

1 [Issuance of Special Tax Bonds - Special Tax District No. 2020-1 (Mission Rock Facilities and
2 Services) - Development Special Tax Bonds, Office Special Tax Bonds, Shoreline (Tax Zone
3 1) Special Tax Bonds - Not to Exceed \$58,335,000]

4 **Resolution supplementing Resolution No. 196-20 authorizing the issuance and sale of**
5 **one or more series of Special Tax Bonds for City and County of San Francisco Special**
6 **Tax District No. 2020-1 (Mission Rock Facilities and Services) in the aggregate principal**
7 **amount not to exceed \$58,335,000 to be repaid from Development Special Taxes, Office**
8 **Special Taxes and Shoreline Special Taxes levied in Tax Zone 1 of the Special Tax**
9 **District, as applicable; approving related documents, as defined herein, including an**
10 **Official Statement, a Second Supplement to Development Special Tax Fiscal Agent**
11 **Agreement, Office Special Tax Fiscal Agent Agreement, Shoreline (Tax Zone 1) Special**
12 **Tax Fiscal Agent Agreement, Bond Purchase Agreement, and Continuing Disclosure**
13 **Certificate; interpreting the Rate and Method of Apportionment of Special Tax; and**
14 **determining other matters in connection therewith, as defined herein.**

15
16 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and
17 San Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581,
18 empower the City and County of San Francisco (“City”), acting through the San Francisco Port
19 Commission (“Port” or “Port Commission”), with the power and duty to use, conduct, operate,
20 maintain, manage, regulate, and control the lands within Port jurisdiction; and

21 WHEREAS, Seawall Lot 337 Associates, LLC, a Delaware limited liability company
22 (“Master Developer”) and the City, acting by and through the Port, are parties to a Disposition
23 and Development Agreement (as amended from time to time, “DDA”), including a Financing
24 Plan (as amended from time to time, “Financing Plan”), that governs the disposition and
25 development of certain parcels in the jurisdiction of the Port, including Seawall Lot 337, 3.53

1 acres located at Terry A. Francois Boulevard from Third Street to Mission Rock Street, China
2 Basin Park and one-half (½) acre to the east of Terry A. Francois Boulevard between Pier 48
3 and Pier 50 (“Project Site”), and also provides for development of Pier 48, which DDA was
4 approved by the Board of Supervisors of the City (“Board of Supervisors” or “Board”) by
5 Resolution No. 42-18, adopted on February 13, 2018, signed by the Mayor on February 23,
6 2018, and a copy of which is in Board File No. 180092 (“Mission Rock Project Resolution”);
7 and

8 WHEREAS, The Port collaborated with the State Lands Commission and the
9 Legislature to amend the Burton Act to lift or suspend certain statutory trust use restrictions
10 that impeded the Port’s ability to realize the development potential of Port lands; and under
11 Senate Bill 815 (Stats. 2007, ch. 660, as amended by Stats. 2016, ch. 529) (“SB 815”), the
12 Port is authorized to lease certain seawall lots south of Market Street, including the Project
13 Site, for nontrust purposes, providing revenues for rehabilitation of historic wharves and piers
14 and other trust uses; SB 815 allows long-term nontrust uses that are otherwise not
15 permissible under the Burton Act as a primary mechanism to generate Port revenues for trust
16 purposes, including the construction of infrastructure needed for development; and

17 WHEREAS, On November 3, 2015, San Francisco voters approved the Mission Rock
18 Affordable Housing, Parks, Jobs and Historic Preservation Initiative (“Proposition D”), which
19 authorized increased height limits on the Project Site, subject to environmental review, and
20 established a City policy to encourage development of the Project Site; Proposition D
21 specifically provides that it is intended to encourage and implement the lease and
22 development of the Project Site as described in SB 815 to support the purposes of the Burton
23 Act, especially the preservation of historic piers and historic structures and construction of
24 waterfront plazas and open space; and

25

1 WHEREAS, The proposed development of the Project Site, which is commonly
2 referred to as the Mission Rock project (“Project”), will be a new mixed-use neighborhood that
3 is proposed to include a mix of commercial/office, retail, parking, and market rate and
4 affordable residential uses and approximately eight acres of new and expanded parks and
5 shoreline access; and

6 WHEREAS, Under the DDA, (i) the Master Developer is responsible for master
7 development of the Project Site, including construction of public infrastructure, (ii) the Port and
8 Master Developer will enter into a master lease for all of the Project Site, (iii) the Port will
9 convey development parcels to vertical developers and those parcels will be released from
10 the master lease, and (iv) the Port may enter into a separate lease with the Master Developer
11 (or an affiliate of Master Developer) for development of Pier 48; and

12 WHEREAS, The City anticipates that, in addition to the infrastructure and private
13 development described above, future improvements will be necessary to ensure that the
14 shoreline, public facilities, and public access improvements will be protected should sea levels
15 rise in the vicinity of the Project Site; and

