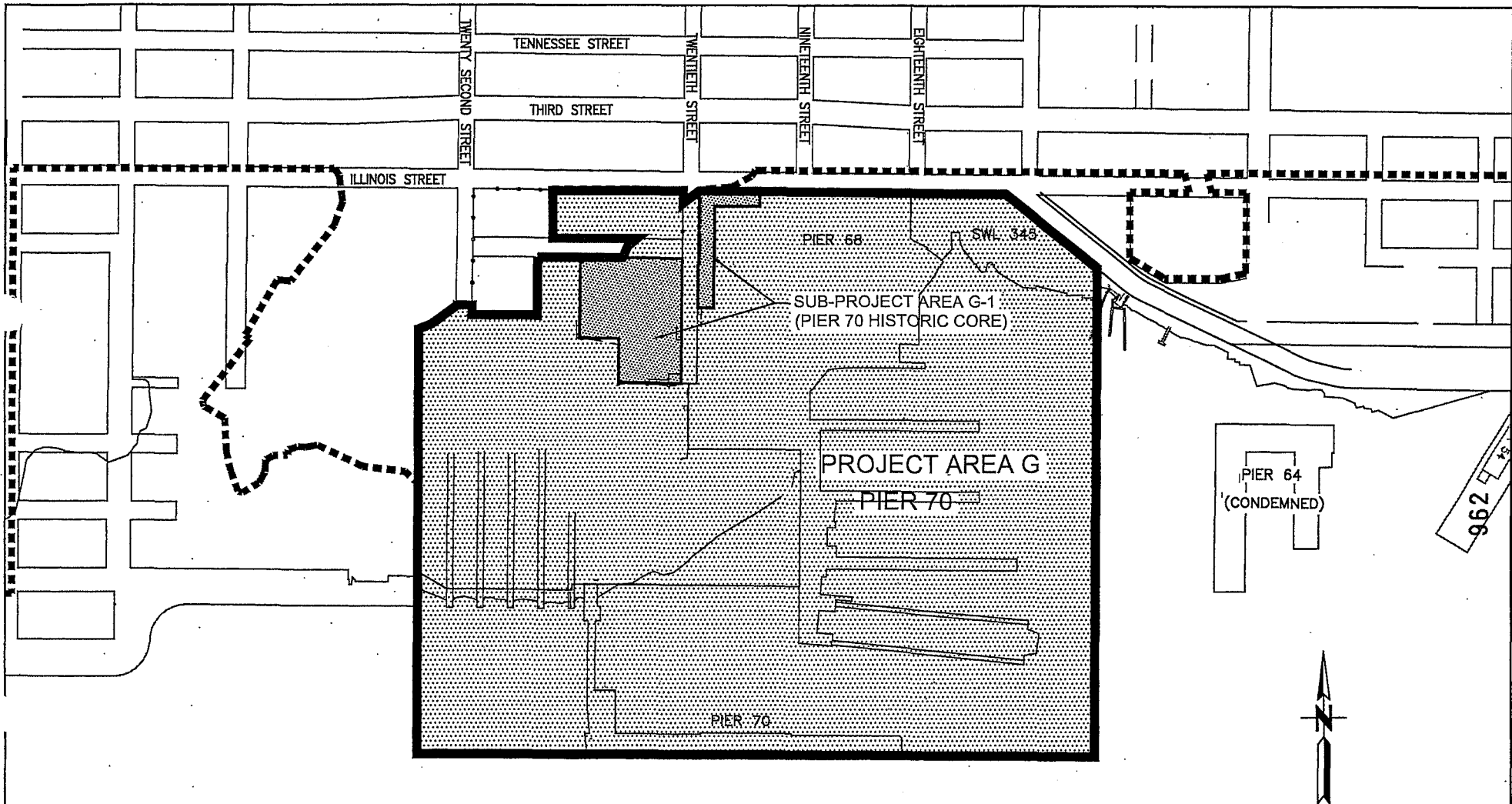
on this ____ day of _____, 201_.

