

BOARD of SUPERVISORS



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## MEMORANDUM

TO: Elaine Forbes, Executive Director, Port of San Francisco  
John Arntz, Director, Department of Elections

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight  
Committee, Board of Supervisors

DATE: February 12, 2020

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Mayor Breed on February 4, 2020:

**File No. 200117**

**Resolution declaring the intention to establish the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) and a future annexation area; ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on April 7, 2020, at 3:00 p.m.; determining other matters in connection therewith, as defined herein; and making findings under the California Environmental Quality Act.**

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Boris Delepine, Port of San Francisco  
Wyatt Donnelly-Landolt, Port of San Francisco  
Amy Quesada, Port of San Francisco

1 [Resolution of Intention - Establishing the Mission Rock Special Tax District No. 2020-1  
2 (Mission Rock Facilities and Services) - April 7, 2020, at 3:00 p.m.]

3 **Resolution declaring the intention to establish the City and County of San Francisco**  
4 **Special Tax District No. 2020-1 (Mission Rock Facilities and Services) and a future**  
5 **annexation area; ordering and setting a time and place for a public hearing of the**  
6 **Board of Supervisors, sitting as a Committee of the Whole, on April 7, 2020, at 3:00**  
7 **p.m.; determining other matters in connection therewith, as defined herein; and making**  
8 **findings under the California Environmental Quality Act.**

9  
10 WHEREAS, California Statutes of 1968, Chapter 1333 ("Burton Act") and San  
11 Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581, empower the  
12 City and County of San Francisco ("City"), acting through the San Francisco Port Commission  
13 ("Port" or "Port Commission"), with the power and duty to use, conduct, operate, maintain,  
14 manage, regulate, and control the lands within Port jurisdiction; and

15 WHEREAS, Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
16 ("Master Developer") and the City, acting by and through the Port, are parties to a Disposition  
17 and Development Agreement (as amended from time to time, "DDA"), including a Financing  
18 Plan (as amended from time to time, "Financing Plan"), that governs the disposition and  
19 development of certain parcels in the jurisdiction of the Port, including Seawall Lot 337, 3.53  
20 acres of Terry A. Francois Boulevard from Third Street to Mission Rock Street, China Basin  
21 Park and ½ acre to the east of Terry A. Francois Boulevard between Pier 48 and Pier 50  
22 ("Project Site"), and also provides for development of Pier 48, which DDA was approved by  
23 the Board of Supervisors of the City ("Board of Supervisors") by Resolution No. 42-18,  
24 adopted on February 13, 2018, signed by the Mayor on February 23, 2018, and a copy of  
25 which is in Board File No. 180092 ("Mission Rock Project Resolution"); and

1           WHEREAS, The Port collaborated with the State Lands Commission and California  
2 legislators to amend the Burton Act to lift or suspend its statutory trust use restrictions that  
3 impede the Port's ability to realize the development potential of Port lands; Under Senate  
4 Bill 815 (Stats. 2007, ch. 660, as amended by Stats. 2016, ch. 529) ("SB 815"), the Port is  
5 authorized to lease certain seawall lots south of Market Street, including the Project Site, for  
6 nontrust purposes, providing revenues for rehabilitation of historic wharves and piers and  
7 other trust uses; SB 815 allows long-term nontrust uses that are not permissible under the  
8 Burton Act as a primary mechanism to generate Port revenues for trust purposes, including  
9 the construction of infrastructure needed for development; and

10           WHEREAS, On November 3, 2015, San Francisco voters approved the Mission Rock  
11 Affordable Housing, Parks, Jobs and Historic Preservation Initiative ("Proposition D"), which  
12 authorized increased height limits on the Project Site, subject to environmental review, and  
13 established a City policy to encourage development of the Project Site; Proposition D  
14 specifically provides that it is intended to encourage and implement the lease and  
15 development of the Project Site as described in SB 815 to support the purposes of the Burton  
16 Act, especially the preservation of historic piers and historic structures and construction of  
17 waterfront plazas and open space; and

18           WHEREAS, The proposed development of the Project Site, which is commonly  
19 referred to as the Mission Rock project ("Project"), will be a new mixed-use neighborhood that  
20 is proposed to include a mix of commercial/office, retail, parking, and market rate and  
21 affordable residential uses and approximately eight acres of new and expanded parks and  
22 shoreline access; and

23           WHEREAS, Under the DDA, (i) the Developer is responsible for master development of  
24 the Project Site, including construction of public infrastructure, (ii) the Port and Developer will  
25 enter into a master lease for all of the Project Site, (iii) the Port will convey development

1 parcels to vertical developers and those parcels will be released from the master lease, and  
2 (iv) the Port may enter into a separate lease with the Developer (or an affiliate) for  
3 development of Pier 48; and

4 WHEREAS, The City anticipates that, in addition to the public infrastructure and private  
5 development described above, future improvements will be necessary to ensure that the  
6 shoreline, public facilities, and public access improvements will be protected should sea level  
7 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a  
8 mechanism to pay for the costs of such improvements; and

9 WHEREAS, At its hearing on October 5, 2017, and prior to recommending the  
10 proposed Planning Code amendments for approval, by Motion No. M-20017, the Planning  
11 Commission certified a Final Environmental Impact Report ("FEIR") for the Project pursuant to  
12 the California Environmental Quality Act ("CEQA") (California Public Resources Code,  
13 Section 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg., Section 15000 et seq.),  
14 and Administrative Code, Chapter 31; a copy of said Motion is on file with the Clerk of the  
15 Board of Supervisors in File No. 171117, and is incorporated herein by reference; and

16 WHEREAS, In recommending the proposed Planning Code Amendments for approval  
17 by this Board of Supervisors at its hearing on October 5, 2017, by Motion No. M-20018, the  
18 Planning Commission also adopted findings under CEQA, including a statement of overriding  
19 consideration, and a Mitigation Monitoring and Reporting Program ("MMRP"), and copies of  
20 said Motion and MMRP are on file with the Clerk of the Board of Supervisors in File  
21 No. 171117, and are incorporated herein by reference; and

22 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as  
23 it may be amended from time to time, "Code"), which Code incorporates by reference the  
24 Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), this Board of  
25

1 Supervisors is authorized to establish a special tax district and to act as the legislative body  
2 for a special tax district; and

3 WHEREAS, This Board of Supervisors now desires to proceed with the establishment  
4 of a special tax district in order to finance the costs of infrastructure and other authorized  
5 facilities and certain services necessary or incident to development of the Project Site,  
6 including, without limitation, future improvements necessitated by sea level rise; and

7 WHEREAS, The Financing Plan provides for the possibility of annexation of certain  
8 parcels into the proposed special tax district, and this Board of Supervisors further desires to  
9 undertake proceedings to provide for future annexation of territory to the proposed special tax  
10 district; now, therefore, be it

11 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to  
12 establish a special tax district pursuant to the Code and hereby determines that public  
13 convenience and necessity require that a future annexation area be established; and, be it

14 FURTHER RESOLVED, That the name proposed for the special tax district is "City and  
15 County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and  
16 Services)" ("Special Tax District"); and, be it

17 FURTHER RESOLVED, That the name proposed for the territory proposed to be  
18 annexed into the Special Tax District in the future is "City and County of San Francisco  
19 Community Facilities District No. 2020-1 (Mission Rock Facilities and Services) (Future  
20 Annexation Area)" ("Future Annexation Area"); and, be it

21 FURTHER RESOLVED, That the proposed boundaries of the Special Tax District and  
22 the Future Annexation Area are as shown on the map of them on file with the Clerk of the  
23 Board of Supervisors, which boundaries are hereby preliminarily approved and to which map  
24 reference is hereby made for further particulars, and the Clerk of the Board of Supervisors is  
25 hereby directed to record, or cause to be recorded, the map of the boundaries of the Special

1 Tax District and the Future Annexation Area in the office of the Assessor-Recorder for the City  
2 and County of San Francisco within 15 days of the date of adoption of this Resolution; and, be  
3 it

4 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation  
5 Area shall be annexed to the Special Tax District only with the unanimous approval (each, a  
6 "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that such  
7 parcel(s) are annexed; pursuant to Section 43.10.14 of the Code, a Unanimous Approval  
8 executed by the owner of a parcel constitutes the vote of the qualified elector in favor of the  
9 matters addressed in the Unanimous Approval for purposes of the California Constitution,  
10 including, but not limited to, Articles XIII A and XIII C; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors hereby determines that any  
12 property for which the owner or owners execute a Unanimous Approval in accordance with  
13 applicable law shall be added to the Special Tax District without any further hearings or  
14 proceedings and the Clerk of the Board of Supervisors is hereby directed to record an  
15 amendment to the notice of special tax lien for the Special Tax District pursuant to Streets &  
16 Highways Code, Section 3117.5 as a result of which the obligation to pay the Special Tax  
17 shall become a lien upon the annexed property; provided, however, the designation of  
18 property as Future Annexation Area and the ability to annex property to the Special Tax  
19 District based on a Unanimous Approval shall not limit, in any way, the annexation of property  
20 in the Future Annexation Area to the Special Tax District pursuant to other provisions of  
21 applicable law; and, be it

22 FURTHER RESOLVED, That the Director of the Controller's Office of Public Finance  
23 ("Director") is hereby directed, from time to time in her discretion, to cause to be recorded one  
24 or more consolidated maps of the Special Tax District reflecting all prior modifications,  
25

1 amendments, and annexations pursuant to Section 3113.5 of the Streets & Highways Code;  
2 and, be it

3 FURTHER RESOLVED, That the type of facilities proposed to be financed by the  
4 Special Tax District and the Future Annexation Area shall consist of those listed as facilities  
5 on Exhibit A hereto and hereby incorporated herein ("Facilities"), subject to compliance with  
6 the Code, and this Board of Supervisors hereby determines that the Facilities are necessary  
7 to meet increased demands placed upon local agencies as the result of development  
8 occurring within the Special Tax District and the Future Annexation Area and that the  
9 financing of such Facilities constitutes a public purpose of the City; and, be it

10 FURTHER RESOLVED, That in order to advance the public purposes of the City, the  
11 Special Taxes and proceeds of bonds and other debt issued by the Special Tax District may  
12 be used to finance the incidental expenses described in Exhibit A hereto and hereby  
13 incorporated herein ("incidental expenses"); and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby finds and determines  
15 that the public interest will not be served by allowing the property owners in the Special Tax  
16 District to enter into a contract in accordance with Mello-Roos Act, Section 53329.5(a), and  
17 notwithstanding the foregoing, this Board of Supervisors, on behalf of the Special Tax District,  
18 may enter into one or more contracts directly with any of the owners or lessees of property in  
19 the Special Tax District with respect to the construction and/or acquisition of any portion of the  
20 Facilities; and, be it

21 FURTHER RESOLVED, That the Director is hereby authorized and directed to enter  
22 into joint community facilities agreements with any entity that will own or operate any of the  
23 Facilities, as may be necessary to comply with the provisions of the Code, and this Board of  
24 Supervisors' approval of a joint community facilities agreement shall be conclusively  
25 evidenced by the execution and delivery thereof by the Director, and this Board of Supervisors

1 hereby declares that such joint agreements will be beneficial to owners and lessees of  
2 property in the area of the Special Tax District; and, be it

