

FILE NO. 031229

ORDINANCE NO.

1 [Appropriating Funds For Brannan Street Wharf and Cruise Terminal Project at Piers 30-32.]

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3 **Ordinance appropriating funds payable to the Port of San Francisco from the sale and**
4 **development of land located at the corner of Beale and Bryant Streets on Seawall Lot**
5 **330 towards costs of the Brannan Street Wharf and Piers 30-32 Cruise Terminal Project**
6 **and authorizing expenditure of such funds in accordance with certain contractual**
7 **agreements and placing funds on reserve.**

8

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

10 Section 1. Findings

11 The San Francisco Port Commission and San Francisco Cruise Terminal, LLC
12 ("SFCT") have negotiated (1) a Lease Disposition and Development Agreement ("LDDA") and
13 a 66-year Lease governing development and operation of a mixed-use Cruise Terminal
14 project at Piers 30-32 (the "Cruise Terminal Project") and the construction of an adjacent
15 public open space called the "Brannan Street Wharf", (2) a Purchase and Sale Agreement
16 (the "Sale Agreement") for the sale of approximately 22,600 square feet of land located on
17 Seawall Lot 330 at the corner of Beale and Bryant Streets (the "Condo Site") and the
18 construction of an approximately 22-story condominium tower thereon (the "Condo Project"),
19 and (3) related exhibits and attachments to the LDDA, Lease and Sale Agreement (all of the
20 foregoing, collectively, referred to as the "Project Documents"), which Project Documents are
21 on file with the Clerk of the Board of Supervisors in File No. 030371 and incorporated herein in
22 full by this reference. Pursuant to its authority under Charter Section 9.118, the Board of
23 Supervisors has approved the Lease and Sale Agreement by Board of Supervisors Resolution
24 No. _____.

25 Under the terms of the Sale Agreement, SFCT has agreed to pay the Port Commission

1 \$9,324,000 for the Condo Site, with \$9 Million payable upon close of escrow (the "Initial Land
2 Sale Proceeds"), and the remaining \$324,000 (the "Remaining Land Sale Proceeds") to be
3 paid from the sales of condominium units developed on the Condo Site. In addition, SFCT
4 has agreed to pay the Port participation in the proceeds from sales of condominium units
5 constructed on the Condo Site in accordance with the terms of the Project Documents (the
6 "Condo Sale Proceeds"). The City, acting through the San Francisco Port Commission, has
7 agreed to hold the Land Sale Proceeds and all interest earned thereon in a segregated
8 account to be used towards development of the Brannan Street Wharf project with any
9 remainder to be used towards certain development costs for the Cruise Terminal Project, and
10 to maintain the Remaining Land Sale Proceeds and Condo Sale Proceeds and all interest
11 earned thereon, in a segregated account to be used towards certain development costs for
12 the Brannan Street Wharf and Cruise Terminal Project, all as more particularly described in
13 the Project Documents. This Board of Supervisors finds that it is in the best interest of the
14 City, Port and the public benefit to enter into the Project Documents and to appropriate the
15 Land Sale Proceeds, Remaining Land Sale Proceeds and Condo Sale Proceeds toward
16 construction of the Brannan Street Wharf and Cruise Terminal Project and to authorize the
17 expenditure of such proceeds in accordance with the terms of the Project Documents.

18 Section 2. Environmental Findings.

19 As part of its approval of the Lease and Sale Agreement, the Board of Supervisors, by
20 Resolution No. _____, has reviewed and considered the information contained in the
21 Waterfront Land Use Plan FEIR and the FSEIR (as those terms are defined in such
22 Resolution). For purposes of compliance with the California Environmental Quality Act
23 ("CEQA"), appropriation and expenditure of the Initial Land Sale Proceeds, Remaining Land
24 Sale Proceeds, and Condo Sale Proceeds, and all other matters and actions approved by this
25 Ordinance are within the scope of the Projects examined in the FSEIR for which the Board of

1 Supervisors by Resolution No. _____ has adopted findings as required by CEQA, including
2 a Mitigation Monitoring and Reporting Program, which findings are on file with the Clerk of the
3 Board of Supervisors under File No. 030379 and which findings are incorporated herein by
4 this reference.

5 Section 3. The Board of Supervisors hereby appropriates the Initial Land Sale
6 Proceeds toward construction of the Brannan Street Wharf with any remainder to be used
7 towards certain development costs for the Cruise Terminal Project, and hereby appropriates
8 the Remaining Land Sale Proceeds and Condo Sale Proceeds toward construction of the
9 Brannan Street Wharf and the Cruise Terminal Project, all in accordance with the terms of the
10 Project Documents.

11 Section 4. The Board of Supervisors hereby authorizes and directs the City Controller
12 and the City Treasurer, in consultation with the Port's Executive Director, and any other
13 appropriate officers, agents or employees of the City as they deem necessary, to take any
14 and all steps necessary to accept and expend the Initial Land Sale Proceeds, the Remaining
15 Land Sale Proceeds, and the Condo Sale Proceeds towards the development of the Brannan
16 Street Wharf and the Pier 30-32 Cruise Terminal Project in accordance with the terms and
17 conditions of the Project Documents, notwithstanding any otherwise applicable requirements
18 of sections of Chapters 6 and 12 of the San Francisco Administrative Code related to public
19 works and contracting issues, which Sections 6 and 12 the Board of Supervisors hereby
20 waives with respect to the Project Documents and construction of the Brannan Street Wharf
21 and Pier 30-32 Cruise Terminal Project. Without limitation of the foregoing, the Board
22 authorizes and directs the establishment of a segregated Port account under the direction of
23 the City's Treasurer and Controller, to hold and disburse the Initial Land Sale Proceeds,
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1 Remaining Land Sale Proceeds and Condo Sale Proceeds in accordance with the terms of
2 the Project Documents.

3 Section 5. The Initial Land Sale Proceeds, the Remaining Land Sale
4 Proceeds and the Condo Sale Proceeds received by the Port in accordance with the terms of
5 the Project Documents are hereby placed on reserve by the Finance & Audits Committee until
6 such time that specific budget details regarding the appropriation of those funds are provided
7 to the Finance & Audits Committee.

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

APPROVED
EDWARD M HARRINGTON

10 By: _____
11 Neil H. Sekhri
12 Deputy City Attorney

Controller
By: _____