16 WHEREAS, At its hearing on October 5, 2017, and prior to recommending proposed
17 Planning Code amendments for approval, by Motion No. M-20017, the Planning Commission
18 certified a Final Environmental Impact Report (“FEIR”) for the Project pursuant to the
19 California Environmental Quality Act (“CEQA”) (California Public Resources Code, Section
20 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg., Section 15000 et seq.), and
21 Administrative Code, Chapter 31; a copy of said Motion is on file with the Clerk of the Board in
22 File No. 171117, and is incorporated herein by reference; and

23 WHEREAS, In recommending proposed Planning Code amendments for approval by
24 the Board at its hearing on October 5, 2017, by Motion No. M-20018, the Planning
25 Commission also adopted findings under CEQA, including a statement of overriding

1 consideration, and a Mitigation Monitoring and Reporting Program (“MMRP”), and copies of
2 said Motion and MMRP are on file with the Clerk of the Board in File No. 171117, and are
3 incorporated herein by reference; and

4 **Special Tax District**

5 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
6 it may be amended from time to time, “Code”), which Code incorporates by reference the
7 Mello-Roos Community Facilities Act of 1982, as amended (“Mello-Roos Act”), the Board is
8 authorized to establish a special tax district and to act as the legislative body for a special tax
9 district; and

10 WHEREAS, The Board of Supervisors has conducted proceedings under and pursuant
11 to the Code to form “City and County of San Francisco Special Tax District No. 2020-1
12 (Mission Rock Facilities and Services)” (“Special Tax District”), including but not limited to
13 Resolution No. 160-20, which was adopted on April 14, 2020 and signed by the Mayor on
14 April 24, 2020 (“Resolution of Formation”), to authorize the levy of special taxes upon the land
15 within the Special Tax District pursuant to a rate and method of apportionment of special tax
16 (“Rate and Method”) and to authorize the issuance of bonds and other debt (as defined in the
17 Mello-Roos Act) secured by said special taxes for the purpose of financing certain
18 improvements (“Facilities”) and incidental expenses (“incidental expenses”), all as described
19 in those proceedings; and

20 WHEREAS, The Rate and Method provides for the levy of separate special taxes
21 within the Special Tax District, including, among others, the Development Special Tax, the
22 Office Special Tax and the Shoreline Special Tax; and

23 WHEREAS, The Board of Supervisors has determined that such debt may include an
24 agreement by the Special Tax District (or the City on behalf of the Special Tax District) to
25 repay the City, acting by and through the Port Commission, for one or more advances of land

1 proceeds and other sources of Port funding to pay the costs of the Facilities and incidental
2 expenses (“Advances”), which repayment obligation (“Repayment Obligation”) may be
3 evidenced by one or more promissory notes ratified or executed by the Special Tax District (or
4 the City on behalf of the Special Tax District) in favor of the Port Commission; and

5 WHEREAS, The Board of Supervisors conducted a special election of the qualified
6 elector in the Special Tax District on April 20, 2020, and the issues presented at the special
7 election included the incurring of bonded indebtedness and other debt in the maximum
8 aggregate principal amount of \$3,700,000,000 (“Limit”), which Limit was to be calculated in
9 accordance with Resolution No. 161-20, which was adopted on April 14, 2020 and signed by
10 the Mayor on April 24, 2020 (“Resolution of Necessity”); and

11 WHEREAS, In the Resolution of Necessity, the Board of Supervisors resolved that
12 because the City expects to repay the Repayment Obligation with, among other sources,
13 special taxes levied in the Special Tax District and proceeds of bonded indebtedness and
14 other debt incurred by or on behalf of the Special Tax District, (i) the Repayment Obligation
15 shall be included in the calculation of the Limit and (ii) any such bonded indebtedness or other
16 debt (as defined in the Mello-Roos Act) incurred by or on behalf of the Special Tax District to
17 repay the Repayment Obligation (and the related costs of issuance and costs of funding a
18 debt service reserve fund) shall not be included in the calculation of the Limit; and

19 WHEREAS, Following the special election of the qualified elector, the Board of
20 Supervisors authorized the levy of special taxes within the Special Tax District pursuant to the
21 Code, at the rate and in accordance with the Rate and Method pursuant to Ordinance No. 79-
22 20 (“Special Tax Ordinance”), which the Board of Supervisors adopted on May 12, 2020 and
23 which was signed by the Mayor on May 22, 2020; and

1 WHEREAS, In the Special Tax Ordinance, the Board of Supervisors provided that all of
2 the collections of special taxes shall be used as provided for in the Code, the Resolution of
3 Formation and the Financing Plan; and