3 FURTHER RESOLVED, That the type of services proposed to be financed by the  
4 Special Tax District and the Future Annexation Area shall consist of those listed in Exhibit A  
5 hereto and hereby incorporated herein ("Services"), subject to compliance with the Code, and  
6 this Board of Supervisors hereby determines that the Services are necessary to meet  
7 increased demands for such services placed upon local agencies as the result of  
8 development occurring within the area of the Special Tax District and the Future Annexation  
9 Area and that the financing of such Services constitutes a public purpose of the City; and, be  
10 it

11 FURTHER RESOLVED, That except to the extent that funds are otherwise available,  
12 the City will levy a special tax ("Special Tax") to pay directly for the Facilities, to pay for the  
13 Services, to pay for the incidental expenses and to pay the principal and interest on bonds  
14 and other debt (as defined in the Mello-Roos Act) of the City issued for the Special Tax  
15 District to finance the Facilities; and, be it

16 FURTHER RESOLVED, That the Special Tax will be secured by recordation of a  
17 continuing lien against all non-exempt real property in the Special Tax District, and will be  
18 levied annually within the Special Tax District, and collected in the same manner as ordinary  
19 ad valorem property taxes, or in such other manner as this Board of Supervisors or its  
20 designee shall determine, including direct billing of the affected owners or lessees of property  
21 in the Special Tax Districts; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors expects the non-exempt real  
23 property to consist of leasehold or possessory interests in land owned by the City or the Port  
24 Commission, and hereby approves the levy of Special Taxes on such leasehold or  
25 possessory interests on the secured roll; and, be it



1 FURTHER RESOLVED, That the proposed rate and method of apportionment of the  
2 Special Tax among the parcels of real property within the Special Tax District, in sufficient  
3 detail to allow each owner or lessee of property within the Special Tax District to estimate the  
4 maximum amount such owner or lessee will have to pay, is described in Exhibit B attached  
5 hereto and hereby incorporated herein (“Rate and Method”); and, be it

6 FURTHER RESOLVED, That the Special Tax to be levied in the Special Tax District  
7 shall not be levied in the Special Tax District to finance Facilities after the fiscal year  
8 established for that purpose in the Rate and Method, except that a Special Tax that was  
9 lawfully levied in or before the final tax year and that remains delinquent may be collected in  
10 subsequent years; under no circumstances shall the Special Tax levied against any parcel in  
11 the Special Tax District to finance Facilities (“Facilities Special Tax”) in any fiscal year be  
12 increased in that fiscal year as a consequence of delinquency or default by the owner or  
13 lessee of any other parcel or parcels within the Special Tax District by an amount that  
14 exceeds 10% of the maximum Facilities Special Tax applicable to such parcel for that fiscal  
15 year; and, be it

16 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions  
17 of Mello-Roos Act, Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to ad  
18 valorem property taxes and schools financed by a community facilities district) are  
19 inapplicable to the proposed Special Tax District; and, be it

20 FURTHER RESOLVED, That as required by Mello-Roos Act, Section 53339.3(d), this  
21 Board of Supervisors hereby determines that the Special Tax proposed to pay for the costs of  
22 the Facilities to be supplied within the Future Annexation Area that are financed with bonds  
23 that have already been issued and that are secured by previously-existing areas of the  
24 Special Tax District will be equal to the Special Taxes levied to pay for the same Facilities in  
25 previously-existing areas of the Special Tax District, except that (i) a higher Special Tax may

1 be levied within the Future Annexation Area to pay for the same Facilities to compensate for  
2 the interest and principal previously paid from Special Taxes in the original area of the Special  
3 Tax District, less any depreciation allocable to the financed Facilities and (ii) a higher Special  
4 Tax may be levied in the Future Annexation Area to pay for new or additional Facilities, with or  
5 without bond financing; and, be it

6 FURTHER RESOLVED, That as required by the Mello-Roos Act, this Board of  
7 Supervisors hereby further determines that the Special Tax proposed to pay for Services to be  
8 supplied within the Future Annexation Area shall be equal to any Special Tax levied to pay for  
9 the same Services in the existing Special Tax District, except that a higher or lower tax may  
10 be levied within the Future Annexation Area to the extent that the actual cost of providing the  
11 Services in the Future Annexation Area is higher or lower than the cost of providing those  
12 Services in the existing Special Tax District; in so finding, this Board of Supervisors does not  
13 intend to limit its ability to levy a Special Tax within the Future Annexation Area to provide new  
14 or additional services beyond those supplied within the existing Special Tax District or its  
15 ability to implement changes to the extent permitted by law; and, be it

16 FURTHER RESOLVED, That as of the date hereof, there are no Leasehold Interests in  
17 Assessor's Parcels (as those terms are defined in the Rate and Method) within the proposed  
18 boundaries of the Special Tax District that are intended to be exempt from the levy of Special  
19 Taxes; the Board of Supervisors intends for Leasehold Interests in Taxable Parcels within the  
20 proposed boundaries of the Special Tax District that are purchased by a public entity,  
21 including the United States, the State of California and/or the City, or any departments or  
22 political subdivisions thereof ("public entity"), after formation of the Special Tax District to be  
23 subject to the Special Tax, and, if a public entity purchases a Leasehold Interest in a Taxable  
24 Parcel after formation of the Special Tax District, the obligation to pay Special Taxes on such  
25

1 Leasehold Interest shall be governed by Sections 53317.3 and 53317.5 of the Mello-Roos  
2 Act; and, be it

3 FURTHER RESOLVED, That in the event that a portion of the property within the  
4 Special Tax District shall become for any reason exempt, wholly or in part, from the levy of the  
5 Special Tax, this Board of Supervisors will, on behalf of the Special Tax District, increase the  
6 levy to the extent necessary upon the remaining property within the Special Tax District which  
7 is not exempt in order to yield the required debt service payments and other annual expenses  
8 of the Special Tax District, if any, subject to the provisions of the Rate and Method; and, be it

9 FURTHER RESOLVED, That the levy of the Special Tax in the Special Tax District  
10 shall be subject to the approval of the qualified electors of the Special Tax District at a special  
11 election, and the proposed voting procedure shall be by mailed or hand-delivered ballot  
12 among the landowners in the Special Tax District, with each landowner having one vote for  
13 each acre or portion of an acre such landowner owns in the Special Tax District not exempt  
14 from the Special Tax; and, be it

15 FURTHER RESOLVED, That the Director, Department of Elections has reported that  
16 there were no registered voters in the boundaries of the proposed special tax district as of  
17 February 3, 2020; and, be it

18 FURTHER RESOLVED, That this Board of Supervisors has received and hereby  
19 approves, ratifies and accepts a Public Agency Statement and Consent executed by the Port  
20 Commission in which it declares that the City is a "landowner" in the Special Tax District (as  
21 defined in the Mello-Roos Act) and qualified elector for the Special Tax District because the  
22 property owned by the City within the proposed boundaries of the Special Tax District either  
23 will be (a) transferred by conveyance of the fee interest to private ownership for the  
24 construction of improvements, in which case the City agrees that such property will be subject  
25 to the special tax on the same basis as private property within the Special Tax District and

1 affirmatively waives any defense based on the fact of public ownership to any action to  
2 foreclose on such property in the event of nonpayment of the special tax or (b) leased to a  
3 nonexempt person or entity and, pursuant to Section 53340.1 of the Mello-Roos Act, the  
4 special tax will be levied on the leasehold interest and payable by the owner of the leasehold  
5 interest, a copy of which Public Agency Statement and Consent is on file with the Clerk of the  
6 Board of Supervisors in File No. 200117 and is incorporated herein by reference; and, be it

7 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation  
8 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at  
9 the time that parcel or those parcels are annexed into the Special Tax District and in  
10 accordance with the procedure established by applicable law; and, be it

11 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as  
12 the legislative body of the Special Tax District, to cause bonds of the City and other debt (as  
13 defined in the Mello-Roos Act) to be issued for the Special Tax District pursuant to the Code  
14 to finance in whole or in part the construction and/or acquisition of the Facilities and the  
15 incidental expenses; and, be it

16 FURTHER RESOLVED, That such debt may include an agreement by the Special Tax  
17 District (or the City on behalf of the Special Tax District) to repay the City, acting by and  
18 through the Port Commission, for one or more advances of land proceeds and other sources  
19 of Port funding to pay the costs of the Facilities and incidental expenses ("Advances"), which  
20 repayment obligation ("Repayment Obligation") may be evidenced by a promissory note  
21 ratified or executed by the Special Tax District (or the City on behalf of the Special Tax  
22 District) in favor of the Port Commission; and, be it

23 FURTHER RESOLVED, That the bonds and other debt shall be in the aggregate  
24 principal amount of not to exceed \$3,700,000,000 ("Limit"), shall be issued in such series and  
25 bear interest payable semi-annually or in such other manner as this Board of Supervisors

1 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by  
2 applicable law at the time of sale of each series of bonds and other debt, and shall mature not  
3 later than 40 years from the date of the issuance thereof; and, be it

4 FURTHER RESOLVED, That because the City expects to repay the Repayment  
5 Obligation with, among other sources, Special Taxes and proceeds of bonded indebtedness  
6 and other debt incurred by or on behalf of the Special Tax District, the Board of Supervisors  
7 hereby determines that (i) the Repayment Obligation shall be included in the calculation of the  
8 Limit and (ii) any such bonded indebtedness or other debt (as defined in the Mello-Roos Act)  
9 incurred by or on behalf of the Special Tax District to repay the Repayment Obligation (and  
10 the related costs of issuance and costs of funding a debt service reserve fund) shall not be  
11 included in the calculation of the Limit; and, be it

12 FURTHER RESOLVED, That the Director, as the officer having charge and control of  
13 the Facilities and the Services in and for the Special Tax District and the Future Annexation  
14 Area, is hereby directed to study said proposed Facilities and Services and to make, or cause  
15 to be made, and file with the Clerk of the Board of Supervisors a report in writing ("Special Tax  
16 District Report") presenting the following:

17 (a) A description of the Facilities and the Services by type which will be required to  
18 adequately meet the needs of the Special Tax District and the Future Annexation Area.

19 (b) An estimate of the fair and reasonable cost of the Facilities including the cost of  
20 acquisition of lands, rights-of-way and easements, any physical facilities required in  
21 conjunction therewith and incidental expenses in connection therewith, including the costs of  
22 the proposed bond financing and other debt and all other related costs as provided in Mello-  
23 Roos Act, Section 53345.3.

24 (c) An estimate of the fair and reasonable cost of the Services and incidental  
25 expenses in connection therewith, and all other related costs.

