

1 [Establishing an Infrastructure Financing District and Adopting an Infrastructure Financing
2 Plan (Port of San Francisco)]

3 **Ordinance establishing an Infrastructure Financing District (including Sub-Project**
4 **Area G-1 (Pier 70 – Historic Core)) and adopting an Infrastructure Financing Plan**
5 **(including Appendix G-1) for City and County of San Francisco Infrastructure Financing**
6 **District No. 2 (Port of San Francisco); approving a Tax Administration Agreement;**
7 **affirming the Planning Department’s determination under the California Environmental**
8 **Quality Act; and approving other matters in connection therewith.**

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10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
16 subsections or parts of tables.

17 Be it ordained by the People of the City and County of San Francisco:

18 (a) Findings. The Board of Supervisors of the City and County of San Francisco
19 hereby finds, determines, and declares based on the record before it that:

20 (1) California Statutes of 1968, Chapter 1333 (Burton Act) and San Francisco
21 Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the City and
22 County of San Francisco (City), acting through the Port Commission, with the power and duty
23 to use, conduct, operate, maintain, manage, regulate, and control the lands within Port
24 Commission jurisdiction.

25 (2) Under California Government Code Sections 53395 et seq. (IFD Law),
the Board of Supervisors is authorized to establish an infrastructure financing district and to
act as the legislative body for such an infrastructure financing district. More specifically, the
Board of Supervisors is authorized to establish “waterfront districts” under Section 53395.8 of

1 the IFD Law, including a waterfront district for approximately 65 acres of waterfront land in the
2 area known as Pier 70 (a “Pier 70 district”), and approve “Pier 70 enhanced financing plans”
3 pursuant to Section 53395.81 of the IFD Law.

4 (3) Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be
5 divided into project areas, each with distinct limitations under IFD Law.

6 (4) By Resolution No. 123-13, which the Board of Supervisors adopted on
7 April 23, 2013 and the Mayor approved on April 30, 2013, the City adopted “Guidelines for the
8 Establishment and Use of Infrastructure Financing Districts on Project Areas on Land under
9 Jurisdiction of the San Francisco Port Commission” (Port IFD Guidelines) relating to the
10 formation of infrastructure financing districts by the City on waterfront property in San
11 Francisco under the jurisdiction of the Port Commission.

12 (5) By Resolution No. 110-12, which the Board of Supervisors adopted on
13 March 27, 2012 and the Mayor approved on April 5, 2012 (Original Resolution of Intention to
14 Establish IFD), the City declared its intention to establish a waterfront district to be known as
15 “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San
16 Francisco)” (IFD), and designated initial project areas within the IFD (Project Areas).

17 (6) By Resolution No. 227-12, which the Board of Supervisors adopted on
18 June 12, 2012 and the Mayor approved on June 20, 2012 (First Amending Resolution), the
19 City amended the Original Resolution of Intention to Establish IFD to propose, among other
20 things, an amended list of Project Areas.

21 (7) By Resolution No. 421-15, which the Board of Supervisors adopted on
22 November 17, 2015 and the Mayor approved on November 25, 2015 (Second Amending
23 Resolution, and together with the Original Resolution of Intention to Establish IFD and the
24 First Amending Resolution, the “Resolution of Intention to Establish IFD”), the City declared its
25 intention to establish Sub-Project Area G-1 (Pier 70 - Historic Core) within the Pier 70 district.

1 (8) Sub-Project Area G-1 (Pier 70 - Historic Core) is within the Pier 70 district
2 and includes property that the City, acting by and through the Port Commission, has leased to
3 Historic Pier 70, LLC (an affiliate of Orton Development, Inc.) pursuant to Lease No. L-15814,
4 dated as of July 29, 2015 (Lease), which property will be rehabilitated pursuant to a Lease
5 Disposition and Development Agreement, dated as of September 16, 2014, by and between
6 the City, acting by and through the Port Commission, and Historic Pier 70, LLC (LDDA).

7 (9) Sub-Project Area G-1 (Pier 70 - Historic Core) is within the Eastern
8 Neighborhoods Community Plan Area, for which the Planning Commission certified the
9 Eastern Neighborhoods Rezoning and Area Plans Final EIR (EN FEIR) (Planning Department
10 Case No. 2004.0160E).

11 (10) The Planning Department reviewed the Crane Cove Park project (Crane
12 Cove Project) and the project described in the LDDA (Historic Core Project) and determined
13 that a community plan exemption (CPE) under CEQA Guidelines Section 15183 would be
14 appropriate because the Historic Core Project and the Crane Cove Project are within the
15 scope of the EN FEIR and would not have any additional or significant adverse effects that
16 were not examined in the EN FEIR, nor has any new or additional information come to light
17 that will alter the conclusions of the EN FEIR. Thus, the Historic Core Project and the Crane
18 Cove Project will not have any new effects on the environment that were not previously
19 identified, nor will any environmental impacts be substantially greater than described in the
20 EN FEIR. No mitigation measures previously found infeasible have been determined to be
21 feasible, nor have any new mitigation measures or alternatives been identified but rejected by
22 the Port.