Clerk of the Board of Supervisors

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING


Amended Map of Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), City and County of San Francisco, State of California

DATE: APR. 18, 2012
SCALE: 1" = 2000'
SHEET NO. 1
OF 1 SHEETS



APPROVED BY
 SAN FRANCISCO PORT COMMISSION
 DATE _____

 CHIEF HARBOR ENGINEER

 SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

**PROJECT AREA G
 (PIER 70)**

DRAWN BY: JD	DATE: SEPT 29, 2015
CHECKED BY	SCALE: NONE
DRAWING NO.	SHEET NO. 1 OF 1 SHEETS

R:\07 STAFF\ECUSTOD\Special Projects\PROJECT AREA I, Pier 70.dwg

FILE NO. 120128

RESOLUTION NO. 110-12

1 [Resolution of Intention to Form Waterfront Infrastructure Financing District]

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3 **Resolution of Intention to establish Infrastructure Financing District No. 2 for the**
4 **City and County of San Francisco at the Port of San Francisco.**

5
6 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the
7 San Francisco Charter Section 4.114 and B3.581 empower the San Francisco Port
8 Commission with the power and duty to use, conduct, operate, maintain, manage,
9 regulate and control the lands within Port Commission jurisdiction; and

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

13 WHEREAS, More specifically, this Board of Supervisors is authorized to
14 establish a "waterfront district" under Section 53395.8 of the IFD Law, including (i) a
15 waterfront district for 65 acres of waterfront land in the area near Pier 70 (a "Pier 70
16 district") for which there is a "Pier 70 enhanced financing plan" and (ii) a waterfront
17 district created as a "special waterfront district" and a "Port America's Cup district"
18 under Section 53395.81; and,

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

21 WHEREAS, This Board of Supervisors wishes to establish a waterfront district
22 as described and for the purposes specified in this Resolution; now, therefore, be it

23 **RESOLVED, By the Board of Supervisors as follows:**
24
25

1. Authority. This Board of Supervisors proposes to conduct proceedings to establish an infrastructure financing district pursuant to the IFD Law, which district shall constitute a waterfront district. The waterfront district shall include project areas as identified by this Board of Supervisors from time to time, one of which is intended to constitute a Pier 70 district (at the time authorized by the IFD Law) and one or more of which may constitute special waterfront districts; and,

2. Name of IFD. The name proposed for the infrastructure financing district is "City and County of San Francisco Infrastructure Financing District (IFD) No. 2 (Port of San Francisco)". The names of the initial proposed project areas are:

a. Project Area A (Seawall Lot 330). Project Area A shall be a special waterfront district and a Port America's Cup district.

b. Project Area B (Piers 30-32). Project Area B shall be a special waterfront district and a Port America's Cup district.

c. Project Area C (Pier 28). Project Area C shall be a special waterfront district and a Port America's Cup district.

d. Project Area D (Pier 26). Project Area D shall be a special waterfront district and a Port America's Cup district.

~~e. Project Area E (Seawall Lot 351). Project Area E shall be a waterfront district.~~

~~ef. Project Area F (Seawall Lot 337). Project Area F shall be a waterfront district.~~

~~efg. Project Area G (Pier 48). Project Area G shall be a waterfront district.~~

fgh. Project Area H (Pier 70). Project Area H is expected to be a Pier 70 district and may not be subject to a Pier 70 enhanced financing plan prior to January 1, 2014.

ghi. Project Area I (Rincon Point-South Point Project Area). Unless the IFD Law is amended to permit venues within the Rincon Point-South Beach Project Area of the Redevelopment Agency of the City and County of San Francisco to be included in a special waterfront district, Project Area I shall not constitute a special waterfront district.

The City intends to establish additional project areas from time to time in compliance with the IFD Law.

3. Boundaries Described. The proposed boundaries of the IFD, including the boundaries of the initial project areas within the IFD, are as shown on the map of the IFD on file with the Clerk of the Board of Supervisors, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars.

4. Facilities. The type of public facilities proposed to be financed by the IFD and pursuant to the IFD Law shall consist of those listed as facilities on Exhibit A hereto and hereby incorporated in this Resolution (Facilities). The Board of Supervisors hereby authorizes the Executive Director of the Port of San Francisco and any designee of such official to execute one or more agreements to acquire Facilities financed by the IFD, which agreement(s) may provide for the acquisition of discrete portions or phases of facilities.

5. Incremental Property Tax Revenue. The Board of Supervisors hereby declares that, pursuant to the IFD Law, the IFD will use incremental property tax revenue from the City but none of the other affected taxing entities within the IFD (except to the extent permitted by Section 53395.8(h) of the IFD Law) to finance the Facilities.