4 WHEREAS, Pursuant to Resolution No. 196-20, which was adopted on May 5, 2020
5 and signed by the Mayor on May 15, 2020 (“Original Resolution of Issuance”), the Board of
6 Supervisors authorized the issuance of up to \$3,700,000,000 of bonded indebtedness and
7 other debt on behalf of the Special Tax District and directed staff to prepare documentation for
8 such bonded indebtedness and other debt and return to the Board of Supervisors for approval
9 of such documentation; and

10 WHEREAS, Code Section 43.10.15.2 authorizes the City, on behalf of the Special Tax
11 District, to enter into an agreement with any third party that pledges to the Special Tax District
12 funds that will be used to pay for facilities or services that the Special Tax District is
13 authorized to finance or to pay debt service on bonds or debt issued by or for the Special Tax
14 District; and

15 **Infrastructure Financing District**

16 WHEREAS, Under California Government Code, Sections 53395 et seq. (“IFD Law”),
17 the Board of Supervisors is authorized to establish an infrastructure financing district and to
18 act as the legislative body for such an infrastructure financing district; more specifically, the
19 Board of Supervisors is authorized to establish “waterfront districts” under IFD Law Section
20 53395.8, including one or more waterfront districts; and

21 WHEREAS, By Ordinance No. 27-16, which the Board of Supervisors adopted on
22 March 1, 2016 and which was signed by the Mayor on March 11, 2016 (“Ordinance
23 Establishing IFD”), the Board of Supervisors, among other things, declared “City and County
24 of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (“IFD”) to be
25 fully formed and established, approved an infrastructure financing plan for the IFD (“IFD

1 Infrastructure Financing Plan”), and designated initial proposed project areas within the IFD;
2 and

3 WHEREAS, In accordance with the DDA, by Ordinance No. 34-18, which the Board of
4 Supervisors adopted on February 27, 2018 and which was signed by the Mayor on March 6,
5 2018 (“Ordinance Establishing Project Area I and Sub-Project Areas I-1 through I-13”), the
6 Board of Supervisors, among other things, declared the following project area (“Project Area
7 I”) and sub-project areas (collectively, “Sub-Project Areas”) within the Project Site to be fully
8 formed and established and approved Appendix I to the IFD Infrastructure Financing Plan:

- 9 (i) “Project Area I (Mission Rock),” (ii) “Sub-Project Area I-1 (Mission Rock),” (iii) “Sub-Project
10 Area I-2 (Mission Rock),” (iv) “Sub-Project Area I-3 (Mission Rock),” (v) “Sub-Project Area I-4
11 (Mission Rock),” (vi) “Sub-Project Area I-5 (Mission Rock),” (vii) “Sub-Project Area I-6 (Mission
12 Rock),” (viii) “Sub-Project Area I-7 (Mission Rock),” (ix) “Sub-Project Area I-8 (Mission Rock),”
13 (x) “Sub-Project Area I-9 (Mission Rock),” (xi) “Sub-Project Area I-10 (Mission Rock),”
14 (xii) “Sub-Project Area I-11 (Mission Rock),” (xiii) “Sub-Project Area I-12 (Mission Rock),” and
15 (xiv) “Sub-Project Area I-13 (Mission Rock)”; and

16 WHEREAS, Under Section 53395.2 of the IFD Law, the IFD is authorized to pledge
17 revenues available from the Sub-Project Areas and allocated to it pursuant to Article 3 of the
18 IFD Law (commencing with Section 53396) to pay the principal of, and interest on, bonds
19 issued pursuant to the Mello-Roos Act, the proceeds of which have been or will be used
20 entirely for allowable purposes of the IFD; and

21 WHEREAS, By Resolution No. 37-18, which the Board of Supervisors adopted on
22 February 13, 2018 and which was signed by the Mayor on February 23, 2018 (“Original
23 Pledge Resolution”), the Board of Supervisors, acting as the legislative body of the IFD,
24 authorized execution of one or more pledge agreements by the IFD that provides, among
25 other things, for the pledge of tax increment revenues allocated to the IFD with respect to all

1 or any of the Sub-Project Areas, as applicable, to bonds issued for a special tax district that is
2 formed by the Board of Supervisors to finance all or any of the facilities that can be financed
3 by the IFD with tax increment generated in the Sub-Project Areas; and

4 WHEREAS, A default judgment was entered on October 17, 2019, by the Superior
5 Court of the County of San Francisco in a judicial validation action related to, among other
6 things, the IFD, the Sub-Project Areas and such pledge agreements (Case No. CGC-18-
7 565561) (“Validation Judgment”); and

8 **Outstanding Development Special Tax Bonds**

9 WHEREAS, The City previously issued on behalf of the Special Tax District the
10 \$43,300,000 City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock
11 Facilities and Services) Development Special Tax Bonds, Series 2021A (“2021A Development
12 Special Tax Bonds”) pursuant to Resolution No. 565-20, which was approved by the Board of
13 Supervisors on December 8, 2020 and signed by the Mayor on December 18, 2020 (“First
14 Supplemental Development Special Tax Resolution of Issuance”) and a Fiscal Agent
15 Agreement, dated as of May 1, 2021 (“Development Special Tax Master Fiscal Agent
16 Agreement”), by and between the City and Zions Bancorporation, National Association, as
17 fiscal agent (“Fiscal Agent”); and