1 The Special Tax District Report shall be made a part of the record of the public hearing  
2 specified below; and, be it

3 FURTHER RESOLVED, April 7, 2020, at 3:00 p.m. or as soon as possible thereafter,  
4 and the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San Francisco,  
5 California, are hereby fixed as the time and place when and where this Board of Supervisors,  
6 as the legislative body for the Special Tax District, will conduct a public hearing on the  
7 establishment of the Special Tax District and the Future Annexation Area, and consider and  
8 finally determine whether the public interest, convenience and necessity require the formation  
9 of the Special Tax District and the Future Annexation Area and the levy of the Special Tax;  
10 and, be it

11 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed  
12 to cause notice of the public hearing to be given by publication one time in a newspaper  
13 published in the area of the Special Tax District and the Future Annexation Area; the  
14 publication shall be completed at least seven days before the date of the public hearing  
15 specified above; the notice shall be substantially in the form specified in Mello-Roos Act,  
16 Section 53322, with the form summarizing the provisions hereof hereby specifically approved;  
17 and, be it

18 FURTHER RESOLVED, Notwithstanding the foregoing, because of the complexity  
19 associated with the Project and the Financing Plan, the Board of Supervisors hereby  
20 authorizes the Clerk of the Board of Supervisors to determine that the public hearing should  
21 be held on a later date or time and to cause notice of such later date or time to be given by  
22 publication one time in a newspaper published in the area of the Special Tax District and the  
23 Future Annexation Area; and, be it

24 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either  
25 before or after formation of the Special Tax District, the City may accept advances of funds

1 and may provide, by resolution, for the use of those funds, including but not limited to pay any  
2 cost incurred by the local agency in creating the Special Tax District, and may agree to  
3 reimburse the advances under all of the following conditions: (A) the proposal to repay the  
4 advances is included both in the resolution of intention and the resolution of formation to  
5 establish the Special Tax District; and (B) any proposed special tax is approved by the  
6 qualified electors of the Special Tax District and, if the qualified electors of the Special Tax  
7 District do not approve the proposed special tax, the City shall return any funds which have  
8 not been committed for any authorized purpose by the time of the election and, in furtherance  
9 of Mello-Roos Act, Section 53314.9, the Board of Supervisors hereby declares its intent to  
10 enter into an agreement providing for the advance and reimbursement of funds between the  
11 Port and the Master Developer; and, be it

12 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either  
13 before or after formation of the Special Tax District, the City may accept work in-kind from any  
14 source, including, but not limited to, private persons or private entities, may provide, by  
15 resolution, for the use of that work in-kind for any authorized purpose and this Board of  
16 Supervisors may enter into an agreement, by resolution, with the person or entity advancing  
17 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of  
18 the work in-kind, as determined by this Board of Supervisors, with or without interest, under  
19 the conditions specified in the Mello-Roos Act; any work in-kind must be performed or  
20 constructed as if the work had been performed or constructed under the direction and  
21 supervision, or under the authority of, the City and, in furtherance of Mello-Roos, Act  
22 Section 53314.9, the Board of Supervisors previously authorized the Port to enter into an  
23 acquisition and reimbursement agreement with the Master Developer and other entities  
24 responsible for developing the Project pursuant to the Mission Rock Project Resolution; and,  
25 be it

1 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and  
2 authority set forth in Mello-Roos Act, Section 53344.1, subject to any limitations set forth in  
3 any bond resolution or trust indenture related to the issuance of bonds; and, be it

4 FURTHER RESOLVED, That this Board of Supervisors hereby waives any provisions  
5 of the Amended and Restated Local Goals and Policies for Community Facilities Districts and  
6 Special Tax Districts ("Goals and Policies") adopted by this Board of Supervisors by  
7 Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the  
8 provisions hereof or the DDA; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors hereby approves and ratifies  
10 the appointment of the Port as the CFD Agent (as defined in the DDA) for the Special Tax  
11 District and approves and ratifies all actions taken prior to the date hereof by the Port in its  
12 capacity as CFD Agent, including, but not limited to, execution of one or more promissory  
13 notes to evidence the Repayment Obligation and execution of one more pledge agreements  
14 with an infrastructure financing district to receive property tax revenues to repay the  
15 Repayment Obligation; and, be it

16 FURTHER RESOLVED, That in accordance with the actions contemplated herein, this  
17 Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the  
18 Planning Commission's certification of the FEIR, and finds that the actions contemplated  
19 herein are within the scope of the Project described and analyzed in the FEIR; and, be it

20 FURTHER RESOLVED, That this Board of Supervisors hereby adopts and  
21 incorporates by reference as though fully set forth herein the Planning Commission's CEQA  
22 approval findings in the MMRP, including the statement of overriding considerations, and  
23 adopts and incorporates by reference as though fully set forth herein the Project's MMRP;  
24 and, be it



1 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of  
2 Supervisors to form the Special Tax District and the Future Annexation Area; the formation of  
3 the Special Tax District and the Future Annexation Area shall be subject to the approval of  
4 this Board of Supervisors by resolution following the holding of the public hearing referred to  
5 above; and, be it

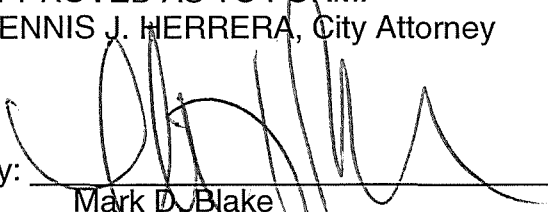
6 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or  
7 word of this Resolution, or any application thereof to any person or circumstance, is held to be  
8 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
9 shall not affect the validity of the remaining portions or applications of this Resolution, this  
10 Board of Supervisors hereby declaring that it would have passed this Resolution and each  
11 and every section, subsection, sentence, clause, phrase, and word not declared invalid or  
12 unconstitutional without regard to whether any other portion of this Resolution or application  
13 thereof would be subsequently declared invalid or unconstitutional; and, be it

14 FURTHER RESOLVED, That the Mayor, the Controller, the Director, the Clerk of the  
15 Board of Supervisors and any and all other officers of the City are hereby authorized, for and  
16 in the name of and on behalf of the City, to do any and all things and take any and all actions,  
17 including execution and delivery of any and all documents, assignments, certificates,  
18 requisitions, agreements, notices, consents, instruments of conveyance, warrants and  
19 documents, which they, or any of them, may deem necessary or advisable in order to  
20 effectuate the purposes of this Resolution; provided however that any such actions be solely  
21 intended to further the purposes of this Resolution, and are subject in all respects to the terms  
22 of the Resolution; and, be it

23 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,  
24 consistent with any documents presented herein, and heretofore taken are hereby ratified,  
25 approved and confirmed by this Board of Supervisors; and, be it

1 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

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

4   
5 By: \_\_\_\_\_  
6 Mark D. Blake  
Deputy City Attorney

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EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2020-1  
(Mission Rock Facilities and Services)

DESCRIPTION OF FACILITIES, SERVICES AND OTHER COSTS TO BE  
FINANCED BY THE SPECIAL TAX DISTRICT

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the “STD”), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement (“DDA”), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit A, “including” has the meaning given to it in the DDA.

**Authorized Facilities**

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code, ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code, Section 53311 et seq.), including:

1. Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA.

- 1
- 2 2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs,  
3 including abatement of hazardous materials, removal of below-grade, at-grade, and  
4 above-grade facilities, and recycling or disposal of waste, including demolition and  
5 abatement within future vertical sites that is necessary for Horizontal Improvements.  
6
- 7 3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves,  
8 fire hydrants, cathodic protection, tie-ins, and any other components required for onsite  
9 and offsite high pressure water supply network intended for fire suppression.  
10
- 11 4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters,  
12 water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants,  
13 cathodic protection, tie-ins, and any other components required for onsite and offsite low  
14 pressure water supply network intended for domestic use.  
15
- 16 5. Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited  
17 to, water recycling production equipment such as buffer and treatment tanks, reverse  
18 osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as  
19 pumps, valves, and electrical equipment; distribution facilities such as main pipes,  
20 laterals, and valves; customer interface equipment such as water meters, back flow  
21 preventers, and valves; along with financing costs and any other components required  
22 for non-potable water supply system (whether publicly or privately owned) intended to  
23 provide treated wastewater for use in, among other things, irrigation of parks,  
24 landscaping, and non-potable uses within buildings, and any other components or  
25 administrative costs required for non-potable water system.

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6. District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment; distribution facilities such as main pipes, laterals, and valves; customer interface equipment such as energy meters and energy transfer stations; along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings.

7. Sanitary Sewer, Storm Drain, and Stormwater Management– includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements.

8. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services.

1 9. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities  
2 including importation of clean fill materials, clearing and grubbing, slope stabilization,  
3 ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock  
4 fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill,  
5 compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-  
6 construction stabilization such as hydroseeding. Also, includes, but is not limited to,  
7 excavation of future vertical development sites if the excavated soils is used on site for  
8 purposes of raising Horizontal Improvements.

9  
10 10. Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public  
11 Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt  
12 wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete,  
13 pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other  
14 components required for onsite and offsite roadways, transit stops, bus facilities,  
15 permanent pavement marking and striping, traffic control signage, traffic light signals,  
16 offsite traffic improvements, and any other components or appurtenant features as  
17 required in the approved Improvement Plan details and specifications. through the  
18 permitting process.

19  
20 11. Streetscape – includes, but is not limited to, subgrade preparation, aggregate base,  
21 sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations,  
22 signage, emergency services infrastructure, landscaping (including trees and Silva cells  
23 and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared  
24 bike parking facilities (whether publicly or privately owned), newspaper stands, any other  
25 components or appurtenant features as required in the approved Improvement Plan

1 details and specifications through the permitting process, and wayfinding and  
2 interpretative signage and facilities.

3  
4 12. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and  
5 treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed  
6 antenna systems, security infrastructure, low-voltage electrical, various hardscaping,  
7 irrigation, landscaping, various concrete structures, site furnishings, public art,  
8 wayfinding, interpretive and other park signage, viewing platforms, water access facilities  
9 (including boat launch), retrofit of shoreline structures and slopes (including demolition,  
10 excavation, installation of revetment, structural repair, construction and occupancy costs  
11 of park structures, and any other components, e.g., Shoreline Improvements), and any  
12 other associated work in publicly accessible spaces such as parks, open spaces, plazas,  
13 and mid-block passages, including publicly-accessible parks, plazas, mid-block  
14 passages and open space that is located on private property, but identified as public  
15 open space in the DDA, Design Controls documents, or Subdivision Map.

16  
17 13. Water-based Transportation Improvements – includes, but not limited to, modes of  
18 water-based transportation and all infrastructure, design, and permitting costs related to  
19 providing water-based transportation facilities at the Project.

20  
21 14. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not  
22 limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic  
23 Pier 48.

1 15. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of  
2 contaminated soil which cannot be reused on site in accordance with the Mission Rock  
3 Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated  
4 November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other  
5 related documents, and associated with public improvements.

6  
7 16. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to  
8 characterize the preferred Shoreline Protection Project and alternatives, including pre-  
9 entitlement planning and design work, environmental review, negotiation, and  
10 Regulatory Approvals related to the Shoreline Protection Facilities.

11  
12 17. Shoreline Protection Facilities includes, but is not limited to, waterfront Improvements at  
13 the San Francisco Bay shoreline to provide stability, to protect the area from perils  
14 associated with seismic events and climate change, including sea level rise and floods,  
15 and other public improvements approved by the Port Commission and the Board of  
16 Supervisors.

17 18. Deferred Infrastructure.