6. Infrastructure Financing Plan. The Executive Director of the Port of San Francisco is hereby directed to prepare an infrastructure financing plan (Infrastructure Financing Plan) for this Board of Supervisors that complies with the requirements of the IFD Law. The Infrastructure Financing Plan shall be a special waterfront district enhanced financing plan, as defined in the IFD Law, with respect to Project Areas A, B, C and D. This Board of Supervisors reserves the right to establish enhanced financing plans in the future with respect to other project areas within the IFD. To the extent required by the IFD Law, the Executive Director of the Port shall cause the Infrastructure Financing Plan to be sent to the San Francisco Planning Department and to this Board.

7. Public Hearing. This Board of Supervisors will conduct a public hearing on the proposed establishment of the IFD in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California, on a date to be established by the Executive Director of the Port, in consultation with the Clerk of the Board of Supervisors.

8. Notice of Public Hearing. The Clerk of the Board of Supervisors is hereby directed to cause notice of the public hearing to be published not less than once a week for four successive weeks in a newspaper designated by this Board of Supervisors for the publication of official notices in the City. The notice shall state that the IFD will be used to finance Facilities, briefly describe the Facilities and the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed IFD and state the day, hour, and place when and where any persons having any objections to the proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings, may appear before this Board of Supervisors and object to the adoption of the proposed Infrastructure Financing Plan by this Board.

9. Further Action. The Clerk of the Board of Supervisors and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

10. No Obligation. This Resolution shall in no way obligate the Board of Supervisors to establish the IFD. The establishment of the IFD, including the project areas described above, shall be subject to the approval of this Board of Supervisors by ordinance following the holding of the public hearing referred to above.

11. California Environmental Quality Act. This Board of Supervisors hereby finds that, pursuant to Title 14, California Code of Regulations, Section 15378(b)(4), adoption of this Resolution and the establishment of the IFD are not "projects" under the California Environmental Quality Act, because they do not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment.



City and County of San Francisco

Tails
Resolution

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

File Number: 120128

Date Passed: March 27, 2012

Resolution of Intention to establish Infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco.

February 15, 2012 Budget and Finance Committee - AMENDED

February 15, 2012 Budget and Finance Committee - CONTINUED AS AMENDED

February 22, 2012 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 22, 2012 Budget and Finance Committee - REFERRED WITHOUT RECOMMENDATION

February 28, 2012 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

March 27, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120128

I hereby certify that the foregoing Resolution was ADOPTED on 3/27/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

4/5/12

Date Approved

1 Amending Resolution of Intention to Form Waterfront Infrastructure Financing District]

2
3 **Resolution amending Resolution of Intention to establish Infrastructure**
4 **Financing District No. 2 (File No. 120128) for the [City and County of San**
5 **Francisco at the Port of San Francisco.**
6

7 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the
8 San Francisco Charter Section 4.114 and B3.581 empower the San Francisco Port
9 Commission with the power and duty to use, conduct, operate, maintain, manage,
10 regulate and control the lands within Port Commission jurisdiction; and

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

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

16 WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution
17 of Intention), this Board of Supervisors declared its intention to establish a waterfront
18 district to be known as "City and County of San Francisco Infrastructure Financing
19 District No. 2 (Port of San Francisco)" (IFD), and designated initial proposed project
20 areas within the IFD; and

21 WHEREAS, Seawall Lot 351 was not included in the territory proposed to be
22 included in the IFD pursuant to the Original Resolution of Intention; and

23 WHEREAS, Because the IFD Law provides that incremental tax revenues
24 allocated to a waterfront district must be used within the waterfront district and the
25 Executive Director of the Port of San Francisco has proposed the use of incremental
tax

1 revenues generated by Seawall Lot 351 and related development to finance authorized
2 facilities throughout the IFD, the Board of Supervisors wishes to amend the Original
3 Resolution of Intention to add Seawall Lot 351 to the territory proposed to be included
4 in the IFD, and to designate Seawall Lot 351 as an initial proposed Project Area E;
5 now, therefore, be it

6 RESOLVED, By the Board of Supervisors as follows:

7 1. Ratification of Original Resolution of Intention. This Board of Supervisors
8 hereby ratifies the Original Resolution of Intention except as set forth in this Resolution.
9 Except as set forth in this Resolution, the Original Resolution of Intention shall remain
10 in full force and effect. Exhibit A to the Original Resolution of Intention, which lists the
11 type of public facilities proposed to be financed by the IFD, is attached hereto and
12 incorporated herein.