18 WHEREAS, In connection with the issuance of the 2021A Development Special Tax
19 Bonds, the IFD previously executed and delivered a Pledge Agreement, dated as of May 1,
20 2021 (“Pledge Agreement”), by and among the City, for and on behalf of the Special Tax
21 District, the IFD and the Fiscal Agent, pursuant to Resolution No. 569-20, which was
22 approved by the Board of Supervisors on December 8, 2020 and signed by the Mayor on
23 December 18, 2020 (“First Supplemental Pledge Resolution”); and

24 WHEREAS, The City subsequently issued on behalf of the Special Tax District the
25 \$54,280,000 City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock

1 Facilities and Services) Development Special Tax Bonds, Series 2021B (Federally Taxable)
2 (“2021B Development Special Tax Bonds”) and the \$10,000,000 City and County of
3 San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)
4 Development Special Tax Bonds, Series 2021C (“2021C Development Special Tax Bonds”;
5 together with 2021A Development Special Tax Bonds and 2021B Development Special Tax
6 Bonds, “Outstanding Development Special Tax Bonds”) pursuant to Resolution No. 224-21,
7 which was approved by the Board of Supervisors on May 11, 2021 and signed by the Mayor
8 on May 21, 2021 (“Second Supplemental Development Special Tax Resolution of Issuance”)
9 and a First Supplement to Fiscal Agent Agreement, dated as of November 1, 2021 (“First
10 Supplement to Development Special Tax Fiscal Agent Agreement”), by and between the City
11 and the Fiscal Agent; and

12 WHEREAS, The Outstanding Development Special Tax Bonds are payable from
13 Revenues (as defined in the Master Development Special Tax Fiscal Agent Agreement),
14 which include (a) revenue from the Development Special Tax levied under the Rate and
15 Method, and not from other special taxes that may be levied under the Rate and Method and
16 (b) certain payments made by the IFD under the Pledge Agreement; and

17 **Proposed Development Special Tax Bonds**

18 WHEREAS, The Board of Supervisors now wishes to further supplement the Original
19 Resolution of Issuance to provide for the issuance of one or more additional series of City and
20 County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and
21 Services) Development Special Tax Bonds (“2023 Development Special Tax Bonds”), which
22 will be payable from Revenues (as defined in the Master Development Special Tax Fiscal
23 Agent Agreement) on a parity basis with the Outstanding Development Special Tax Bonds, to
24 finance a portion of the Facilities and related costs and expenses; and

25

1 WHEREAS, In accordance with the Resolution of Necessity, to the extent that
2 proceeds of the 2023 Development Special Tax Bonds are used to repay the Repayment
3 Obligation, the corresponding principal amount of the 2023 Development Special Tax Bonds
4 shall not be subtracted from the Limit; and

5 WHEREAS, There has been submitted to this Board of Supervisors a form of a Second
6 Supplement to Fiscal Agent Agreement between the City and the Fiscal Agent (“Second
7 Supplement to Development Special Tax Fiscal Agent Agreement”; together with the Master
8 Development Special Tax Fiscal Agent Agreement and the First Supplement to Development
9 Special Tax Fiscal Agent Agreement, “Development Special Tax Fiscal Agent Agreement”),
10 which supplements the Master Development Special Tax Fiscal Agent Agreement for the
11 purposes of issuing one or more series of 2023 Development Special Tax Bonds, and this
12 Board of Supervisors with the aid of its staff has reviewed the Second Supplement to
13 Development Special Tax Fiscal Agent Agreement and found it to be in proper order; and
14 **Proposed Office Special Tax Bonds**

15 WHEREAS, The Board of Supervisors now wishes to supplement the Original
16 Resolution of Issuance to provide for the issuance of one or more series of its City and County
17 of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) Office
18 Special Tax Bonds (“2023 Office Special Tax Bonds”), pursuant to a Fiscal Agent Agreement
19 (“Office Special Tax Fiscal Agent Agreement”) by and between the City, for and on behalf of
20 the Special Tax District, and the Fiscal Agent, and there have been submitted to the Board of
21 Supervisors certain documents described below providing for the issuance of the 2023 Office
22 Special Tax Bonds for the Special Tax District and the use of the proceeds of those 2023
23 Office Special Tax Bonds, and the Board of Supervisors with the aid of its staff, has reviewed
24 the documents and found them to be in proper order; and
25

1 WHEREAS, The 2023 Office Special Tax Bonds will be payable from revenue from the
2 Office Special Tax levied under the Rate and Method, and not from (a) other special taxes
3 that may be levied under the Rate and Method and (b) payments made by the IFD under the
4 Pledge Agreement; and