18  
19 19. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary  
20 to proceed with development incurred after the Reference Date, such as the cost to  
21 comply with the California Environmental Quality Act, negotiate transaction documents,  
22 permitting of Horizontal Improvements, subdivision mapping, conduct community  
23 outreach, and prepare development design and land use requirements, but not expenses  
24 related to any campaign or ballot measure or any other expenses prohibited by law.  
25



1 Entitlement costs may include interim costs as approved from time to time by the Board  
2 of Supervisors.

3  
4 20. Associated Public Benefits – including, but not limited to, costs required to provide  
5 Associated Public Benefits related to transportation, childcare, public open space,  
6 sustainability, community meeting space and programs, and other public-benefitting  
7 improvements and expenditures.

8  
9 21. Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs  
10 associated with implementing the DDA, including any additional costs that the Parties  
11 agree shall be incurred by the Developer for the Project, including workforce liaisons;  
12 studies and consultants required to comply with the DDA, such as auditors, inspectors,  
13 attorneys and appraisers; replacement and rework costs, including repairs to correct  
14 incidental damage that occurs throughout the course of construction and restoration of  
15 roadway pavement in areas where there are trenches excavated after the initial roadway  
16 is paved, and maintenance prior to acceptance by the City and/or Port.

17  
18 22. Any other costs authorized to be financed by the STD under the DDA.

19  
20 23. Interim improvements required for the use of the Project Site including temporary bike  
21 lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other  
22 improvements required for the interim use of the remaining Project Site.

1 24. Soft Costs required to support the construction of the Horizontal Improvements and  
2 implementation of the DDA, including developer management costs, third party  
3 professional services, construction management Fees, and asset management costs.  
4

5 25. Developer Mitigation Measures, including the formation of the Transportation  
6 Management Association and dust, vibration, asbestos and settlement monitoring.  
7

8 26. Insurance, Bonding and Warranty costs as required by the City in connection with the  
9 authorized improvements.  
10

11 27. Miscellaneous Costs, such as costs associated with implementing the DDA, including  
12 any additional costs that the Parties have agreed shall be incurred by the Developer for  
13 the Project, such as master planning for each phase, audits, appraisals, workforce  
14 development costs (such as a liaison), cash payments and community outreach  
15 initiatives.  
16

17 Any facility authorized to be financed by the STD may be financed through the construction and  
18 acquisition of the facility or through the payment of fees for such facility.  
19

20 The facilities authorized to be financed may be located within or outside the boundaries of the  
21 STD.  
22

23 The facilities to be financed shall include all Hard Costs and Soft Costs associated with the  
24 facilities, including the costs of the acquisition of land and rights-of-way, the costs of design,  
25 engineering and planning, the costs of any environmental or traffic studies, surveys or other

1 reports, costs related to landscaping and irrigation, soils and other environmental testing and  
2 observation, permits, plan check, and inspection fees, insurance, legal and related overhead  
3 costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any  
4 other costs or appurtenances related to any of the foregoing as further defined in one or more  
5 acquisition agreements with the developer of the property in the STD.

6  
7 The facilities to be financed shall also include all incidental expenses, defined as follows:

- 8  
9 (1) The cost of planning and designing facilities to be financed by the STD, including the cost  
10 of environmental evaluations of those facilities.  
11 (2) The costs associated with the creation of the STD, issuance of bonds, determination of the  
12 amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order  
13 to carry out the authorized purposes of the STD.  
14 (3) Any other expenses incidental to the construction, completion, and inspection of the  
15 authorized work, including costs for temporary facilities with a useful life of at least 3 years  
16 that are required to construct an authorized facility.  
17 (4) Special taxes levied on a property in the STD and paid by the Developer on behalf of a  
18 local agency or other landowner prior to the development of the property.

19  
20 The facilities to be financed also includes the interim cost of the facilities, which shall mean the  
21 Developer Return or Port Return, as applicable, and any interest payable on any promissory  
22 note payable to the STD.

23  
24 The STD may also apply bond proceeds and special taxes to repay the Port Commission for  
25 advances made to pay for authorized costs, under any promissory note or otherwise.

1  
2 Special taxes may be collected and set-aside in designated funds and collected over several  
3 years (i.e., reserves), and used to fund facilities authorized to be financed by the STD.  
4

### 5 **AUTHORIZED SERVICES**

6 Special taxes collected in the STD may finance, in whole or in part, the services authorized to  
7 be financed by the San Francisco Special Tax Financing Law (Admin. Code, ch. 43, art. X) and  
8 the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code, Section 53311 et seq.), in  
9 the STD and, to the extent permitted by the DDA, outside the STD, including:  
10

- 11 • Maintenance, capital repair, replacement and operation (including public events) of  
12 Public Spaces, including facilities for public enjoyment, such as public parks, public  
13 recreational facilities, public access, open space, public paseos and other public  
14 amenities, some of which may be rooftop facilities or located on privately leased property  
15 but identified as public open space in the DDA or Design Controls or Subdivision Map.
- 16 • Maintenance, capital repair, replacement and operation of Public Right-of-Ways  
17 (ROWs), including public streets, sidewalks, shared public ways, mid-block passages,  
18 bicycle lanes, and other paths of travel, associated landscaping and furnishings,  
19 maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete  
20 infrastructure, retaining walls within the ROWs and related amenities in the STD, some  
21 of which may be located on privately leased property but identified as public open space  
22 in the DDA or Design Controls.
- 23 • Maintenance, capital repair, replacement and operation of Shoreline Improvements in  
24 and adjacent to the STD that were completed per the DDA, such as shoreline restoration,  
25 including installation of stone columns, pilings, secant walls, and other structures to

1 stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access  
2 to or environmental remediation of the San Francisco waterfront.

- 3 • Maintenance, capital repair, replacement and operation of landscaping and irrigation  
4 systems and other equipment, material, and supplies directly related to maintaining and  
5 replacing landscaped areas and water features in Public Spaces and Public ROWs.
- 6 • Maintenance, capital repair, replacement and operation as needed of Public Spaces,  
7 including street cleaning and paving.
- 8 • Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash  
9 receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and  
10 corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs.
- 11 • Maintenance, capital repair, replacement and operation of utilities in Public Spaces and  
12 Public ROWs.
- 13 • General liability insurance for any Public ROWs or structures in Public ROWs that Public  
14 Works does not submit to the Board of Supervisors for City acceptance for City General  
15 Fund liability purposes and other commercially reasonable insurance coverages.
- 16 • Port, City, or third party personnel, administrative, and overhead costs related to  
17 maintenance or to contracting for and managing third-party maintenance, including rent  
18 for storage space needed to support the maintenance activities.
- 19 • Any other costs authorized to be financed by the STD under the DDA.

20 Special taxes may be collected and set-aside in designated funds and collected over several  
21 years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term  
22 “**operation**” includes providing security and hosting special events.

23  
24 **INCIDENTAL COSTS**  
25

1 Special taxes collected in the STD will also fund, in whole or in part, the incidental costs  
2 associated with the facilities and services authorized to be financed. Incidental costs include,  
3 but are not limited to:

- 4
- 5 1. Administrative expenses and fees including costs incurred to form the STD, to  
6 annex territory to the STD, to annually administer the STD, to levy and collect  
7 special taxes for the STD, and any other costs incurred in standard administration  
8 of the STD by the City or their authorized consultants;
  - 9
  - 10 2. Any amounts needed to cure actual or estimated delinquencies in special taxes  
11 for the current or previous fiscal years;
  - 12
  - 13 3. Bond related expenses, including underwriters discount, reserve fund, capitalized  
14 interest, bond, disclosure, and underwriter counsel fees and all other incidental  
15 expenses; and
  - 16
  - 17 4. Reimbursement of costs related to the formation of the STD advanced by the City  
18 and any landowner(s) in the STD, or any party related to any of the foregoing, as  
19 well as reimbursement of any costs advanced by the City or any landowner(s) in  
20 the STD or any party related to any of the foregoing, for facilities, fees or other  
21 purposes or costs of the STD.
- 22

### 23 **COMPLIANCE WITH CFD GOALS**

24 The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this  
25 Exhibit A.



1 improvements as the terminated lease. It will not be a violation of this covenant if the City or  
2 the Port initiates judicial foreclosure of any such lease pursuant to the CFD Law.

3  
4 **A. DEFINITIONS**

5  
6 The terms hereinafter set forth have the following meanings:

7  
8 **“Administrative Expenses”** means any or all of the following: the fees and expenses of any  
9 fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection  
10 with any Bonds, and the expenses of the City carrying out duties with respect to the STD and  
11 the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and  
12 expenses of legal counsel, charges levied by the City, including the Controller’s Office, the  
13 Treasurer and Tax Collector’s Office, the City Attorney, and the Port, costs related to property  
14 owner inquiries regarding the Special Taxes, costs associated with appeals or requests for  
15 interpretation associated with the Special Taxes and this RMA, costs associated with  
16 annexation of property into the STD, amounts needed to pay rebate to the federal government  
17 with respect to the Bonds, costs associated with complying with any continuing disclosure  
18 requirements for the City and any other major property owner (whether or not deemed to be  
19 an obligated person), costs associated with foreclosure and collection of delinquent Special  
20 Taxes, and all other costs and expenses of the City in any way related to the establishment or  
21 administration of the STD.

22  
23 **“Administrator”** means the Director of the Office of Public Finance or his/her designee who  
24 shall be responsible for administering the Special Taxes according to this RMA.



1     **“Affordable Housing Project”** means a residential or primarily residential project, as  
2     determined by the Review Authority, within which 100% of the residential units are Affordable  
3     Units.

4  
5     **“Affordable Square Footage”** means both: (i) the entire square footage of an Affordable  
6     Housing Project; and (ii) the aggregate net rentable square footage that is or is expected to be  
7     associated with Affordable Units within a building on a Parcel of Developed Property. The  
8     Review Authority shall make the final determination as to the amount of Affordable Square  
9     Footage within a building in the STD.

10  
11     **“Affordable Unit”** means a Residential Unit for which a deed restriction has been recorded  
12     that (i) limits the rental rates on the unit or (ii) in any other way is intended to restrict the  
13     current or future value of the unit, as determined by the Review Authority.

14  
15     **“Appendix”** means the Appendix to the DDA.

16  
17     **“Assessed Parcel”** means, in any Fiscal Year, any Taxable Parcel that meets all five of the  
18     following conditions: (i) there is a building on the Taxable Parcel for which a Certificate of  
19     Occupancy has been issued; (ii) based on all information available to the Administrator, the  
20     Baseline Assessed Value has been determined for the Taxable Parcel; (iii) ad valorem taxes  
21     have been levied on the Taxable Parcel based on the Baseline Assessed Value of the  
22     building; (iv) by the end of the prior Fiscal Year, at least one year of ad valorem taxes based  
23     upon the Baseline Assessed Value of the building have been paid; and (v) the Taxable Parcel  
24     does not have outstanding delinquencies in the payment of ad valorem property taxes or  
25     Special Taxes at the latest point at which the Administrator is able to receive delinquency

1 information from the County prior to submitting the Development Special Tax levy in any  
2 Fiscal Year. Once a Taxable Parcel has been categorized as an Assessed Parcel, such  
3 Taxable Parcel shall be considered an Assessed Parcel in all future Fiscal Years in which  
4 there are no outstanding delinquencies for the Parcel, regardless of increases or decreases in  
5 assessed value.

6  
7 **“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map  
8 with an assigned Assessor’s Parcel number.

9  
10 **“Assessor’s Parcel Map”** means an official map of the County Assessor designating Parcels  
11 by Assessor’s Parcel number.

