

[Intention to Issue Bonds for the Infrastructure Financing District - Rincon Hill Area]

**Resolution of intention to issue bonds for City and County of San Francisco
Infrastructure Financing District No. 1 (Rincon Hill Area).**

RESOLVED, By the Board of Supervisors (Board of Supervisors) of the City and
County of San Francisco (City), State of California that:

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

WHEREAS, This Board of Supervisors has adopted its "Resolution of Intention to
Establish Infrastructure Financing District" (Original Resolution of Intention to Establish IFD),
stating its intention to form the "City and County of San Francisco Infrastructure Financing
District No. 1 (Rincon Hill Area)" (IFD) pursuant to the IDF Law, for the purpose of financing
certain public improvements (Facilities) as further provided in the Resolution of Intention to
Establish IFD; and

WHEREAS, On January 4, 2011, the Board of Supervisors adopted its "Resolution
Amending Public Hearing Date Relating to Infrastructure Financing District" (together with the
Original Resolution of Intention to Establish IFD, the Resolution of Intention to Establish IFD),
which amended the Original Resolution of Intention to Establish IFD to call for a public hearing
on February 8, 2011; and

WHEREAS, In addition, this Board of Supervisors has adopted its "Resolution Ordering
Preparation of Infrastructure Financing Plan", ordering preparation of an infrastructure
financing plan (Infrastructure Financing Plan) consistent with the requirements of the IFD Law;
and

1 WHEREAS, The Infrastructure Financing Plan includes an amended list of Facilities to
2 be financed by the IFD; the amended list does not include the Sailor's Union of the Pacific
3 Community Center or the Library Services; and

4 WHEREAS, The Infrastructure Financing Plan also proposed including an additional
5 property in the IFD, and incorporated an amended proposed boundary map; and

6 WHEREAS, In addition, this Board of Supervisors has adopted its "Resolution
7 Proposing Formation of Infrastructure Financing District," proposing formation of the IFD; and

8 WHEREAS, Pursuant to Section 53397.1 of the IFD Law, the Board of Supervisors
9 may, by majority vote, initiate proceedings to issue bonds pursuant to the IFD Law by
10 adopting a resolution stating its intent to issue the bonds; and

11 WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally
12 that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are
13 used for reimbursement of expenditures made prior to the date of issuance of such debt
14 unless certain procedures are followed, one of which is a requirement that (with certain
15 exceptions), prior to the payment of any such expenditure, the issuer declares an intention to
16 reimburse such expenditure; and

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

19 RESOLVED, By the Board as follows:

20 Section 1. Purposes of Bonds. The Board of Supervisors proposes issuing one or
21 more series of bonds (Bonds) for the purpose of financing the costs of the Facilities, including
22 acquisition and improvement costs and all costs incidental to or connected with the
23 accomplishment of said purposes and of the financing thereof.

24 The City hereby declares that it reasonably expects (i) to pay certain costs of the
25 Facilities prior to the date of issuance of the Bonds and (ii) to use a portion of the proceeds of

1 the Bonds for reimbursement of expenditures for the Facilities that are paid before the date of
2 issuance of the Bonds.

3 Section 2. Estimated Cost. The Board of Supervisors hereby estimates that the cost
4 of the Facilities will be \$15.4 million (in 2011 dollars) or \$22.3 million (inflated) and that the
5 estimated costs of preparing and issuing the Bonds will be \$631,000 (2011 dollars) or
6 \$917,000 (inflated).

7 Section 3. Terms of Bonds. This Board of Supervisors intends to authorize the
8 issuance and sale of the Bonds in one or more series in the maximum aggregate principal
9 amount of not to exceed \$22 million bearing interest payable semi-annually or in such other
10 manner as this Board of Supervisors shall determine, at a rate not to exceed the maximum
11 rate of interest as may be authorized by applicable law at the time of sale of the Bonds. The
12 maximum discount of the Bonds shall be 1%.

13 Section 4. Available Tax Revenues. The Board of Supervisors establishes that the
14 maximum incremental property tax that will be available to the IFD shall not exceed \$60.2
15 million over the life of the IFD. The Board of Supervisors hereby finds that the amount
16 necessary to pay principal of and interest on the Bonds is less than or equal to the
17 incremental property tax revenues that will be available to the IFD to pay principal of and
18 interest on the Bonds.

19 Section 5. Election. The Board of Supervisors will call a special landowner election
20 for February 8, 2011, to consider the proposed issuance of the Bonds for the IFD. The
21 election will be consolidated with the election on the issue of the proposed formation of the
22 IFD and approval of the proposed Infrastructure Financing Plan to be held on the February 8,
23 2011. The Clerk of the Board of Supervisors is hereby designated as the official to conduct
24 the election and to receive all ballots until 3:00 p.m. on February 8, 2011. Pursuant to Section
25

1 5395.20 of the IFD Law, the election shall be conducted by messenger or mail-delivered
2 ballot.

3 Section 6. Debt. All references in this Resolution to Bonds shall be deemed to
4 include a reference to debt (as defined in the IFD Law).

5 Section 7. No Obligation. This Resolution shall in no way obligate the Board of
6 Supervisors to propose establishment of the IFD or to issue bonds for the IFD. Issuance of the
7 bonds shall be subject to the approval of this Board of Supervisors by resolution following the
8 election of the qualified electors described above.

9
10 APPROVED AS TO FORM:

11 DENNIS J. HERRERA
12 City Attorney

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14 By: _____

15 MARK D. BLAKE
16 Deputy City Attorney
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City and County of San Francisco
Tails
Resolution

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

File Number: 101562

Date Passed: February 08, 2011

Resolution of intention to issue bonds for City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area).

January 24, 2011 Land Use and Economic Development Committee - CONTINUED

January 31, 2011 Land Use and Economic Development Committee - RECOMMENDED

January 31, 2011 Land Use and Economic Development Committee - REFERRED

February 02, 2011 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 02, 2011 Budget and Finance Committee - RECOMMENDED AS AMENDED

February 08, 2011 Board of Supervisors - ADOPTED

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

File No. 101562

I hereby certify that the foregoing
Resolution was ADOPTED on 2/8/2011 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

Date Approved