5 WHEREAS, In accordance with the Resolution of Necessity, to the extent that
6 proceeds of the 2023 Office Special Tax Bonds are used to repay the Repayment Obligation,
7 the corresponding principal amount of the 2023 Office Special Tax Bonds shall not be
8 subtracted from the Limit; and

9 **Proposed Shoreline (Tax Zone 1) Special Tax Bonds; Interpretation of Rate and Method**

10 WHEREAS, The Board of Supervisors now wishes to supplement the Original
11 Resolution of Issuance to provide for the issuance of one or more series of its City and County
12 of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)
13 Shoreline (Tax Zone 1) Special Tax Bonds (“2023 Shoreline (Tax Zone 1) Special Tax
14 Bonds”), pursuant to a Fiscal Agent Agreement (“Shoreline (Tax Zone 1) Special Tax Fiscal
15 Agent Agreement”) by and between the City, for and on behalf of the Special Tax District, and
16 the Fiscal Agent, and there have been submitted to the Board of Supervisors certain
17 documents described below providing for the issuance of the 2023 Shoreline (Tax Zone 1)
18 Special Tax Bonds for the Special Tax District and the use of the proceeds of those 2023
19 Shoreline (Tax Zone 1) Special Tax Bonds, and the Board of Supervisors with the aid of its
20 staff, has reviewed the documents and found them to be in proper order; and

21 WHEREAS, The 2023 Shoreline (Tax Zone 1) Special Tax Bonds and all other bonds
22 issued pursuant to the Shoreline (Tax Zone 1) Special Tax Fiscal Agent Agreement shall be
23 paid from the Shoreline Special Tax levied under the Rate and Method in Tax Zone 1 of the
24 Special Tax District, and not from (a) other special taxes that may be levied under the Rate
25 and Method and (b) payments made by the IFD under the Pledge Agreement; and

1 WHEREAS, In accordance with the Resolution of Necessity, to the extent that
2 proceeds of the 2023 Shoreline (Tax Zone 1) Special Tax Bonds are used to repay the
3 Repayment Obligation, the corresponding principal amount of the 2023 Shoreline (Tax Zone
4 1) Special Tax Bonds shall not be subtracted from the Limit; and

5 WHEREAS, Section I of the Rate and Method authorizes the City to interpret, clarify
6 and revise the Rate and Method to correct any inconsistency, vagueness or ambiguity, as
7 long as such interpretation, clarification or revision does not materially affect the levy of the
8 Special Taxes and any security for any Bonds (as those terms are defined in the Rate and
9 Method); and

10 WHEREAS, Code Section 43.10.5 authorizes the Board of Supervisors to take any
11 actions or make any determinations which it determines are necessary or convenient to carry
12 out the purposes of the Code and which are not otherwise prohibited by law; and

13 WHEREAS, The Board of Supervisors wishes to clarify that, because the Rate and
14 Method requires Shoreline Special Tax Bonds (as defined in the Rate and Method) to be
15 secured in a manner that reflects the divisions between the Zone 1 Shoreline Special Taxes
16 and the Zone 2 Shoreline Special Taxes (as those terms are defined in the Financing Plan) as
17 set forth in Financing Plan Section 4.7, the Rate and Method shall be administered in a
18 manner that treats the Shoreline Special Tax levied in Tax Zone 1 and the Shoreline Special
19 Tax levied in Tax Zone 2 as separate special taxes, until otherwise provided by the Board of
20 Supervisors without materially affecting the security for any Bonds (as defined in the Rate and
21 Method); and

22 **2023 Special Tax Bonds and Related Documents**

23 WHEREAS, There has also been submitted to the Board of Supervisors a form of
24 preliminary Official Statement in connection with the marketing of the 2023 Development
25 Special Tax Bonds, the 2023 Office Special Tax Bonds and the 2023 Shoreline (Tax Zone 1)

1 Special Tax Bonds (collectively, “2023 Special Tax Bonds”), and the Board of Supervisors,
2 with the aid of its staff, has reviewed the preliminary Official Statement (“Preliminary Official
3 Statement”); and

4 WHEREAS, The Preliminary Official Statement describes an appraisal (“Appraisal”)
5 prepared by Integra Realty Resources (“Appraiser”) that estimates the fair market value as of
6 September 15, 2023, of the taxable property in the Special Tax District (consisting of
7 leasehold interests in certain parcels owned by the City) to be \$698,880,000; and

8 WHEREAS, The Director of the Office of Public Finance may request the Appraiser to
9 update the Appraisal between the date hereof and the date of publication of the Preliminary
10 Official Statement so that it reflects more current market conditions; and