12  
13 **“Association”** means a homeowners or property owners association, including any master or  
14 sub-association, that provides services to, and collects dues, fees, or charges from, property  
15 within the STD.

16  
17 **“Association Square Footage”** means square footage within a building that is (i) on property  
18 in the STD that is leased to an Association, not including any such property that is located  
19 directly under a residential structure, and (ii) used for purposes of the Association and not  
20 leased or otherwise used for purposes that are not part of the operation of the Association.

21  
22 **“Authorized Expenditures”** means, separately with respect to the Development Special Tax,  
23 Office Special Tax, Shoreline Special Tax, and Contingent Services Special Tax, those costs,  
24 facilities or public services authorized to be funded by the applicable Special Tax as set forth  
25

1 in the Financing Plan and the documents adopted by the Board at STD Formation, as may be  
2 amended from time to time.

3  
4 **“Base Contingent Services Special Tax”** means, for any Square Footage Category, the per-  
5 square-foot Contingent Services Special Tax for square footage within such Square Footage  
6 Category, as identified in Table 4 in Section C below, that can be levied on a Leasehold  
7 Interest in a Taxable Parcel.

8  
9 **“Base Development Special Tax”** means, for any Square Footage Category, the per-square-  
10 foot Development Special Tax for Square Footage within such Square Footage Category, as  
11 identified in Table 1 in Section C below, that can be levied on a Leasehold Interest in a  
12 Taxable Parcel.

13  
14 **“Base Office Special Tax”** means, for Office Square Footage and Excess Exempt Square  
15 Footage, the per-square-foot Office Special Tax identified in Table 2 in Section C below, that  
16 can be levied on a Leasehold Interest in a Taxable Parcel.

17  
18 **“Base Shoreline Special Tax”** means, for any Square Footage Category, the per-square-foot  
19 Shoreline Special Tax for Square Footage within such Square Footage Category, as identified  
20 in Table 3 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.

21  
22 **“Base Special Tax”** means, collectively, the Base Development Special Tax, the Base Office  
23 Special Tax, the Base Shoreline Special Tax, and the Base Contingent Services Special Tax.

1     **“Baseline Assessed Value”** means, after a Certificate of Occupancy has been issued for a  
2     Taxable Parcel, the assessed value that the Port and Vertical Developer mutually agree is the  
3     final, unappealable value for the Taxable Parcel.

4  
5     **“Board”** means the Board of Supervisors of the City, acting as the legislative body of STD No.  
6     2020-1.

7  
8     **“Bond Sale”** means, for the Development Special Tax, issuance of Development Special Tax  
9     Bonds, for the Office Special Tax, issuance of Office Special Tax Bonds, and, for the  
10    Shoreline Special Tax, issuance of Shoreline Special Tax Bonds.

11  
12    **“Bonds”** means bonds or other debt (as defined in the CFD Law), whether in one or more  
13    series, that are issued or assumed by or for the STD to finance Authorized Expenditures  
14    including any Development Special Tax Bonds, Office Special Tax Bonds, and Shoreline  
15    Special Tax Bonds. The term “Bonds” includes any promissory note executed by or on behalf  
16    of STD No. 2020-1 for the benefit of the Port.

17  
18    **“Capitalized Interest”** means funds in any capitalized interest account available to pay debt  
19    service on Bonds.

20  
21    **“Certificate of Occupancy”** means the first certificate, including any temporary certificate of  
22    occupancy, issued by the Port to confirm that a building or a portion of a building has met all  
23    of the building codes and can be occupied for residential or non-residential use. For purposes  
24    of this RMA, “Certificate of Occupancy” shall not include any certificate of occupancy that was  
25    issued prior to January 1, 2019 for a building within the STD; however, any subsequent

1 certificates of occupancy that are issued for new construction, or expansion of a building shall  
2 be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated  
3 square footage. For Pier 48, only a certificate of occupancy issued in association with the  
4 permanent reuse of the building (as determined by the Port) shall qualify as a "Certificate of  
5 Occupancy" for purposes of this RMA.

6  
7 "**CFD Law**" means the San Francisco Special Tax Financing Law (Admin. Code, ch. 43, art.  
8 X), which incorporates the Mello-Roos Act.

9  
10 "**City**" means the City and County of San Francisco, California.

11  
12 "**Contingent Services Special Tax**" means a special tax levied in any Fiscal Year after the  
13 Trigger Event on a Leasehold Interest in a Taxable Parcel to pay the Services Special Tax  
14 Requirement.

15  
16 "**County**" means the City and County of San Francisco, California.

17  
18 "**DDA**" means the Disposition and Development Agreement between the Port and the  
19 Developer, including all exhibits and attachments, as may be amended from time to time.

20  
21 "**Deputy Director**" means the Deputy Director of Finance and Administration for the Port or  
22 other such official that acts as the chief financial officer for the Port.

23  
24 "**Developed Property**" means, in any Fiscal Year, all Taxable Parcels for which the 24-month  
25 anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year,

1 regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure  
2 is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be  
3 categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was  
4 issued on or prior to June 30 of the preceding Fiscal Year.

5  
6 **“Developer”** means Seawall Lot 337 Associates, LLC, or any successor or assign that takes  
7 over as tenant under the Master Lease.

8  
9 **“Development Approval Documents”** means, collectively, the DDA, any Vertical DDA, any  
10 Final Maps, Review Authority approvals, or other such approved or recorded document or  
11 plan that identifies the type of structures, acreage, and Market-Rate Residential Square  
12 Footage and Office Square Footage approved for development on Taxable Parcels.

13  
14 **“Development Special Tax”** means a special tax levied in any Fiscal Year on a Leasehold  
15 Interest in a Taxable Parcel to pay the Development Special Tax Requirement.

16  
17 **“Development Special Tax Bonds”** means any Bonds secured solely by Development  
18 Special Taxes.

19  
20 **“Development Special Tax Requirement”** means the amount necessary in any Fiscal Year  
21 to: (i) pay principal and interest on Development Special Tax Bonds that are due in the  
22 calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Development Special  
23 Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate  
24 payments; (iii) replenish reserve funds created for Development Special Tax Bonds under the  
25 Indenture to the extent such replenishment has not been included in the computation of the

1 Development Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies  
2 in the payment of principal or interest on Development Special Tax Bonds which have  
3 occurred in the prior Fiscal Year; (v) in any Fiscal Year in which there is a Development  
4 Special Tax levied on one or more Parcels pursuant to Step 1d. in Section F below, pay the  
5 fee imposed by the City for levying such Development Special Tax on the County tax roll; (vi)  
6 pay other obligations described in the Financing Plan; and (vii) pay directly for Authorized  
7 Expenditures, so long as such levy under this clause (vii) does not increase the Development  
8 Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through  
9 (vii) above may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances  
10 in funds and accounts for the Development Special Tax Bonds to the extent that such  
11 earnings or balances are available to apply against such costs pursuant to the Indenture; (b)  
12 in the sole and absolute discretion of the Port, proceeds received by the STD from the  
13 collection of penalties associated with delinquent Development Special Taxes; and (c) any  
14 other revenues available to pay such costs, as determined by the Administrator, the City, and  
15 the Port.

16  
17 **“Escalator”** means the lesser of the following: (i) the annual increase, if any, in the Consumer  
18 Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region  
19 (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States  
20 Department of Labor, or, if such index is no longer published, a similar escalator that is  
21 determined by the Port and City to be appropriate, and (ii) five percent (5%).

22  
23 **“Estimated Base Development Tax Revenues”** means, at any point in time, the amount  
24 calculated by the Administrator by multiplying the Base Development Special Tax by square  
25

1 footage within each Square Footage Category proposed for development and, if applicable,  
2 already in completed buildings on a Taxable Parcel.

3  
4 **“Estimated Base Office Special Tax Revenues”** means, at any point in time, the amount  
5 calculated by the Administrator by multiplying the Base Office Special Tax by square footage  
6 within each Square Footage Category proposed for development and, if applicable, already in  
7 completed buildings on a Taxable Parcel.

8  
9 **“Estimated Base Shoreline Special Tax Revenues”** means, at any point in time, the amount  
10 calculated by the Administrator by multiplying the Base Shoreline Special Tax by square  
11 footage within each Square Footage Category proposed for development and, if applicable,  
12 already in completed buildings on a Taxable Parcel.

13  
14 **“Excess Exempt Square Footage”** means, after the First Bond Sale, any square footage in a  
15 building on a Parcel of Developed Property that is determined by the Review Authority to  
16 exceed the amount of Exempt Square Footage for such building. Excess Exempt Square  
17 Foot means a single square-foot unit of Excess Exempt Square Footage.

18  
19 **“Exempt Square Footage”** means, prior to the First Bond Sale, any square footage in or  
20 expected in a building on a Parcel of Developed Property that is determined by the Review  
21 Authority to be used or reserved for an Exempt Use. After the First Bond Sale, “Exempt  
22 Square Footage” for any building on a Parcel of Developed Property shall be the sum of  
23 following, as determined by the Review Authority:

- 24  
25 1. The Initial Exempt Square Footage for the building; and



1  
2           2.       Square footage in or expected in the building that (i) exceeds the Initial Exempt  
3 Square Footage, and (ii) if exempted from Special Taxes, would not reduce coverage on  
4 outstanding Bonds below the Required Coverage.

5  
6       **“Exempt Use”** means any of the following uses:

- 7           1)       Affordable Square Footage
- 8           2)       Association Square Footage
- 9           3)       Child Care – child care uses that qualify for exemption from the Special Taxes,  
10 as determined by the Review Authority after review and consideration of the criteria and  
11 requirements set forth in the Parcel Lease and DDA.
- 12           4)       Parking – areas reserved for automobile, motorcycle, or bicycle parking
- 13           5)       Retail – commercial establishments that sell general merchandise, hard goods,  
14 food and beverage, personal services, and other items directly to consumers, including but  
15 not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry  
16 cleaners, repair shops, storage facilities, and parcel delivery shops. In addition: (i) all street-  
17 level retail bank branches, real estate brokerages, and other such ground-level uses that are  
18 open to the public, and (ii) any area designated, pursuant to Section 102 of the Planning Code  
19 or successor sections, for “Planning, Distribution, and Repair” (PDR) services, which includes  
20 but will not be limited to the following uses: industrial or agricultural use, ambulance services,  
21 animal hospital, automotive service station, automotive repair, automotive wash, arts  
22 activities, business services, cat boarding, catering service, commercial storage, kennel,  
23 motor vehicle tow service, livery stable, parcel delivery service, public utilities yard, storage  
24 yard, trade office, trade shop, wholesale sales, or wholesale storage.
- 25

1           6)     Utilities – areas reserved for facilities associated with the treatment of water or  
2 sewer, or the transmission or provision of gas and electricity, or the heating and cooling of  
3 buildings.