23 (11) Based on those findings, the Planning Department prepared a CPE for
24 the Historic Core Project (Historic Core CPE), which exemption was approved on May 7, 2014
25 (Planning Department Case No. 2013.1168E) and the Planning Department subsequently

1 prepared a CPE for the Crane Cove Project (Crane Cove CPE) on October 5, 2015 (Planning
2 Department Case No. 2015-001314ENV), copies of which are on file at File No. 151119 and
3 also available online through the Planning Department's web page.

4 (12) The Board of Supervisors has reviewed the EN FEIR (a copy of which is
5 on file at File No. 081133, and also available online through the Planning Department's web
6 page), the Historic Core CPE, and the Crane Cove CPE.

7 (13) All applicable mitigation measures from the EN FEIR have been
8 incorporated into the Historic Core CPE and Crane Cove CPE, or have been required as
9 conditions of approval through the Port Commission's adoption of the Mitigation Monitoring
10 and Reporting Program (MMRP) attached to Port Commission Resolutions 14-33 and 15-38
11 and the Board of Supervisors adoption of the Historic Core Project MMRP attached to
12 Resolution No. 273-14 in File No. 140729 on July 22, 2014.

13 (14) The Resolution of Intention to Establish IFD directed the Executive
14 Director of the Port (Executive Director) to prepare an infrastructure financing plan for the IFD
15 (Infrastructure Financing Plan) and Sub-Project Area G-1 consistent with the requirements of
16 the IFD Law.

17 (15) As required by the IFD Law, the Executive Director:

18 (A) Prepared the Infrastructure Financing Plan for the IFD as a whole,
19 describing the procedures by which property tax increment from project areas in the IFD will
20 be allocated to specific public facilities, which creates a government funding mechanism that
21 does not commit to any specific project that may result in a potentially significant physical
22 impact on the environment and therefore is exempt from CEQA; and,

23 (B) Prepared Appendix G-1 to the Infrastructure Financing Plan,
24 proposing an allocation of property tax increment from proposed Sub-Project Area G-1 (Pier
25 70 - Historic Core) to finance the public facilities described in Appendix G-1 to the

1 Infrastructure Financing Plan, which development and public facilities have been analyzed
2 under CEQA in the EN FEIR, the Historic Core CPE, and Crane Cove CPE; and,

3 (C) Sent the Infrastructure Financing Plan, including Appendix G-1,
4 along with the EN FEIR, the Historic Core CPE and Crane Cove CPE, to the City's Planning
5 Department and the Board of Supervisors.

6 (16) The Clerk of the Board of Supervisors made the Infrastructure Financing
7 Plan, including Appendix G-1, available for public inspection.

8 (17) ~~On January 26, 2016~~ Following publication of notice consistent with the
9 requirements of the IFD Law, the Board of Supervisors opened held a public hearing on
10 January 26, 2016, and continued the public hearing on February 23, 2016, relating to the
11 proposed Infrastructure Financing Plan, including Appendix G-1.

12 (18) At the hearing any persons having any objections to the proposed
13 Infrastructure Financing Plan, including Appendix G-1, or the regularity of any of the prior
14 proceedings, and all written and oral objections, and all evidence and testimony for and
15 against the adoption of the Infrastructure Financing Plan, including Appendix G-1, were heard
16 and considered, and a full and fair hearing was held.

17 (19) There has been presented at this Board hearing a form of Tax
18 Administration Agreement (Tax Administration Agreement), by and between the City acting
19 through the Port Commission, on its own behalf and as agent of the IFD with respect to Sub-
20 Project Area G-1 (Pier 70 - Historic Core), and a corporate trustee to be identified in the future
21 by the Executive Director, that provides, among other things, for the administration and
22 disposition of tax increment revenues allocated to the IFD with respect to Sub-Project Area G-
23 1 (Pier 70 - Historic Core).

24 (20) Historic Pier 70, LLC , the Lease tenant, acknowledged in the Lease that
25 Port stated its intention to cause the City to form (i) a community facilities district (Facilities

1 CFD) under the Mello-Roos Community Facilities Act of 1982 (California Government Code
2 §§ 53311 - 53368), the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art.
3 X) or similar law (collectively, the “CFD Law”) to finance Pier 70 wide Infrastructure, Shoreline
4 Protection Facilities and Public Facilities (as such terms are defined in the Lease) and, (ii) a
5 community facilities district (Services CFD) under the CFD Law to finance the operation and
6 maintenance of Pier 70 wide Infrastructure, Shoreline Protection Facilities and Public
7 Facilities, such as the ongoing operating and maintenance costs for Crane Cove Park and
8 20th Street.

