

1 [Acquisition of Real Property for \$11,520,000 and related site demolition and preparation –
2 814-820 Bryant Street and 470 6th Street; Authorizing Not-to-Exceed \$16,000,000 Certificates
of Participation and Commercial Paper Notes]

3 **Resolution authorizing the Director of the Real Estate Division to acquire real property**
4 **located at 814-820 Bryant Street and 470 6th Street for the purchase price of**
5 **\$11,520,000; and authorizing the Controller to cause the execution and delivery of**
6 **taxable or tax-exempt Certificates of Participation evidencing and representing an**
7 **aggregate principal amount not to exceed \$16,000,000 to finance the costs of the**
8 **acquisition of said real property, demolition, and related site preparation work;**
9 **authorizing the Controller to cause the issuance from time to time of the City’s**
10 **commercial paper notes in anticipation of the execution and delivery of said**
11 **Certificates of Participation; adopting findings that the conveyance is consistent with**
12 **the City’s General Plan and Eight Priority Policies of City Planning Code Section 101.1;**
13 **and authorizing the Controller and the Director of Property to execute such documents**
14 **and take necessary actions in furtherance of this resolution.**

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17 WHEREAS, On December 15, 2015 the San Francisco Board of Supervisors gave the
18 Real Estate Division verbal direction to begin acquisition negotiations with the property
19 owners adjacent to 850 Bryant Street; and

20 WHEREAS, This Board of Supervisors adopted a FY2018-2027 Ten-Year Capital Plan
21 on April 25, 2017, showing that the City could fully fund the replacement of the HOJ, known as
22 the Justice Facilities Improvement Program through the issuance of General Fund backed
23 certificates of participation, and such project was included in the proposed FY2018-2029,
24 introduced for Board of Supervisors consideration on March 5, 2019; and

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1 WHEREAS, On July 21, 2015, this Board of Supervisors adopted Resolution No. 261-
2 15, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 150701 and
3 is incorporated herein by reference, to adopt the Mitigated Negative Declaration and
4 Mitigation Monitoring and Reporting Program relative to the Program Site; and

5 WHEREAS, In 2015 the City has identified five separate lots to acquire (Lot Nos. 009,
6 012, 014, 043 and 045), all within Assessor's Block No. 3759 (collectively, the "Program Site")
7 to facilitate the replacement of the Hall of Justice through relocation of certain as-yet
8 determined elements of existing occupancy; and

9 WHEREAS, This Board of Supervisors adopted on June 28, 2016 Resolution No. 263-
10 16 to approve the acquisition of property at 450 6th Street (the "6th Street Property"),
11 Assessor's Lot No. 43 on Block 3759; and

12 WHEREAS, The Property shall be placed in the jurisdiction of City Administrator upon
13 acquisition; and

14 WHEREAS, Seller and City have negotiated a purchase and sale agreement, a copy of
15 which is on file with the Clerk of the Board in File No. _____("Purchase Agreement"), for
16 purchase of the Property to the City for \$11,520,000; and

17 WHEREAS, Per Administrative Code 23.3, an independent appraisal and review of that
18 appraisal, confirmed that the purchase price is the fair market value of the Property; and

19 WHEREAS, The Planning Department, by letter dated _____, found that the
20 acquisition of the Property is not considered a project under the California Environmental
21 Quality Act ("CEQA", Pub. Resources Code Section 21000 et seq.) pursuant to CEQA
22 Guidelines Section 15060 and Chapter 31 of the City's Administrative Code, and is consistent
23 with the General Plan, and the eight priority policies of Planning Code, Section 101.1, which
24 letter is on file with the Clerk of the Board of Supervisors in File No. _____, and incorporated
25 herein by this reference; and

1 WHEREAS; Acquisition of 814-820 Bryant Street, and 470 6th St along with the
2 previous acquisition of 450 6th street will create a viable assemblage of parcels, adjacent to
3 850 Bryant Street; and

4 WHEREAS, In order to provide funds for the acquisition of the Property, this Board of
5 Supervisors also authorizes and directs the Controller to cause the execution and delivery of
6 Certificates of Participation on a tax-exempt or taxable basis evidencing and representing an
7 aggregate principal amount of not to exceed \$16,000,000 to finance the costs of acquisition,
8 demolition, and related site preparation work of for Program Site and the acquisition of the
9 Property and other authorized expenses; authorizing the issuance of commercial paper notes
10 in advance of the delivery of the Certificates of Participation; and

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

14 WHEREAS, In order to finance the costs related to the Program Site and the
15 acquisition of the Property on an interim basis, this Board of Supervisors also authorizes the
16 Controller to authorize the use of the City’s commercial paper program, together with other
17 available funds, to acquire the Property and the payment of costs related to the Program Site
18 in an aggregate amount not to exceed \$16,000,000; and, consistent with applicable law,
19 anticipates repayment of such CP Notes from subsequent delivery of the Certificates of
20 Participation; now, therefore, be it

21 RESOLVED, That in accordance with the recommendation of the Director of Property,
22 the Board of Supervisors approves the Purchase Agreement in substantially the form
23 presented to the Board, and authorizes the Director of Property to take all actions necessary
24 or appropriate to acquire the Property as set forth in the Purchase Agreement; and, be it

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1 FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the
2 Board of supervisors with a fully executed copy of the Purchase Agreement within thirty (30)
3 days (or as soon thereafter as final documents are available) of execution by all parties; and
4 be it

5 FURTHER RESOLVED, That the Board hereby approves the execution and delivery of
6 Certificates of Participation evidencing an aggregate principal amount not to exceed
7 \$16,000,000 to pay the costs of the Project and other costs of issuance thereto; provided
8 however the Controller and/or the Director of the Controller's Office of Public Finance shall
9 return to this Board prior to the execution and delivery of said Certificates of Participation to
10 seek the approval of the terms of the Certificates of Participation, the sale and security
11 documents, including the Preliminary Official Statement prepared in connection with the
12 Certificates of Participation and such other information as required by law; and be it; and be it

13 FURTHER RESOLVED, That this Board hereby authorizes the Controller and the
14 Director of the Controller's Office of Public Finance to cause the execution and delivery of CP
15 Notes to finance on an interim basis the Project in anticipation of the execution and delivery of
16 the Certificates of Participation, such CP Notes to be repaid with proceeds of the Certificates
17 of Participation; and be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes and directs the Clerk of
19 the Board of Supervisors, the Director of Property, the Director of Public Finance, the Director of
20 San Francisco Public Works and the City Administrator, and any other officer of the City involved

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1 in the jurisdictional assignment to take all action and modification necessary or appropriate to
2 effectuate the purpose of this Resolution.

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4 RECOMMENDED:

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7 Andrico Penick
8 Director of Property

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