4           7)     Amenity Square Footage – areas reserved for sitewide amenities, such as a  
5 welcome center, leasing office, sitewide management, or sitewide security.  
6

7     **“Expected Land Uses”** means the total Market-Rate Residential Square Footage and Office  
8 Square Footage expected on each Planning Parcel in the STD. The Expected Land Uses at  
9 STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C,  
10 D, and E below.  
11

12     **“Expected Maximum Development Special Tax Revenues”** means the aggregate  
13 Development Special Tax that can be levied based on application of the Base Development  
14 Special Tax to the Expected Land Uses. The Expected Maximum Development Special Tax  
15 Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be  
16 revised pursuant to Sections B, C, D, and E below.  
17

18     **“Expected Maximum Office Special Tax Revenues”** means the aggregate Office Special  
19 Tax that can be levied based on application of the Base Office Special Tax to the Expected  
20 Land Uses. The Expected Maximum Office Special Tax Revenues for each Planning Parcel  
21 at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C,  
22 D, and E below.  
23

24     **“Expected Maximum Shoreline Special Tax Revenues”** means the aggregate Shoreline  
25 Special Tax that can be levied based on application of the Base Shoreline Special Tax to the

1 Expected Land Uses. The Expected Maximum Shoreline Special Tax Revenues for each  
2 Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to  
3 Sections B, C, D, and E below.

4  
5 **“Final Map”** means a final map, or portion thereof, recorded by the County pursuant to the  
6 Subdivision Map Act (California Government Code, Section 66410 et seq.) that creates  
7 individual lots on which Permits for new construction or historic rehabilitation may be issued  
8 without further subdivision.

9  
10 **“Financing Plan”** means the Financing Plan attached as Exhibit C1 and incorporated into the  
11 DDA, as such plan may be amended or supplemented from time to time in accordance with  
12 the terms of the DDA.

13  
14 **“First Bond Sale”** means, (i) for the Development Special Tax, a Bond Sale of the first series  
15 of Development Special Tax Bonds, (ii) for the Office Special Tax, a Bond Sale of the first  
16 series of Office Special Tax Bonds, and (iii) for the Shoreline Special Tax, a Bond Sale of the  
17 first series of Shoreline Special Tax Bonds.

18  
19 **“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

20  
21 **“Future Annexation Area”** means that geographic area that, at STD Formation, was  
22 considered potential annexation area for the STD and which was, therefore, identified as  
23 “future annexation area” on the recorded STD boundary map. Such designation does not  
24 mean that any or all of the Future Annexation Area will annex into the STD, but should owners  
25 of property designated as Future Annexation Area choose to annex, the annexation may be

1 processed pursuant to the annexation procedures in the CFD Law for territory included in a  
2 future annexation area, as well as the procedures established by the Board and any other  
3 applicable provisions of the CFD Law.

4  
5 **“Indenture”** means any indenture, fiscal agent agreement, resolution, or other instrument  
6 pursuant to which Bonds are issued, as modified, amended, or supplemented from time to  
7 time, and any instrument replacing or supplementing the same.

8  
9 **“Initial Exempt Square Footage”** means, for any building on a Parcel of Developed Property,  
10 the square footage in or expected in the building that, at the time the Parcel became  
11 Developed Property, was determined by the Review Authority to be reserved for an Exempt  
12 Use.

13  
14 **“Land Use Change”** means a change to the Expected Land Uses after STD Formation.

15  
16 **“Leasehold Interest”** means a Master Lease, ground lease, or any other lease arrangement  
17 of a Parcel or Parcels against which Special Taxes may be levied in any current or future  
18 Fiscal Year. The Review Authority shall make the final determination as to whether a Parcel or  
19 building in the STD is subject to a Leasehold Interest for purposes of this RMA.

20  
21 **“Management Agreement”** means the agreement between the Port and the Association (or  
22 related entity) for maintenance, operations, and event planning of the entire public realm  
23 (parks, streets, other ROWs) within the Project Site.

1     **“Market-Rate Residential Square Footage”** means, in any building on a Taxable Parcel, the  
2 net rentable square footage that is or is expected to be used for one or more of the following  
3 uses: (i) Market-Rate Units, (ii) any type of group or student housing that provides lodging for  
4 a week or more and may or may not have individual cooking facilities, including but not limited  
5 to boarding houses, dormitories, housing operated by medical institutions, and single room  
6 occupancy units, or (iii) a residential care facility that is not staffed by licensed medical  
7 professionals. As set forth in Section B below, the Review Authority shall make the  
8 determination as to the amount of Market-Rate Residential Square Footage on a Taxable  
9 Parcel in the STD. Market-Rate Residential Square Foot means a single square-foot unit of  
10 Market-Rate Residential Square Footage.

11  
12     **“Market-Rate Unit”** means a Residential Unit that is not an Affordable Unit.

13  
14     **“Master Lease”** means a lease for all or part of the Project Site that allows the Developer to  
15 take possession of the Master Lease Premises and construct horizontal improvements  
16 approved under the DDA and to conduct other uses as provided in the DDA.

17  
18     **“Master Lease Premises”** means, at any point in time, the area subject to the Master Lease.

19  
20     **“Maximum Contingent Services Special Tax”** means, after the Trigger Event, the greatest  
21 amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a  
22 Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

1     **“Maximum Contingent Services Special Tax Revenues”** means, at any point in time after  
2     the Trigger Event, the aggregate Maximum Contingent Services Special Tax that can be  
3     levied on all Leasehold Interests in all Taxable Parcels.

4  
5     **“Maximum Development Special Tax”** means the greatest amount of Development Special  
6     Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year  
7     determined in accordance with Sections C, D, and E below.

8  
9     **“Maximum Development Special Tax Revenues”** means, at any point in time, the aggregate  
10    Maximum Development Special Tax that can be levied on all Leasehold Interests in all  
11    Taxable Parcels.

12  
13    **“Maximum Office Special Tax”** means the greatest amount of Office Special Tax that can be  
14    levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in  
15    accordance with Sections C, D, and E below.

16  
17    **“Maximum Office Special Tax Revenues”** means, at any point in time, the aggregate  
18    Maximum Office Special Tax that can be levied on all Leasehold Interests in all Taxable  
19    Parcels.

20  
21    **“Maximum Shoreline Special Tax”** means the greatest amount of Shoreline Special Tax that  
22    can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in  
23    accordance with Sections C, D, and E below.

1 **“Maximum Shoreline Special Tax Revenues”** means, at any point in time, the aggregate  
2 Maximum Shoreline Special Tax that can be levied on all Leasehold Interests in all Taxable  
3 Parcels.

4  
5 **“Maximum Special Tax”** means, for any Leasehold Interest in a Taxable Parcel in any Fiscal  
6 Year, the sum of the Maximum Development Special Tax, Maximum Office Special Tax,  
7 Maximum Shoreline Special Tax, and Maximum Contingent Services Special Tax.

8  
9 **“Maximum Special Tax Revenues”** means, collectively, the Maximum Development Special  
10 Tax Revenues, Maximum Office Special Tax Revenues, Maximum Shoreline Special Tax  
11 Revenues, and Maximum Contingent Services Special Tax Revenues.

12  
13 **“Mello-Roos Act”** means the Mello-Roos Community Facilities Act of 1982, as amended,  
14 being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the  
15 Government Code of the State of California.

16  
17 **“Office Special Tax”** means a special tax levied in any Fiscal Year on Office Square Footage  
18 within a Leasehold Interest in a Taxable Parcel to pay the Office Special Tax Requirement.

19  
20 **“Office Special Tax Bonds”** means any Bonds secured solely by Office Special Taxes.

21  
22 **“Office Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i)  
23 pay principal and interest on Office Special Tax Bonds that are due in the calendar year that  
24 begins in such Fiscal Year; (ii) pay periodic costs on Office Special Tax Bonds, including but  
25 not limited to, credit enhancement, liquidity support and rebate payments; (iii) replenish

1 reserve funds created for Office Special Tax Bonds under the Indenture to the extent such  
2 replenishment has not been included in the computation of the Office Special Tax  
3 Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal  
4 or interest on Office Special Tax Bonds which have occurred in the prior Fiscal Year; (v) pay  
5 Administrative Expenses; (vi) pay other obligations described in the Financing Plan; and (vii)  
6 pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not  
7 increase the Office Special Tax levied on Undeveloped Property. The amount calculated to  
8 pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest earnings  
9 on or surplus balances in funds and accounts for the Office Special Tax Bonds to the extent  
10 that such earnings or balances are available to apply against such costs pursuant to the  
11 Indenture; (b) in the sole and absolute discretion of the Port, proceeds received by the STD  
12 from the collection of penalties associated with delinquent Office Special Taxes; and (c) any  
13 other revenues available to pay such costs, as determined by the Administrator, the City, and  
14 the Port.

15  
16 **“Office Square Footage”** means, within any building on a Taxable Parcel: (i) the planning  
17 gross square footage for which a Prop. M allocation has been secured, (ii) square footage that  
18 is or is expected to be part of a hotel operation, including square footage of hotel rooms,  
19 restaurants, meeting and convention facilities, gift shops, spas, offices, and other related  
20 uses, and (iii) any other square footage in the building that does not meet the definition of  
21 Market-Rate Residential Square Footage, Exempt Square Footage, or Excess Exempt  
22 Square Footage. The Review Authority shall make the final determination as to the amount of  
23 Office Square Footage within a building in the STD. Office Square Foot means a single  
24 square-foot unit of Office Square Footage.



1     **"Parcel Increment"** means, in any Fiscal Year, the amount of Tax Increment and funds from  
2     any tax increment reserve fund maintained by the City that the Deputy Director has  
3     determined, pursuant to the Financing Plan, is available to reduce the amount of Development  
4     Special Tax levied against Assessed Parcels.

5  
6     **"Parcel Lease"** means a contract in the form set forth as an exhibit to the DDA by which the  
7     Port will convey a leasehold interest in a Taxable Parcel to a Vertical Developer.

8  
9     **"Parcel Lease Execution Date"** means the effective date of a Parcel Lease that was fully  
10    executed by the Port and a Vertical Developer.

11  
12    **"Permit"** means (i) for Pier 48, a permit issued by the Port that allows for rehabilitation of the  
13    existing historic structures, and (ii) for all property in the STD (other than Pier 48 if it is  
14    annexed to the STD), the first permit, whether a site permit or building permit, issued by the  
15    Port that, immediately upon issuance or ultimately after addenda to the permit, allows for  
16    vertical construction of a building or buildings.

17  
18    **"Pier 48"** is defined in the Appendix.

19  
20    **"Planning Code"** means the Planning Code of the City and County of San Francisco, as it  
21    may be amended from time to time.

22  
23    **"Planning Parcel"** means a geographic area within the STD that, for planning and entitlement  
24    purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-  
25    numeric identifier to be used for reference until an Assessor's Parcel is created and an

1 Assessor's Parcel number is assigned. The Planning Parcels at STD Formation are identified  
2 in Attachment 1 hereto.

3  
4 **"Port"** means the Port of San Francisco.

5  
6 **"Project Area I"** means the area within the City and County of San Francisco Infrastructure  
7 Financing District No. 2 (Port of San Francisco) that covers the Project Site and was formed  
8 by Ordinance No. 34-18.

9  
10 **"Project Site"** is defined in the Appendix.

11  
12 **"Prop. M"** means Proposition M, the citizen-sponsored initiative passed by San Francisco  
13 voters in November 1986 that created an annual limit on the square footage of certain office  
14 development in the City, and any subsequent proposition that limits office square footage  
15 within the STD.

