

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 -
Infrastructure Financing District No. 2 (Port of San Francisco, Pier 70)]

3

4 **Resolution of Intention to Issue Bonds in an Amount Not to Exceed \$273,900,000,**
5 **\$196,100,000 and \$323,300,000 for Sub-Project Area G-2, Sub-Project Area G-3 and Sub-**
6 **Project Area G-4, respectively, City and County of San Francisco Infrastructure**
7 **Financing District No. 2 (Port of San Francisco, Pier 70); and affirming the Planning**
8 **Department's determination, and making findings under the California Environmental**
9 **Quality Act.**

10

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

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

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

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

25

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

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

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

14 WHEREAS, in accordance with the IFD Law, at the direction of this Board of Directors,
15 the Executive Director prepared the Infrastructure Financing Plan; and

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

19 WHEREAS, At its hearing on August 24, 2017, and prior to recommending the
20 proposed Planning Code amendments for approval, by Motion No. 19976, the Planning
21 Commission certified a Final Environmental Impact Report (FEIR) for the Pier 70 Mixed-Use
22 District Project (Case No. 2014-001272ENV) (Project) pursuant to the California
23 Environmental Quality Act (CEQA) (California Public Resources Code Section 21000 et seq.),
24 the CEQA Guidelines (14 Cal. Code Reg. Section 15000 et seq.), and Chapter 31 of the
25 Administrative Code. A copy of said Motion is on file with the Clerk of the Board of

1 Supervisors in File No. 170930, and, is incorporated herein by reference. In accordance with
2 the actions contemplated herein, this Board of Supervisors has reviewed the FEIR, concurs
3 with its conclusions, affirms the Planning Commission’s certification of the FEIR, and finds
4 that the actions contemplated herein are within the scope of the Project described and
5 analyzed in the FEIR; and

6 WHEREAS, In recommending the proposed Planning Code Amendments for approval
7 by this Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the
8 Planning Commission also adopted findings under CEQA, including a statement of overriding
9 consideration, and a Mitigation Monitoring and Reporting Program (MMRP). A copy of said
10 Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 170930,
11 and is incorporated herein by reference. This Board of Supervisors hereby adopts and
12 incorporates by reference as though fully set forth herein the Planning Commission’s CEQA
13 approval findings, including the statement of overriding considerations. This Board of
14 Supervisors also adopts and incorporates by reference as though fully set forth herein the
15 Project’s MMRP; and

16 WHEREAS, On _____, 2017, by Resolution No. ____ (Resolution of Intention to
17 Establish Sub-Project Areas G-2, G-3 and G-4), in connection with the Project, this Board of
18 Supervisors declared its intention to establish Sub-Project Area G-2 (Pier 70 - 28-Acre Site),
19 Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre
20 Site), each a Pier 70 district and a sub-project area within Project Area G (Pier 70); and,

21 WHEREAS, Pursuant to the Resolution of Intention to Establish Sub-Project Areas G-
22 2, G-3 and G-4), this Board of Supervisors directed the Executive Director of the Port
23 (Executive Director) to prepare Appendix G-2 to the IFP, relating to Sub-Project Area G-2
24 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area
25 G-4 (Pier 70 - 28-Acre Site), consistent with the requirements of the IFD Law; and

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

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

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

9 RESOLVED, By the Board of Supervisors as follows:

10 1. Purposes of Bonds. This Board of Supervisors proposes that the IFD issue one
11 or more series of bonds of the IFD payable from and secured by a pledge of available tax
12 increment allocated to the IFD with respect to Sub-Project Area G-2 (Pier 70 - 28-Acre Site)
13 (such bonds, Sub-Project Area G-2 Bonds), with respect to Sub-Project Area G-3 (Pier 70 -
14 28-Acre Site) (such bonds, Sub-Project Area G-3 Bonds), and with respect to Sub-Project
15 Area G-34 (Pier 70 - 28-Acre Site) (such bonds, Sub-Project Area G-4 Bonds, and together
16 with the Sub-Project Area G-2 Bonds and Sub-Project Area G-3 Bonds, Bonds) and other
17 sources identified by this Board of Supervisors. This Board of Supervisors proposes that such
18 Bonds be issued for the purpose of financing the costs of the facilities specified in Appendix
19 G-2 to be financed with available tax increment allocated to the IFD with respect to Sub-
20 Project Area G-2 (Pier 70 - 28-Acre Site) (Sub-Project Area G-2 Facilities), with respect to
21 Sub-Project Area G-3 (Pier 70 - 28-Acre Site) (Sub-Project Area G-3 Facilities) and with
22 respect to Sub-Project Area G-4 (Pier 70 - 28-Acre Site) (Sub-Project Area G-4 Facilities),
23 including acquisition and improvement costs and all costs incidental to or connected with the
24 accomplishment of said purposes and of the financing thereof.

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

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

24 3. Terms of Bonds. This Board of Supervisors intends to authorize the issuance
25 and sale of (i) Sub-Project Area G-2 Bonds in one or more series in the maximum aggregate

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

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

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

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

8 6. Debt. This Board of Supervisors also proposes to incur debt (as defined in the
9 IFD Law) other than the Bonds as set forth in Appendix G-2, as Appendix G-2 may be
10 amended from time to time. The limitations on Bonds set forth in this Resolution, including,
11 but not limited to, the respective maximum aggregate principal amounts specified in Section 3,
12 shall apply only to the Bonds and not to other debt (as defined in the IFD Law) payable from
13 available tax increment allocated to the IFD from Sub-Project Area G-2, Sub-Project Area G-3
14 and Sub-Project Area G-4 pursuant to Appendix G-2, including, without limitation, any bonds
15 issued by the City for and on behalf of a community facilities district related to the territory in
16 Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site)
17 and Sub-Project Area G-4 (Pier 70 - 28-Acre Site) secured, in whole or in part, by available
18 tax increment allocated to the IFD with respect to Sub-Project Area G-2 (Pier 70 - 28-Acre
19 Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and/or Sub-Project Area G-4 (Pier 70 -
20 28-Acre Site).

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

1 8. Public Hearing. That on Tuesday, April 17, 2018 at 3:00 p.m. or as soon as
2 possible thereafter, in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place,
3 City Hall, San Francisco, California, be, and the same are hereby appointed and fixed as the
4 time and place when and where this Board of Supervisors will conduct a public hearing on the
5 proposed issuance of Bonds.

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

10
11 By: _____
12 MARK D. BLAKE
13 Deputy City Attorney