11 WHEREAS, On September 12, 2023, staff provided to the Port Commission an update
12 on the Project and plan of finance, including the proposed issuance of the 2023 Special Tax
13 Bonds, and by Resolution No. 23-41, the Port Commission recommended that the Board of
14 Supervisors, as the legislative body of the Special Tax District, (i) approve the issuance of the
15 2023 Special Tax Bonds, in one or more series in the aggregate principal amount not to
16 exceed the lesser of (A) \$58,335,000 and (B) such lower amount required to achieve a 3-to-1
17 value-to-lien ratio for each series of 2023 Special Tax Bonds; and (ii) approve related
18 documents and actions; and authorized and directed the Executive Director of the Port to
19 cause the documents described herein to be submitted to the Board of Supervisors for its
20 consideration and to work with the Director of the Office of Public Finance to finalize and
21 cause the distribution of the Preliminary Official Statement; and

22 WHEREAS, A copy of Port Commission Resolution No. 23-41 is in Board File
23 No. 231022, and is incorporated in this Resolution by reference; and

24 WHEREAS, In Resolution No. 160-20, which was adopted by the Board of Supervisors
25 on April 14, 2020 and signed by the Mayor on April 24, 2020, a copy of which is in Board File

1 No. 200120 (“Resolution of Formation”), the Board of Supervisors approved and ratified the
2 appointment of the Port as the CFD Agent (as defined in the DDA) for the Special Tax District,
3 which, under the DDA, includes determining in collaboration with the Office of Public Finance
4 whether, in what amounts, and the terms by which the City will issue special tax bonds on
5 behalf of the Special Tax District; and

6 WHEREAS, The Board of Supervisors has obtained and disclosed the information
7 required to be disclosed pursuant to Government Code, Section 5852.1 with respect to the
8 2023 Special Tax Bonds; and

9 **Special Fund Administration Agreement**

10 WHEREAS, The Port, as CFD Agent and IFD Agent, and in its own proprietary
11 capacity, has entered into a Special Fund Administration Agreement, dated as of May 1, 2021
12 (“Special Fund Administration Agreement”), with Zions Bancorporation, National Association
13 (“Special Fund Trustee”), for the purpose of facilitating a more orderly administration of the
14 revenues generated by the Special Tax District and the IFD; and

15 WHEREAS, All conditions, things and acts required to exist, to have happened and to
16 have been performed precedent to and in the issuance of the 2023 Special Tax Bonds and
17 the levy of the special taxes as contemplated by this Resolution and the documents referred
18 to herein exist, have happened and have been performed in due time, form and manner as
19 required by applicable law, including the Code; now, therefore, be it

20 RESOLVED, That the foregoing recitals are all true and correct; and, be it

21 FURTHER RESOLVED, That pursuant to the Code (including the Mello-Roos Act, to
22 the extent incorporated in the Code), the Original Resolution of Issuance, this Resolution and
23 the Development Special Tax Fiscal Agent Agreement, the 2023 Development Special Tax
24 Bonds are hereby authorized to be issued in one or more series; and, be it

1 FURTHER RESOLVED, That pursuant to the Code (including the Mello-Roos Act, to
2 the extent incorporated in the Code), the Original Resolution of Issuance, this Resolution and
3 the Office Special Tax Fiscal Agent Agreement, the 2023 Office Special Tax Bonds are
4 hereby authorized to be issued in one or more series; and, be it

5 FURTHER RESOLVED, That pursuant to the Code (including the Mello-Roos Act, to
6 the extent incorporated in the Code), the Original Resolution of Issuance, this Resolution and
7 the Shoreline (Tax Zone 1) Special Tax Fiscal Agent Agreement, the 2023 Shoreline (Tax
8 Zone 1) Special Tax Bonds are hereby authorized to be issued in one or more series; and, be
9 it

10 FURTHER RESOLVED, That the aggregate principal amount of the 2023 Special Tax
11 Bonds shall not exceed the lesser of (A) \$58,335,000 and (B) such lower amount required to
12 achieve a 3-to-1 value-to-lien ratio for each series of 2023 Special Tax Bonds based on the
13 fair market value of the taxable property in the Special Tax District set forth in the Appraisal in
14 effect as of the pricing date; and, be it

15 FURTHER RESOLVED, That the 2023 Special Tax Bonds shall be dated, bear interest
16 at the rates, mature on the dates, be issued in the form, be subject to redemption, and
17 otherwise be issued on the terms and conditions, all as set forth in the Second Supplement to
18 Development Special Tax Fiscal Agent Agreement, the Office Special Tax Fiscal Agent
19 Agreement or the Shoreline (Tax Zone 1) Special Tax Fiscal Agent Agreement, as applicable
20 (collectively, "Fiscal Agent Agreements"), and in accordance with this Resolution; provided,
21 however, that the interest rate shall not exceed the maximum rate permitted by law; and the
22 Fiscal Agent, an Authorized Officer (as defined below) and other responsible officers of the
23 City are hereby authorized and directed to take such actions as are required to cause the
24 delivery of the 2023 Special Tax Bonds upon receipt of the purchase price thereof; and, be it
25

