Resolution of Intention to Issue Bonds- Not To Exceed $273,900,000, $196,100,000 and $323,300,000 for Sub-Project Area G-2, Sub-Project Area G-3 and Sub-Project Area G-4, respectively, of Port Infrastructure Financing District

Resolution of Intention to Issue Bonds in an Amount Not to Exceed $273,900,000, $196,100,000 and $323,300,000 for Sub-Project Area G-2, Sub-Project Area G-3 and Sub-Project Area G-4, respectively, City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font.

Asterisks (*)(*) indicate the omission of unchanged Code subsections or parts of tables.WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San Francisco Charter Sections 4.114 and B3.581 empower the City and County of San Francisco (City), acting through the San Francisco Port Commission, to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction; and,

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

WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of Intention to Establish IFD), this 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 Project Area G (Pier 70); and,

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

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

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

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

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

WHEREAS, On __________, 2017, by Resolution No. ____ (Resolution of Intention to Establish Sub-Project Areas G-2, G-3 and G-4), this Board of Supervisors declared its intention to establish Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3
WHEREAS, Pursuant to the Resolution of Intention to Establish Sub-Project Areas G-2, G-3 and G-4, this Board of Supervisors directed the Executive Director of the Port (Executive Director) to prepare Appendix G-2 to the IFP, relating to Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site), consistent with the requirements of the IFD Law; and

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

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

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

RESOLVED, By the Board of Supervisors as follows:

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

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

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

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

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

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

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

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

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

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By:_________________________

MARK D. BLAKE
Deputy City Attorney