

GRANT AGREEMENT

by and between

the Successor Agency to the Redevelopment Agency of the City and County of San Francisco,
commonly known as
the Office of Community Investment and Infrastructure (OCII)

and

The City and County of San Francisco, through the
Port of San Francisco (Port)

for

Mission Bay Ferry Landing

Executed by the parties as of **Month, Day, 2018**

Concurred to by the OCII Commission through **Resolution x-2018 on Month, Day, 2018**

Concurred to by the Successor Agency Oversight Board through **Resolution x-2018 on Month, Day, 2018**

Concurred to by the Port Commission through **Resolution XX-XXX on August 14, 2018**

Concurred to by the California Department of Finance on **Month, Day, 2018**

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GRANT AGREEMENT

This Grant Agreement ("Agreement") is entered into between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, also known as the Office of Community Investment and Infrastructure ("Successor Agency" and "OCII"), and the City and County of San Francisco ("City"), acting through the Port of San Francisco ("Port"), for the Mission Bay Ferry Landing Project ("Project"), which is intended to improve regional transportation access to the Mission Bay neighborhood, alleviate regional transportation overcrowding, and provide transportation resiliency in the event of an earthquake, BART, or Bay Bridge failure. The Successor Agency and the Port are the parties to this Agreement (collectively, the "Parties").

RECITALS

A. Pursuant to California Health & Safety Code § 34191.4(c)(2)(A), successor agencies to redevelopment agencies that have been issued a finding of completion by the Department of Finance may expend former redevelopment agency bond proceeds derived from bonds issued on or before December 31, 2010 in excess of the amounts needed to satisfy approved enforceable obligations in a manner consistent with the original bond covenants. The Successor Agency received a Finding of Completion on May 29, 2013.

B. The Successor Agency has approximately \$8,105,923 in excess bond proceeds, from bonds issued prior to December 31, 2010, and associated earned interest, for a total amount not to exceed \$9,760,000.

C. On **Month, Day, 2018**, the OCII Commission, through its Resolution **xx-2018**, provided preliminary approval to the Successor Agency to transfer up to \$9,760,000 of these funds to the Port for capital projects.

D. On **September 24, 2018**, the Oversight Board, through its Resolution **xx-2018**, provided preliminary approval to the Successor Agency to transfer under the terms of this Grant Agreement up to \$9,760,000 of these funds to the Port for capital projects.

E. The Port has proposed applying \$9,760,000 of such excess bond proceeds (also referred to as "Grant Amount") for construction of the Mission Bay Ferry Landing Project, which will increase regional Ferry service to and from the Mission Bay South neighborhood, alleviate regional transportation overcrowding, and provide transportation resiliency in the event of an earthquake, BART or Bay Bridge failure.

F. On September 25, 2018, the Port Commission, through its Resolution **xx-2018**, authorized the Port of San Francisco to enter into this Grant Agreement with the Successor Agency to accept the Grant Amount and apply the proceeds thereof to the costs of certain capital projects of the Port (as further specified in Paragraph 1 hereto).

G. Execution of this Agreement is subject to OCII Commission and Oversight Board.

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and covenants set forth in this Agreement, the Parties agree as follows:

- 1. Scope of Work, Budget, and Schedule.** This Agreement is intended to provide limited funding, as specified above, for the Port's construction of the Mission Bay

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Ferry Landing Project, which will provide capability to berth two ferry boats simultaneously, may include a nearby water taxi landing, and is projected to have the capacity to handle up to 6,000 passengers per day. The ferry landing site is located a walkable distance from the Golden State Warriors Chase Center and the UCSF Mission Bay hospital and campus. The total project cost is estimated to exceed \$43 million, of which funds provided by this Grant Agreement are only a partial source. Port staff anticipate construction of the Mission Bay Ferry Landing in will be completed in or about 2021.