1 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
2 authorized to determine, after consultation with the City’s bond counsel, municipal advisors
3 and the Underwriter, (i) the name of the 2023 Special Tax Bonds, (ii) the number of series of
4 2023 Special Tax Bonds to be issued, (iii) the final principal amount of each series of the 2023
5 Special Tax Bonds; (iv) whether any series of the 2023 Special Tax Bonds shall be
6 designated as green bonds or sustainability bonds; and (v) whether each series of the 2023
7 Special Tax Bonds will be issued as tax-exempt or federally taxable bonds; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby finds the following:

9 (a) The issuance of the 2023 Special Tax Bonds is in compliance with the Code, the
10 Original Resolution of Issuance, the Fiscal Agent Agreements and the City’s “Amended and
11 Restated Local Goals and Policies for Special Tax Districts and Special Tax Districts” adopted
12 by the Board of Supervisors on November 26, 2013, by Resolution No. 414-13 and signed by
13 the Mayor on November 27, 2013 (“Goals and Policies”);

14 (b) The Appraisal has been prepared consistent with the Goals and Policies; and

15 (c) The current draft of the Appraisal concludes that the taxable property in the
16 Special Tax District has a market value (subject to the various assumptions and conditions set
17 forth in the Appraisal) that would be at least three times the maximum authorized principal
18 amount of the 2023 Special Tax Bonds approved herein, the principal amount of the
19 Outstanding Development Special Tax Bonds and the principal amount of all other bonds
20 outstanding that are secured by a special tax levied pursuant to the Code or the Mello-Roos
21 Act on property within the Special Tax District or a special assessment levied on property
22 within the Special Tax District; and, be it

23 FURTHER RESOLVED, That the Mayor, the Controller, and the Director of the Office
24 of Public Finance, or such other official of the City as may be designated by such officials
25 (each, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the

1 documents approved herein in substantially the form on file with the Clerk of the Board of
2 Supervisors, together with such additions or changes as are approved by such Authorized
3 Officer, including such additions or changes as are necessary or advisable to permit the timely
4 issuance, sale and delivery of the 2023 Special Tax Bonds; the approval of such additions or
5 changes shall be conclusively evidenced by the execution and delivery by an Authorized
6 Officer of the documents herein specified; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Fiscal
8 Agent Agreements, in substantially the forms on file with the Clerk of the Board of
9 Supervisors; the terms and provisions of the Fiscal Agent Agreements, as executed, are
10 incorporated herein by this reference as if fully set forth herein; an Authorized Officer is
11 hereby authorized and directed to execute the Fiscal Agent Agreements on behalf of the City,
12 with such changes, additions or deletions as may be approved by the Authorized Officer, and
13 the Clerk of the Board of Supervisors is hereby authorized and directed to attest thereto; and,
14 be it

15 FURTHER RESOLVED, That the Board of Supervisors hereby confirms that the
16 Pledge Agreement shall apply to all bonds issued under the Development Special Tax Fiscal
17 Agent Agreement, including the 2023 Development Special Tax Bonds, without any further
18 action by the Board of Supervisors, the City, the Special Tax District or the IFD; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
20 Preliminary Official Statement prepared in connection with the 2023 Special Tax Bonds in
21 substantially the form on file with the Clerk of the Board of Supervisors, together with any
22 changes therein or additions thereto deemed advisable by an Authorized Officer; the Board of
23 Supervisors hereby approves and authorizes the distribution by the underwriter of the 2023
24 Special Tax Bonds of the Preliminary Official Statement to prospective purchasers of the 2023
25 Special Tax Bonds, and authorizes and directs an Authorized Officer on behalf of the City to

1 deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities
2 Exchange Act of 1934 (“Rule”) prior to its distribution to prospective purchasers of the 2023
3 Special Tax Bonds; the execution by an Authorized Officer of the final Official Statement,
4 which shall include pricing information for the 2023 Special Tax Bonds, such other changes
5 and additions thereto deemed advisable by an Authorized Officer, and such information
6 permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be
7 conclusive evidence of the approval of the Official Statement by the City; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form of
9 the continuing disclosure certificate with respect to the 2023 Special Tax Bonds in
10 substantially the form attached to the Official Statement (“Continuing Disclosure Certificate”);
11 an Authorized Officer is hereby authorized and directed to complete and execute the
12 Continuing Disclosure Certificate on behalf of the City (for and on behalf of the Special Tax
13 District) with such changes, additions or deletions as may be approved by the Authorized
14 Officer; and, be it