9 (21) Appendix G-1 (i) contemplates the potential issuance of Facilities CFD
10 bonds that are secured by tax increment from Sub-Project G-1 to help finance the public
11 facilities described in Appendix G-1 and (ii) expects that 100% of the cost of maintaining and
12 operating Crane Cove Park and other spaces/facilities within and around Sub-Project
13 Area G-1 will be funded by a Services CFD, not the City’s general fund.

14 (b) CEQA Finding. The Board of Supervisors hereby finds that, pursuant to Title 14,
15 California Code of Regulations, Sections 15378 and 15060(c)(2), adoption of this ordinance,
16 the establishment of the IFD (excluding Sub-Project Area G-1 (Pier 70-Historic Core)), and
17 approval of the IFP (excluding Appendix G-1) are not “projects” under the California
18 Environmental Quality Act because they do not result in a physical change in the environment.
19 With respect to Appendix G-1, affirming by this reference the Historic Core CPE and the
20 Crane Cove CPE.

21 (c) Formation of IFD and Approval of IFP. By the passage of this Ordinance, the
22 Board of Supervisors hereby (i) declares the IFD described in the Infrastructure Financing
23 Plan, including Sub-Project Area G-1 (Pier 70 - Historic Core), to be fully formed and
24 established with full force and effect of law, (ii) approves the Infrastructure Financing Plan,
25 including Appendix G-1, subject to amendment as permitted by IFD Law, and (iii) establishes

1 the base year for Sub-Project Area G-1 (Pier 70 – Historic Core) as set forth in the
2 Infrastructure Financing Plan, all as provided in the proceedings for the IFD and in the IFD
3 Law. It is hereby found that all prior proceedings and actions taken by the Board of
4 Supervisors with respect to the IFD, including Sub-Project Area G-1 (Pier 70 – Historic Core),
5 were valid and in conformity with the IFD Law and the Port IFD Guidelines.

6 (d) Port as Agent. The Board of Supervisors hereby appoints the Port Commission to
7 act as the agent of the IFD with respect to Sub-Project Area G-1 (Pier 70 - Historic Core),
8 which agency shall include the authority to: (1) disburse tax increment from Sub-Project Area
9 G-1 (Pier 70 - Historic Core) as provided in Appendix G-1; (2) enter into one or more
10 acquisition agreements that would establish the terms and conditions under which the Port
11 and other City agencies would acquire the public facilities described in Appendix G-1; (3)
12 determine in collaboration with the Office of Public Finance whether and in what amounts the
13 IFD will issue or incur indebtedness for the purposes specified in Appendix G-1 and enter into
14 agreements related to such indebtedness; (4) if the IFD issues or incurs indebtedness, direct
15 the disbursement of the debt proceeds in conformance with Appendix G-1; (5) incur ~~Qualified~~
16 ~~Port Costs~~ Port Benefit Tasks and Port Benefit Costs (as defined in the LDDA); and
17 (6) prepare the annual statement of indebtedness required by the IFD Law for Sub-Project
18 Area G 1 (Pier 70 – Historic Core).

19 (e) Tax Administration Agreement. The Tax Administration Agreement, substantially
20 in the form presented to the Board of Supervisors, a copy of which is on file with the Clerk, in
21 File No. 151119 is hereby approved. The Port Commission, on its own behalf and as agent of
22 the IFD with respect to Sub-Project Area G-1 (Pier 70 - Historic Core), is hereby authorized to
23 execute the Tax Administration Agreement with such changes, additions and modifications as
24 the Executive Director, upon consultation with the City Attorney, may make or approve. The
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1 approval by the Executive Director of such modifications, changes and additions shall be
2 conclusively evidenced by the execution and delivery of the Tax Administration Agreement.

3 (f) Community Facilities District. Consistent with the provisions of the Lease, the
4 Board of Supervisors hereby directs the Port's Executive Director to bring, when the Port's
5 Executive Director determines the time is appropriate, a request to the Board of Supervisors
6 to form a community facilities district to help finance the operation and maintenance of the
7 public facilities described in Appendix G-1, such as the ongoing operating and maintenance
8 costs for Crane Cove Park and 20th Street.

9 (fg) Severability. If any section, subsection, sentence, clause, phrase, or word of
10 this ordinance, or any application thereof to any person or circumstance, is held to be invalid
11 or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not
12 affect the validity of the remaining portions or applications of the ordinance. The Board of
13 Supervisors hereby declares that it would have passed this ordinance and each and every
14 section, subsection, sentence, clause, phrase, and word not declared invalid or
15 unconstitutional without regard to whether any other portion of this ordinance or application
16 thereof would be subsequently declared invalid or unconstitutional.

17 (gh) Publication. The Clerk of the Board of Supervisors shall cause this Ordinance
18 to be published within 5 days of its passage and again within 15 days after its passage, in
19 each case at least once in a newspaper of general circulation published and circulated in the
20 City.

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(h) Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Grace Park
Deputy City Attorney

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