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City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 87734 C.M.S.

INTRODUCED BY COUNCILMEMBER NIKKI FORTUNATO BAS AND
COUNCILMEMBER LOREN TAYLOR

**RESOLUTION SUPPORTING WITH AMENDMENTS SENATE BILL 293,
ENTITLED, "INFRASTRUCTURE FINANCING DISTRICTS: OAKLAND
WATERFRONT REVITALIZATION AND ENVIRONMENTAL JUSTICE
INFRASTRUCTURE FINANCING DISTRICT", INTRODUCED BY
CALIFORNIA SENATOR NANCY SKINNER**

WHEREAS, existing law authorizes the legislative body of a city or county to designate one or more infrastructure financing districts, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public capital facilities of communitywide significance and specifies procedures for the preparation and adoption of an infrastructure financing plan and the issuance of bonds by a district, including requiring that the issuance of bonds be approved by 2/3 of the voters residing within the boundaries of the district who vote on the proposition; and

WHEREAS, Senate Bill 293 ("SB 293") states that the City of Oakland wishes to "establish an infrastructure financing district to finance certain public facilities required for the successful redevelopment of the Howard Terminal waterfront and the revitalization of its West Oakland environs"; and

WHEREAS, the Oakland Athletics are negotiating with the Port of Oakland for the development of a new ballpark and mixed use project at the Port-controlled Howard Terminal site ("Howard Terminal Project"); and

WHEREAS, SB 293 defines the proposed project to mean "the construction at Howard Terminal of a privately financed ballpark that will be home to the Oakland Athletics baseball franchise, together with complementary commercial, residential, and public open-space development and amenities, new public access to the waterfront, and onsite and offsite infrastructure improvements"; and

WHEREAS, SB 293 would establish alternative procedures for the formation of an Oakland Waterfront Revitalization and Environmental Justice Infrastructure

Financing District, pursuant to which the California Legislature would find and declare “that consolidating in a single agency the ability to capture property tax increment revenues to finance qualified public facilities in the City of Oakland will further the enjoyment of the waterfront by the people of this state”; and

WHEREAS, through SB 293, the California Legislature would provide the City of Oakland with “additional latitude, within the framework of the laws governing infrastructure financing districts, to create and operate an infrastructure financing district in a manner that optimizes its financing options to facilitate the construction of much needed public facilities meeting the stated goals of statewide significance”; and

WHEREAS, SB 293 provides that the City shall initiate proceedings for the formation of the district by adoption of a resolution of intention to establish the district; that, among other things, provides for a district board consisting of each member of the City Council and a representative of each affected taxing entity that has approved any proposed financing plan; and

WHEREAS, the boundaries of the district, project areas within the district, and the facilities to be financed will be determined by the City Council in the future and not through SB 293; and

WHEREAS, the City Council has not approved any agreement with the Port of Oakland or the Oakland Athletics related to the financing of the requisite infrastructure for the proposed project; and the City, under the proposed structure, will not have any ability to recover the infrastructure costs or to participate in the future revenues generated by the proposed project; and

WHEREAS, SB 293 would allow the district board to adopt a financing plan that uses all incremental property tax revenue generated within the district by the City of Oakland and some or all tax revenue of any affected taxing entity, but would prohibit the division of taxes with respect to nonconsenting affected taxing agencies as well as any local educational agencies; and

WHEREAS, SB 293 would require the district board to hold three noticed public hearings on the financing plan and conduct a protest proceeding as provided in the bill; and

WHEREAS, SB 293 would require the district board to terminate the proceedings if a majority protest, which would mean protests filed by over 50 percent of the combined number of landowners and residents in the area who are at least 18 years of age, and an election to be called if between 25 percent and 50 percent of the combined number of landowners and residents in the area who are at least 18 years of age file a protest; and

WHEREAS, SB 293 would allow the district to finance the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer, and the facilities need not be physically located within the boundaries of the district; and the district shall only finance public facilities of communitywide significance; and the district shall not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind; and

WHEREAS, SB 293 stipulates that the date on which the financing plan will cease to be in effect and all tax allocations to the district will end, and a date on which the district's authority to repay indebtedness with incremental tax revenues received under SB 293, will not exceed 45 years from the date the district has actually received one hundred thousand dollars (\$100,000) in incremental tax revenues; and

WHEREAS, the district board may approve and issue bonds, either taxable or tax exempt, for the district according to the procedures set forth in SB 293;

now, therefore be it

RESOLVED: That the Oakland City Council supports and urges the California Legislature to pass and Governor Newsom to sign into law California Senate Bill 293 this year if all of the requirements of this Resolution are satisfied, or if more time is needed to incorporate the requirements of this Resolution into the final bill, then the Council requests that the Legislature place the bill on the two-year legislative cycle; and be it

FURTHER RESOLVED: That the City Council's support is contingent upon Senate Bill 293 being approved with the following amendments:

- 1) removal from the bill of any mandate to the City Council to form an infrastructure financing district;
- 2) stipulation in the bill that any infrastructure financing district will be created only upon a determination by the City Council that
 - (a) there is a need for the district;
 - (b) a thorough financial analysis and plan for the infrastructure has been completed;
 - (c) the boundaries for the infrastructure financing district have been determined;
 - (d) analyses and determinations of: the projected cost of the public infrastructure; who, including the state, the developer, Port of Oakland or other taxing entities, will contribute to the costs; whether and the extent to which the City will be reimbursed for its contributions and/or participate in the revenue stream generated by any project on City-owned property, including property controlled by the Port of Oakland; and

- (e) analyses and determination of the City's role in negotiating the terms of any project on City-owned property, including property controlled by the Port of Oakland , such as community benefits, public open space, affordable housing, mitigation measures;
- 3) expansion of the City's authority beyond the creation of a project specific district benefitting the Howard Terminal Project to the creation of any district(s) citywide; and
- 4) inclusion of any conforming changes necessary to reflect the intent of this resolution;

now be it

FURTHER RESOLVED: That the City Council directs the City Administrator to negotiate and advocate for 1) incorporation of language into SB 293 that reflects the foregoing amendments stipulated in this Resolution and 2) passage of the final bill, as so amended, all in consultation with the City Attorney; and be it

FURTHER RESOLVED: That the Oakland City Council hereby directs the City Clerk to convey a copy of the Resolution to the State Legislature, to Senator Nancy Skinner, and Governor Gavin Newsom.

JUN 12 2019

IN COUNCIL, OAKLAND, CALIFORNIA

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, ~~BRONKHORST, HANSEN~~ KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - 1 McElhenny

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California