15 FURTHER RESOLVED, That the Bond Purchase Agreement, between the City, for
16 and on behalf of the Special Tax District, and Stifel, Nicolaus & Company, Inc. and Piper
17 Sandler & Co. (collectively, “Underwriter”), in substantially the form on file with the Clerk of the
18 Board of Supervisors and made a part hereof as though set forth in full herein, is hereby
19 approved by the Board of Supervisors; an Authorized Officer is hereby authorized and
20 directed to execute and deliver the Bond Purchase Agreement in such form, together with
21 such changes, insertions and omissions that are approved by an Authorized Officer and that
22 are in accordance with the provisions of this Resolution, such execution to be conclusive
23 evidence of such approval; subject to the requirement that the Underwriter’s discount (not
24 including original issue discount) on the purchase of the 2023 Special Tax Bonds may not
25 exceed 1.50% of the par amount of the 2023 Special Tax Bonds; and, be it

1 FURTHER RESOLVED, That in addition, and pursuant to Section 53345.8 of the
2 Mello-Roos Act, the Board of Supervisors hereby finds and determines that an Authorized
3 Officer may not execute and deliver the Bond Purchase Agreement unless, based on the
4 estimated market value of the taxable property in the Special Tax District set forth in the final,
5 updated version of the Appraisal (reflecting a dated date that is no earlier than 90 days prior to
6 the pricing of the 2023 Special Tax Bonds, and subject to the various assumptions and
7 conditions set forth in the Appraisal), the aggregate principal amount of the 2023 Special Tax
8 Bonds will not exceed the lesser of (A) \$58,335,000 and (B) such lower amount required to
9 achieve a 3-to-1 value-to-lien ratio for each series of 2023 Special Tax Bonds; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby finds that sale of the
11 2023 Special Tax Bonds to the Underwriter at a negotiated sale pursuant to the Bond
12 Purchase Agreement will result in a lower overall cost than would be achieved by selling the
13 2023 Special Tax Bonds at a public sale utilizing competitive bidding; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors hereby clarifies that, because
15 the Rate and Method requires Shoreline Special Tax Bonds (as defined in the Rate and
16 Method) to be secured in a manner that reflects the divisions between the Zone 1 Shoreline
17 Special Taxes and the Zone 2 Shoreline Special Taxes (as those terms are defined in the
18 Financing Plan) as set forth in Financing Plan, Section 4.7, the Rate and Method shall be
19 administered in a manner that treats the Shoreline Special Tax levied in Tax Zone 1 and the
20 Shoreline Special Tax levied in Tax Zone 2 as separate special taxes, until otherwise provided
21 by the Board of Supervisors without materially affecting the security for any Bonds (as defined
22 in the Rate and Method); and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby determines that such
24 clarification is necessary and convenient to carry out the purposes of the Code and are not
25 otherwise prohibited by law; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors previously approved the levy
2 on the secured roll of special taxes on possessory interests in the Special Tax District
3 pursuant to Resolution No. 200-20, which was adopted by the Board of Supervisors on May 5,
4 2020 and approved by the Mayor on May 15, 2020, and the Board of Supervisors agrees to
5 continue levying the Development Special Tax, the Office Special Tax and the Shoreline
6 Special Tax levied in Zone 1 of the Special Tax District on the secured roll as long as any of
7 the 2023 Special Tax Bonds remain outstanding under the Fiscal Agent Agreements; and, be
8 it

9 FURTHER RESOLVED, That the Port, in its capacity as CFD Agent, is hereby
10 authorized and directed to execute and deliver any amendment to the Special Fund
11 Administration Agreement that an Authorized Officer determines is necessary to consummate
12 the lawful issuance and delivery of the 2023 Special Tax Bonds in accordance with this
13 Resolution; and, be it

14 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
15 the City (including, but not limited to the Port Commission, as CFD Agent (as defined in the
16 DDA) in accordance with the DDA and the Resolution of Formation) with respect to the
17 establishment of the Special Tax District and the sale and issuance of the 2023 Special Tax
18 Bonds are hereby approved, confirmed and ratified, and the appropriate officers and agents of
19 the City (including, but not limited to the CFD Agent in accordance with the DDA and the
20 Resolution of Formation) are hereby authorized and directed to do any and all things and take
21 any and all actions and execute any and all certificates, agreements and other documents,
22 which they, or any of them, may deem necessary or advisable in order to consummate the
23 lawful issuance and delivery of the 2023 Special Tax Bonds in accordance with this
24 Resolution, including but not limited to any actions required in connection with issuance of
25 ratings or obtaining a municipal bond insurance policy with respect to the 2023 Special Tax

1 Bonds, and any certificate, agreement, and other document described in the documents
2 herein approved; all actions to be taken by an Authorized Officer, as defined herein, may be
3 taken by such Authorized Officer or any designee, with the same force and effect as if taken
4 by the Authorized Officer; and, be it

5 FURTHER RESOLVED, That this Resolution shall take effect from and after its
6 adoption and approval.

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8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

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10 By: /s/ Mark D. Blake
11 MARK D. BLAKE
Deputy City Attorney

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