13 2. Amendment of Original Resolution of Intention. The Original Resolution of
14 Intention is hereby amended to propose a Project Area E (Seawall Lot 351), which will
15 be a project area and a waterfront district within the IFD. In order to provide for a
16 orderly designation of project areas, the Original Resolution of Intention is hereby
17 amended to establish the names of the initial proposed project areas as follows:

18 a. Project Area A (Seawall Lot 330). Project Area A shall be a special
19 waterfront district and a Port America's Cup district.

20 b. Project Area B (Piers 30-32). Project Area B shall be a special waterfront
21 district and a Port America's Cup district.

22 c. Project Area C (Pier 28). Project Area C shall be a special waterfront
23 district and a Port America's Cup district.

24 d. Project Area D (Pier 26). Project Area D shall be a special waterfront
25 district and a Port America's Cup district.

- 1 e. Project Area E (Seawall Lot 351). Project Area E shall be a waterfront
2 district.
- 3 f. Project Area F (Pier 48). Project Area F shall be a waterfront district.
- 4 g. Project Area G (Pier 70). Project Area G is expected to be a Pier 70
5 district and may not be subject to a Pier 70 enhanced financing plan prior to January 1,
6 2014.
- 7 h. Project Area H (Rincon Point-South Point Project Area). Unless the IFD
8 Law is amended to permit venues within the Rincon Point-South Beach Project Area of
9 the former Redevelopment Agency of the City and County of San Francisco to be
10 included in a special waterfront district, Project Area H shall not constitute a special
11 waterfront district.

12 3. Amended Boundaries Described. The proposed amended boundaries of
13 the IFD, which are amended to include Project Area E and to reflect the re-naming of
14 certain proposed project areas as described above, are as shown on the amended map
15 of the IFD on file with the Clerk of the Board of Supervisors, which boundaries are
16 hereby preliminarily approved and to which map reference is hereby made for further
17 particulars.

18 4. Public Hearing; Notice. This Board of Supervisors will conduct a public
19 hearing on the proposed establishment of the IFD, including Project Area E as
20 proposed by this Board of Supervisors in this Resolution, in the Board of Supervisors
21 Chambers, 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California, on a
22 date to be established by the Executive Director of the Port, in consultation with the
23 Clerk of the Board of Supervisors. The Clerk of the Board of Supervisors shall cause
24 notice of the public hearing to be published as set forth in the Original Resolution of
25 Intention.

1 5. Further Action. The Clerk of the Board of Supervisors and all other officers
2 and agents of the City are hereby authorized and directed to take all actions necessary
3 or advisable to give effect to the transactions contemplated by Original Resolution of
4 Intention, as amended by this Resolution.

5 6. No Obligation. The Original Resolution of Intention, as amended by this
6 Resolution, shall in no way obligate the Board of Supervisors to establish the IFD. The
7 establishment of the IFD, including the project areas described in the Original
8 Resolution of Intention as amended by this Resolution, shall be subject to the approval
9 of this Board of Supervisors by ordinance following the holding of the public hearing
10 referred to above. The proposal to include property in the boundaries of the IFD does
11 not constitute an approval of any specific land uses on such property.

12 7. California Environmental Quality Act. This Board of Supervisors hereby
13 finds that; pursuant to Title 14, California Code of Regulations, Section 15378(b)(4),
14 adoption of this Resolution and the establishment of the IFD are not "projects" under
15 the California Environmental Quality Act, because they do not involve any commitment
16 to a specific project that may result in a potentially significant physical impact on the
17 environment.



City and County of San Francisco

**Tails
Resolution**

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

File Number: 120278

Date Passed: June 12, 2012

Resolution amending Resolution of Intention to establish Infrastructure Financing District No. 2 (File No. 120128) for the City and County of San Francisco at the Port of San Francisco.

June 06, 2012 Budget and Finance Sub-Committee - REFERRED WITHOUT RECOMMENDATION

June 12, 2012 Board of Supervisors - ADOPTED

Ayes: 8 - Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

Noes: 3 - Avalos, Campos and Chiu

File No. 120278

I hereby certify that the foregoing Resolution was ADOPTED on 6/12/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

6/20/2012
Date Approved

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee *NE*
RE: Substitute Resolution – File No. 151007 - Resolution of Intention to Issue
Bonds – Port Infrastructure Financing District
DATE: October 20, 2015

Attached for introduction to the Board of Supervisors is a resolution of Intention to Issue Bonds in an Amount Not to Exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).

Please note that this item is co-sponsored by Supervisor Cohen.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.