16  
17 **"Proportionately"** means, for Developed Property, that the ratio of the actual Contingent  
18 Services Special Tax levied in any Fiscal Year to the Maximum Contingent Services Special  
19 Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property.  
20 For Undeveloped Property, "Proportionately" means that the ratio of the actual Development  
21 Special Tax, Office Special Tax, and Shoreline Special Tax levied to the Maximum  
22 Development Special Tax, Office Special Tax, and Shoreline Special Tax, respectively, is  
23 equal for all Parcels of Undeveloped Property.

1     **“Public Property”** means any property within the boundaries of the STD that is owned by or  
2     leased to the federal government, State of California, City, or public agency other than the  
3     Port. Parcels of Public Property, and/or Leasehold Interests in Public Property, that do not fall  
4     within the definition of Exempt Square Footage shall be taxed as Developed Property or  
5     Undeveloped Property, as determined by the Administrator pursuant to the definitions set forth  
6     in this RMA.

7  
8     **“Remainder Special Taxes”** means, as calculated between September 1st and December  
9     31st of any Fiscal Year, any Development Special Tax, Office Special Tax, and Shoreline  
10    Special Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i)  
11    pay debt service on the applicable Development Special Tax Bonds, Shoreline Special Tax  
12    Bonds, or Office Special Tax Bonds that was due in the calendar year that begins in the Fiscal  
13    Year in which the Remainder Special Taxes were levied; (ii) pay periodic costs on the  
14    applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special  
15    Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate  
16    payments (iii) replenish reserve funds created for the applicable Development Special Tax  
17    Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds under the applicable  
18    Indenture; (iv) cure any delinquencies in the payment of principal or interest on applicable  
19    Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds  
20    which have occurred in the prior Fiscal Year; or (v) pay Administrative Expenses that have  
21    been incurred, or are expected to be incurred, by the City or Port prior to the receipt of  
22    Development Special Tax, Shoreline Special Tax or Office Special Tax proceeds.

23  
24    **“Required Coverage”** means (i) for Development Special Tax Bonds, the amount by which  
25    the Maximum Development Special Tax Revenues must exceed the Development Special

1 Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the  
2 applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation  
3 Proceedings or Bond document that sets forth the minimum required debt service coverage;  
4 (ii) for Shoreline Special Tax Bonds, the amount by which the Maximum Shoreline Special  
5 Tax Revenues must exceed the Shoreline Special Tax Bond debt service and priority  
6 Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special  
7 Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the  
8 minimum required debt service coverage, and (iii) for Office Special Tax Bonds, the amount  
9 by which the Maximum Office Special Tax Revenues must exceed the Office Special Tax  
10 Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable  
11 Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond  
12 document that sets forth the minimum required debt service coverage.

13  
14 **“Residential Unit”** means an individual residential housing unit in a residential or mixed-use  
15 building.

16  
17 **“Review Authority”** means the Deputy Director of Real Estate & Development for the Port or  
18 an alternate designee from the Port or the City who is responsible for approvals and  
19 entitlements of a development project.

20  
21 **“RMA”** means this Rate and Method of Apportionment of Special Taxes.

22  
23 **“Services Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i)  
24 pay the costs of operations and maintenance or other public services that are included as  
25

1 Authorized Expenditures; (ii) cure delinquencies in the payment of Contingent Services  
2 Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

3  
4 **“Shoreline Special Tax”** means a special tax levied in any Fiscal Year to pay the Shoreline  
5 Special Tax Requirement.

6  
7 **“Shoreline Special Tax Bonds”** means any Bonds secured solely by Shoreline Special  
8 Taxes that have been levied and are available after dividing the Shoreline Special Taxes as  
9 set forth in Financing Plan Section 4.7, and factoring in debt service coverage and related  
10 Indenture requirements, as determined by the Administrator

11  
12 **“Shoreline Special Tax Requirement”** means the amount necessary in any Fiscal Year to  
13 pay: (i) pay principal and interest on Shoreline Special Tax Bonds that are due in the calendar  
14 year that begins in such Fiscal Year; (ii) pay periodic costs on Shoreline Special Tax Bonds,  
15 including but not limited to, credit enhancement, liquidity support and rebate payments; (iii)  
16 replenish reserve funds created for Shoreline Special Tax Bonds under the Indenture to the  
17 extent such replenishment has not been included in the computation of the Shoreline Special  
18 Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of  
19 principal or interest on Shoreline Special Tax Bonds which have occurred in the prior Fiscal  
20 Year; (v) pay Administrative Expenses; (vi) pay directly for the costs of shoreline  
21 improvements so long as such levy under this clause (vi) does not increase the Shoreline  
22 Special Tax levied on Undeveloped Property; and (vii) pay other obligations described in the  
23 Financing Plan. The amount calculated to pay items (i) through (vii) above may be reduced in  
24 any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the  
25 Shoreline Special Tax Bonds to the extent that such earnings or balances are available to

1 apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of  
2 the Port, proceeds received by the STD from the collection of penalties associated with  
3 delinquent Shoreline Special Taxes; and (c) any other revenues available to pay such costs,  
4 as determined by the Administrator, the City, and the Port.

5  
6 **“Special Taxes”** means the Development Special Tax, Shoreline Special Tax, Office Special  
7 Tax, and Contingent Services Special Tax.

8  
9 **“Square Footage Category”** means, individually, Market-Rate Residential Square Footage,  
10 Office Square Footage, and Excess Exempt Square Footage.

11  
12 **“STD”** or **“STD No. 2020-1”** means the City and County of San Francisco Special Tax District  
13 No. 2020-1 (Mission Rock Facilities and Services).

14  
15 **“STD Formation”** means the date on which the Board approved documents to form the STD.

16  
17 **“STD Formation Proceedings”** means the proceedings to form the STD, including all  
18 resolutions, reports, and notices.

19  
20 **“Sub-Project Areas”** means all sub-project areas designated within Project Area I.

21  
22 **“Tax-Exempt Port Parcels”** means Port-owned Parcels that are or are intended to be used  
23 as streets, walkways, alleys, rights of way, parks, open space, or other similar uses. The final  
24 determination as to whether a Parcel is a Tax-Exempt Port Parcel shall be made by the  
25 Review Authority.

1     **“Tax Increment”** means the tax increment generated from all Sub-Project Areas.

2  
3     **“Taxable Parcel”** means any Parcel within the STD that is not a Tax-Exempt Port Parcel or a  
4     Parcel for which the Special Tax has been prepaid pursuant to Sections 53317.3 or 53317.5  
5     of the Mello-Roos Act.

6  
7     **“Taxpayer”** means the lessee of a Taxable Parcel within the STD.

8  
9     **“Tax Zone”** means a separate and distinct geographic area in the STD within which one or  
10    more Special Taxes are applied at a rate or in a manner that is different than in other areas  
11    within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto.  
12    Parcels that annex into the CFD may annex into Tax Zone 1, Tax Zone 2, or establish a new  
13    Tax Zone upon annexation. The Port will determine the applicable Tax Zone for Parcels that  
14    annex into the STD.

15  
16    **“Trigger Event”** means the earlier of (i) any amendment to the Management Agreement that  
17    expressly authorizes the levy of Contingent Services Special Taxes, (ii) the expiration or  
18    earlier termination of the Management Agreement, or (iii) any Taxable Parcel becoming  
19    Developed Property prior to a Management Agreement being executed by both the Port and  
20    the Association (or related entity).

21  
22    **“Undeveloped Property”** means, in any Fiscal Year, all Taxable Parcels that are not  
23    Developed Property.

1 "Vertical Developer" means a developer that has entered into a Parcel Lease for construction  
2 of vertical improvements on a Taxable Parcel or rehabilitation of Pier 48.

3  
4 **B. DATA FOR STD ADMINISTRATION**

5  
6 On or about July 1 of each Fiscal Year, the Administrator shall identify the current  
7 Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i)  
8 whether each Taxable Parcel is Developed Property or Undeveloped Property; (ii) the  
9 Planning Parcel and Tax Zone within which each Taxable Parcel is located; (iii) for Developed  
10 Property, the Market-Rate Residential Square Footage and Office Square Footage within  
11 each building; (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel; and (v) the  
12 Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special  
13 Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year.

14  
15 When a Parcel becomes Developed Property, the Administrator and Review Authority  
16 shall reference the Permit for each building on the Parcel to determine the Market-Rate  
17 Residential Square Footage and/or Office Square Footage within the building(s). If the  
18 Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the  
19 Permit, the square footage assumptions used in the appraisal prepared when the Vertical  
20 DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-  
21 Rate Residential Square Footage and/or Office Square Footage within the building. If, after  
22 review of the Permit and appraisal, there is still no clear indication of the Market-Rate  
23 Residential Square Footage and/or Office Square Footage for a building, the Review Authority  
24 shall review the Development Approval Documents and make a determination as to the  
25



1 amount of Market-Rate Residential Square Footage and/or Office Square Footage in the  
2 building.

3  
4 When a Parcel becomes Developed Property, the Administrator and Review Authority  
5 shall also identify and document the Initial Exempt Square Footage for the building or  
6 buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial  
7 Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square  
8 footage within a building is designated for Exempt Uses, the Administrator shall compare the  
9 actual square footage used for each Exempt Use to the Initial Exempt Square Footage by  
10 Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square  
11 Footage within a building, the Administrator and Review Authority shall use this comparison to  
12 determine which square footage should be designated Excess Exempt Square Footage. In  
13 addition, the Administrator shall determine whether the Excess Exempt Square Footage  
14 resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage  
15 expected in the building and, based on this determination, identify the applicable Maximum  
16 Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C  
17 below.

18  
19 The Administrator shall also: (i) coordinate with the Deputy Director to confirm Parcel  
20 Increment; (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have  
21 been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal  
22 Years; (iii) review the Development Approval Documents and communicate with the  
23 Developer and Vertical Developers regarding proposed Land Use Changes; and (iv) upon  
24 each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update  
25 Attachment 3 to reflect the then-current Expected Land Uses, Expected Maximum

1 Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and  
2 Expected Maximum Shoreline Special Tax Revenues. The Developer, Port, or Vertical  
3 Developer shall notify the Administrator each time a Parcel Lease is executed in order for the  
4 Administrator to keep track of Parcel Lease Execution Dates. In addition, the Port will: (i)  
5 provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii)  
6 notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii)  
7 identify the buildings, Parcels, and Square Footage subject to such leases that establish a  
8 Leasehold Interest. Any time a lease on property within the STD is terminated, the Port will  
9 immediately notify the Administrator of such termination.

10  
11 Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical  
12 Developers shall coordinate to review the Expected Land Uses and determine if changes  
13 should be made to reflect more current estimates for land uses on each Planning Parcel.  
14 Based on this review, the Administrator shall update Attachment 3 with the then-current  
15 Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected  
16 Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax  
17 Revenues, which will be used to size the sale of Bonds unless and until there are additional  
18 updates of Attachment 3.

19  
20 In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was  
21 recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor  
22 will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the  
23 date the map or plan was recorded, the Assessor does not yet recognize the newly-created  
24 Parcels, and (iii) one or more of the newly-created Parcels meets the definition of Developed  
25 Property, the Administrator shall calculate the Special Taxes for the property affected by

1 recordation of the map or plan by determining the Special Taxes that applies separately to  
2 each newly-created Parcel, then applying the sum of the individual Special Taxes to the  
3 Parcel that was subdivided by recordation of the parcel map or condominium plan.