2. **Authority; Funding Limitations:** The Successor Agency hereby represents to the City and the Port that, under the Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, the Successor Agency has the authority, subject to Oversight Board approval, to spend Redevelopment Agency bond proceeds that are derived from bonds issued on or before December 31, 2010 that are in excess of the amounts needed to satisfy approved enforceable obligations, and that are expended in a manner consistent with the original bond covenants. Cal. Health & Safety Code § 34191.4 (c) (1) (A). The Successor Agency will provide only those funds with this grant agreement, and shall not be obligated to provide any additional funds for the Project under any circumstances whatsoever. Consistent with the bond indenture and applicable tax law, all funds are to be expended by August 1, 2020. If by or before February 1, 2020 the Port no longer has a reasonable expectation of drawing down the Grant Amount to pay a portion of the costs related to the Mission Bay Ferry Landing Project on or before August 1, 2020, the Successor Agency, in its sole and absolute discretion, may identify alternate, eligible projects at the Port or elsewhere, including OCII projects, upon which the Grant Amount or remainder thereof can be spent.

3. **Compliance with Tax Code Requirements.**

The Parties hereto acknowledge that funds provided to the Port under this Grant Agreement are intend to be used for the Mission Bay Ferry Landing Project, as further set forth in section 1 above. The Port hereby represents to the Successor Agency that the Mission Bay Ferry Landing Project and any other infrastructure financed with proceeds of funds disbursed by the Successor Agency to the Port pursuant to this Agreement will at all times be owned and operated by a governmental entity so long as is necessary to ensure compliance with the Section 103 of the Internal Revenue Code of 1986, amended from time to time (the "Code").

The Port shall cooperate and coordinate with the Successor Agency to ensure compliance with the requirements of the Code , and any applicable temporary and final regulations promulgated, and applicable official public guidance published in connection therewith related to the management and expenditure of tax-exempt bond proceeds and the ownership and operation of the Mission Bay Ferry Landing Project and any other infrastructure financed with proceeds of funds disbursed by the Successor Agency to the Port pursuant to this Agreement.

4. **Disbursement.** The Port shall provide to the Successor Agency requisitions for disbursements for project expenditures, including invoices and such other information as the Successor Agency may reasonably request. The Successor Agency shall review to confirm the expenditures qualify as eligible uses in compliance with the Code related to the management and expenditure of tax-exempt bond proceeds. The Successor Agency will disburse funds within five days of confirmation, by Successor Agency staff, that the expenditures were made in compliance with the Code related to the management and expenditure of tax-exempt bond proceeds. The Successor Agency agrees to transfer the Grant

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Amount using the transfer mechanism and accounting codes approved by the City and County of San Francisco Controller's Office.

5. **Effective Date and Term.** This Agreement shall become effective on the date that the Oversight Board approves the resolution ("Effective Date"). This Agreement shall expire on the date when the Port has expended all of the Grant Amount referred to in Recitals B - F above, the Successor Agency has approved such expenditures and disbursed all funds, and if all other obligations under this Agreement have been satisfied; provided however, the term of this Agreement shall not extend beyond December 31, 2020, unless such a later date is mutually agreed to by the parties hereto.
6. **Indemnification.** The Port agrees to defend, hold harmless and indemnify the Successor Agency, and its commissioners, members, officers, agents and employees of and from any and all claims, demands, losses, costs, expenses including attorney's fees, obligations, damages, injuries, actions, causes of action and liabilities ("damages") of every kind, nature and description directly or indirectly, arising out of or connected with this Agreement, and any of the Port's activities related thereto, including the use of the facilities financed with, or the Port's expenditure of, funds provided to the Port pursuant to this Agreement, any liabilities associated with the Port's management of tax-exempt bond funds and associated interest arising from Internal Revenue Service audits, but excluding any damages arising from the willful misconduct or negligence of the Successor Agency.
7. **Amendments.** The Successor Agency and the Port reserve the right to amend this Agreement by mutual consent. It is mutually understood and agreed that no amendment, modification, alteration or variation of the terms of this Agreement shall be valid unless in writing and signed and acknowledged and approved by both parties.

This Agreement is agreed to on the date(s) below, subject to OCII Commission, OCII Oversight Board, Port Commission, and California Department of Finance

Concurrence:

1. **San Francisco Port**

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Elaine Forbes
Executive Director

Date: _____

Approved as to Form

Dennis J. Herrera
City Attorney

By: _____
Mark D. Blake
Deputy City Attorney

2. **OCII/Successor Agency to the Redevelopment Agency of the City and County of San Francisco**

Nadia Sesay
Executive Director

Date: _____