

1 [Resolution of Intention to Issue Bonds- Not To Exceed \$273,900,000, \$196,100,000 and  
2 \$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]

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

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

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

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

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

23 WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of  
24 Intention to Establish IFD), this Board of Supervisors declared its intention to establish a  
25 waterfront district to be known as “City and County of San Francisco Infrastructure Financing

1 District No. 2 (Port of San Francisco)” (IFD), and designated initial proposed project areas  
2 within the IFD, including Project Area G (Pier 70); and,

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

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

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

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

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

22 WHEREAS, On \_\_\_\_\_, 2017, by Resolution No. \_\_\_\_ (Resolution of Intention to  
23 Establish Sub-Project Areas G-2, G-3 and G-4), this Board of Supervisors declared its  
24 intention to establish Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3  
25

1 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site), each a Pier 70  
2 district and a sub-project area within Project Area G (Pier 70); and,

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

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

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

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

16 RESOLVED, By the Board of Supervisors as follows:

- 17 1. Purposes of Bonds. This Board of Supervisors proposes that the IFD issue one  
18 or more series of bonds of the IFD payable from and secured by a pledge of available tax  
19 increment allocated to the IFD with respect to Sub-Project Area G-2 (Pier 70 - 28-Acre Site)  
20 (such bonds, Sub-Project Area G-2 Bonds), with respect to Sub-Project Area G-3 (Pier 70 -  
21 28-Acre Site) (such bonds, Sub-Project Area G-3 Bonds), and with respect to Sub-Project  
22 Area G-3 (Pier 70 - 28-Acre Site) (such bonds, Sub-Project Area G-4 Bonds, and together  
23 with the Sub-Project Area G-2 Bonds and Sub-Project Area G-3 Bonds, Bonds) and other  
24 sources identified by this Board of Supervisors. This Board of Supervisors proposes that such  
25 Bonds be issued for the purpose of financing the costs of the facilities specified in Appendix

1 G-2 to be financed with available tax increment allocated to the IFD with respect to Sub-  
2 Project Area G-2 (Pier 70 - 28-Acre Site) (Sub-Project Area G-2 Facilities), with respect to  
3 Sub-Project Area G-3 (Pier 70 - 28-Acre Site) (Sub-Project Area G-3 Facilities) and with  
4 respect to Sub-Project Area G-4 (Pier 70 - 28-Acre Site) (Sub-Project Area G-4 Facilities),  
5 including acquisition and improvement costs and all costs incidental to or connected with the  
6 accomplishment of said purposes and of the financing thereof.

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

21 2. Estimated Cost. This Board of Supervisors hereby estimates that the cost of the  
22 Sub-Project Area G-2 Facilities, Sub-Project Area G-3 Facilities and the Sub-Project Area G-4  
23 Facilities will be approximately \$273.9 million (2017 dollars), \$196.1 million (2017 dollars) and  
24 \$323.3 million (2017 dollars), respectively, and that the estimated costs of preparing and  
25 issuing each series of the Bonds (not including underwriter's discount) will be equal to

1 approximately 2% of the principal amount of such series of Bonds. Prior to the issuance of  
2 any Bonds authorized hereby, this Board of Supervisors will approve the payment of the  
3 actual costs of preparing and issuing each series of Bonds, including the underwriter's  
4 discount.

5 3. Terms of Bonds. This Board of Supervisors intends to authorize the issuance  
6 and sale of (i) Sub-Project Area G-2 Bonds in one or more series in the maximum aggregate  
7 principal amount of not to exceed \$273,900,000, (ii) Sub-Project Area G-3 Bonds in one or  
8 more series in the maximum aggregate principal amount of not to exceed \$196,100,000 and  
9 (ii) Sub-Project Area G-4 Bonds in one or more series in the maximum aggregate principal  
10 amount of not to exceed \$323,300,000; provided however, that such maximum aggregate  
11 principal amounts do not include the principal amount of (i) any bonds issued for the sole  
12 purpose of refinancing the Bonds, funding a reserve fund for such refunding bonds and paying  
13 related costs of issuance and (ii) any bonds issued for the sole purpose of refunding such  
14 refunding bonds, funding a reserve fund and paying related costs of issuance. The Bonds will  
15 bear interest payable semi-annually or in such other manner as this Board of Supervisors  
16 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by  
17 applicable law at the time of sale of the Bonds. The maximum underwriter's discount for each  
18 series of the Bonds (excluding original issue discount) shall be 2%. As permitted by Section  
19 53397.71 of the IFD Law, this Board of Supervisors may increase the maximum aggregate  
20 principal amount described above by adopting a resolution and complying with the publication  
21 requirements specified in the IFD Law.

22 4. Available Tax Revenues. This Board of Supervisors estimates, based on the  
23 analysis set forth in Appendix G-2,, that the incremental property tax revenues that will be  
24 available to the IFD from Sub-Project Area G-2, Sub-Project Area G-3 and Sub-Project Area  
25 G-4 are approximately \$1.04 billion, \$770.5 million and \$1.19 billion, respectively. This Board

1 of Supervisors hereby finds that the amount necessary to pay principal of and interest on the  
2 Sub-Project Area G-2 Bonds is less than or equal to the incremental property tax revenues  
3 that will be available to the IFD from Sub-Project Area G-2 to pay principal of and interest on  
4 the Sub-Project Area G-2 Bonds. This Board of Supervisors hereby further finds that the  
5 amount necessary to pay principal of and interest on the Sub-Project Area G-3 Bonds is less  
6 than or equal to the incremental property tax revenues that will be available to the IFD from  
7 Sub-Project Area G-3 with respect to pay principal of and interest on the Sub-Project Area G-  
8 3 Bonds. This Board of Supervisors hereby further finds that the amount necessary to pay  
9 principal of and interest on the Sub-Project Area G-4 Bonds is less than or equal to the  
10 incremental property tax revenues that will be available to the IFD from Sub-Project Area G-4  
11 with respect to pay principal of and interest on the Sub-Project Area G-4 Bonds.

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

14 6. Debt. This Board of Supervisors also proposes to incur debt (as defined in the  
15 IFD Law) other than the Bonds as set forth in Appendix G-2, as Appendix G-2 may be  
16 amended from time to time. The limitations on Bonds set forth in this Resolution, including,  
17 but not limited to, the respective maximum aggregate principal amounts specified in Section 3,  
18 shall apply only to the Bonds and not to other debt (as defined in the IFD Law) payable from  
19 available tax increment allocated to the IFD from Sub-Project Area G-2, Sub-Project Area G-3  
20 and Sub-Project Area G-4 pursuant to Appendix G-2, including, without limitation, any bonds  
21 issued by the City for and on behalf of a community facilities district related to the territory in  
22 Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site)  
23 and Sub-Project Area G-4 (Pier 70 - 28-Acre Site) secured, in whole or in part, by available  
24 tax increment allocated to the IFD with respect to Sub-Project Area G-2 (Pier 70 - 28-Acre  
25

1 Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and/or Sub-Project Area G-4 (Pier 70 -  
2 Waterfront Site).

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

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

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12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA  
City Attorney

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16 By: \_\_\_\_\_

17 MARK D. BLAKE  
Deputy City Attorney  
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