4  
5 **C. MAXIMUM SPECIAL TAXES**  
6

7 In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in  
8 which the boundaries of the Planning Parcels are not identical to the boundaries of the then-  
9 current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each  
10 Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's  
11 Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the  
12 Maximum Special Tax Revenues prior to the allocation.

13  
14 **1. Undeveloped Property**  
15

16 **1a. Development Special Tax, Office Special Tax, Shoreline Special Tax**  
17

18 The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum  
19 Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall  
20 be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office  
21 Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in  
22 Attachment 3 of this RMA, as it may be amended as set forth herein.

23  
24 **1b. Contingent Services Special Tax**  
25

1 No Contingent Services Special Tax shall be levied on Parcels of Undeveloped  
2 Property in any Tax Zone within the STD.

3  
4 **2. Developed Property**

5  
6 **2a. Development Special Tax**

7  
8 When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the  
9 Administrator shall use the Base Development Special Taxes shown in Table 1 below and  
10 apply the steps set forth in this Section 2a to determine the Maximum Development Special  
11 Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD,  
12 different maximum rates and different Square Footage Categories may be established by  
13 creating a separate Tax Zone for such annexed property. Alternatively, property may be  
14 annexed into Tax Zones that were established prior to the annexation, and such property shall  
15 be subject to the Maximum Special Taxes applicable to that Tax Zone.

16  
17 **Table 1**  
18 **Base Development Special Tax**

<b>Square Footage Category</b>	<b>Base Development Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Development Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$8.58 per Market-Rate Residential Square Foot	\$8.58 per Market-Rate Residential Square Foot
Office Square Footage	\$6.50 per Office Square Foot	\$6.50 per Office Square Foot

Excess Exempt Square Footage	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced
------------------------------	---	---

**\*\*The Base Development Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

*Step 1.* Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

*Step 2.* Multiply the applicable Base Development Special Tax from Table 1 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel. Prior to the First Bond Sale, the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel.

1           Step 3.       Compare the Estimated Base Development Special Tax Revenues from  
2 Step 2 to the Expected Maximum Development Special Tax Revenues, and, apply one of the  
3 following, as applicable:  
4

5 If the Estimated Base Development Special Tax Revenues are: (i) greater than or equal to the  
6 Expected Maximum Development Special Tax Revenues or (ii) less than the Expected  
7 Maximum Development Special Tax Revenues, but the Maximum Development Special Tax  
8 Revenues, assuming the same land uses that went into the calculation of the Estimated Base  
9 Development Special Tax Revenues, are still sufficient to provide Required Coverage, then  
10 the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be  
11 determined by multiplying the applicable Base Development Special Taxes by the actual  
12 and/or expected Market-Rate Residential Square Footage and Office Square Footage within  
13 each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect  
14 the change in the Expected Maximum Development Special Tax Revenues.  
15

16 If the Estimated Base Development Special Tax Revenues are less than the Expected  
17 Maximum Development Special Tax Revenues, and the Maximum Development Special Tax  
18 Revenues, assuming the same land uses that went into the calculation of the Estimated Base  
19 Development Special Tax Revenues, are insufficient to provide Required Coverage, then the  
20 Administrator and Review Authority shall coordinate with the Developer and Vertical  
21 Developer, and the Review Authority shall determine which of the following shall occur:  
22

23           (i)       the Base Development Special Taxes that were applied to Market-Rate  
24 Residential Square Footage and/or Office Square Footage in Step 2 shall be increased  
25 proportionately until the amount that can be levied on Leasehold Interests in the Taxable

1 Parcel, combined with the Expected Maximum Development Special Tax Revenues from all  
2 other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

3  
4 (ii) if Estimated Base Development Special Tax Revenues are less than the  
5 Expected Maximum Development Special Tax Revenues due to Excess Exempt Square  
6 Footage, then the Base Development Special Tax for Excess Exempt Square Footage shall  
7 be levied against all Excess Exempt Square Footage included in Leasehold Interests in the  
8 Taxable Parcel.

9  
10 If, pursuant to (i) above, the Base Development Special Taxes are proportionately increased  
11 to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates  
12 to calculate the Maximum Development Special Tax for each building on the Taxable Parcel.  
13 The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land  
14 Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum  
15 Development Special Tax Revenues.

16  
17 If, in any Fiscal Year, the Maximum Development Special Tax is determined for Leasehold  
18 Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and  
19 if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square  
20 Footage and/or Office Square Footage of such building(s) is different than that used to  
21 determine the Maximum Development Special Tax, then the Administrator shall once again  
22 apply Steps 1 through 3 in this Section C.2a to recalculate the Maximum Development  
23 Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential  
24 Square Footage and/or Office Square Footage that was determined when the Permit was  
25 issued.

1  
 2 The Administrator shall do a final check of the Market-Rate Residential Square Footage and  
 3 Office Square Footage within each building when a Certificate of Occupancy is issued. Once  
 4 again, if the Market-Rate Residential Square Footage and/or Office Square Footage is  
 5 different than the Market-Rate Residential Square Footage and/or Office Square Footage that  
 6 was used to determine the Maximum Development Special Tax after the Permit was issued,  
 7 then the Administrator shall apply Steps 1 through 3 in this Section C.2a to recalculate the  
 8 Maximum Development Special Tax for Leasehold Interests in the Parcel.

9  
 10 **2b. Office Special Tax**

11  
 12 When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the  
 13 Administrator shall use the Base Office Special Taxes shown in Table 2 below and apply the  
 14 steps set forth in this Section 2b to determine the Maximum Office Special Tax for Leasehold  
 15 Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum  
 16 rates and different Square Footage Categories may be established by creating a separate Tax  
 17 Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that  
 18 were established prior to the annexation, and such property shall be subject to the Maximum  
 19 Special Taxes applicable to that Tax Zone.

20  
 21 **Table 3**  
 22 **Base Shoreline Special Tax**

<b>Square Footage Category</b>	<b>Base Shoreline Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Shoreline Special Tax Tax Zone 2 (FY 2019-20) *</b>
--------------------------------	---	---



Office Square Footage	\$1.82 per Office Square Foot	\$1.82 per Office Square Foot
Excess Exempt Square Footage	\$1.82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced	\$1.82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced

\* The Base Shoreline Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

*Step 1.* Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

*Step 2.* Multiply the applicable Base Shoreline Special Tax from Table 3 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel. Prior to the First Bond Sale, the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel.

1           Step 3.       Compare the Estimated Base Shoreline Special Tax Revenues from Step  
2 to the Expected Maximum Shoreline Special Tax Revenues, and, apply one of the following,  
3 as applicable:

4  
5       If the Estimated Base Shoreline Special Tax Revenues are: (i) greater than or equal to the  
6 Expected Maximum Shoreline Special Tax Revenues or (ii) less than the Expected Maximum  
7 Shoreline Special Tax Revenues, but the Maximum Shoreline Special Tax Revenues,  
8 assuming the same land uses that went into the calculation of the Estimated Base Shoreline  
9 Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum  
10 Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by  
11 multiplying the applicable Base Shoreline Special Taxes by the actual and/or expected  
12 Market-Rate Residential Square Footage and Office Square Footage within each building on  
13 the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the  
14 Expected Maximum Shoreline Special Tax Revenues.

15  
16       If the Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum  
17 Shoreline Special Tax Revenues, and the Maximum Shoreline Special Tax Revenues,  
18 assuming the same land uses that went into the calculation of the Estimated Base Shoreline  
19 Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator  
20 and Review Authority shall coordinate with the Developer and Vertical Developer, and the  
21 Review Authority shall determine which of the following shall occur:

22  
23           (i)       the Base Shoreline Special Taxes that were applied to Market-Rate Residential  
24 Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately  
25 until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined

1 with the Expected Maximum Shoreline Special Tax Revenues from all other Taxable Parcels  
2 in the STD, is sufficient to maintain Required Coverage, or

3  
4 (ii) if Estimated Base Shoreline Special Tax Revenues are less than the Expected  
5 Maximum Shoreline Special Tax Revenues due to Excess Exempt Square Footage, then the  
6 Base Shoreline Special Tax for Excess Exempt Square Footage shall be levied against all  
7 Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel.

8  
9 If, pursuant to (i) above, the Base Shoreline Special Taxes are proportionately increased to  
10 maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to  
11 calculate the Maximum Shoreline Special Tax for each building on the Taxable Parcel. The  
12 Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses  
13 (including the addition of Excess Exempt Square Footage) and the Expected Maximum  
14 Shoreline Special Tax Revenues.

15  
16 If, in any Fiscal Year, the Maximum Shoreline Special Tax is determined for Leasehold  
17 Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and  
18 if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square  
19 Footage and/or Office Square Footage of such building(s) is different than that used to  
20 determine the Maximum Shoreline Special Tax, then the Administrator shall once again apply  
21 Steps 1 through 3 in this Section C.2c to recalculate the Maximum Shoreline Special Tax for  
22 Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage  
23 and/or Office Square Footage that was determined when the Permit was issued.

1 The Administrator shall do a final check of the Market-Rate Residential Square Footage and  
2 Office Square Footage within each building when a Certificate of Occupancy is issued. Once  
3 again, if the Market-Rate Residential Square Footage and/or Office Square Footage is  
4 different than the Market-Rate Residential Square Footage and/or Office Square Footage that  
5 was used to determine the Maximum Shoreline Special Tax after the Permit was issued, then  
6 the Administrator shall apply Steps 1 through 3 in this Section C.2c to recalculate the  
7 Maximum Shoreline Special Tax for Leasehold Interests in the Parcel.

8  
9 2d. Contingent Services Special Tax

10  
11 In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in  
12 each Fiscal Year thereafter, this Section C.2d shall be applied to determine the Contingent  
13 Services Special Tax for each Taxable Parcel in the STD.

14  
15 When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the  
16 Administrator shall use the Base Contingent Services Special Taxes shown in Table 4 below  
17 and apply the steps set forth in this Section 2d to determine the Maximum Contingent  
18 Services Special Tax for Leasehold Interests in the Taxable Parcel. For property that  
19 annexes into the CFD, different maximum rates may be established by creating a separate  
20 Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones  
21 that were established prior to the annexation, and such property shall be subject to the  
22 Maximum Special Taxes applicable to that Tax Zone.

23  
24 

<b>Table 4</b> <b>Base Contingent Services Special Tax</b>
---

  
25

Square Footage Category	Base Contingent Services Special Tax Tax Zone 1 (FY 2019-20) *	Base Contingent Services Special Tax Tax Zone 2 (FY 2019-20) *
Market-Rate Residential Square Footage	\$1.40 per Market-Rate Residential Square Foot	\$1.40 per Market-Rate Residential Square Foot
Office Square Footage	\$1.40 per Office Square Foot	\$1.40 per Office Square Foot
Excess Exempt Square Footage	\$1.40 per Excess Exempt Square Foot	\$1.40 per Excess Exempt Square Foot

\* The Base Contingent Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.

*Step 1.* Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

*Step 2.* Multiply the applicable Base Contingent Services Special Tax from Table 4 by the actual and/or expected Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel. The Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

If additional structures are anticipated to be built on the Taxable Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize each building for which a Permit has been issued as Developed Property, and any remaining buildings for which Permits have not yet been issued shall not be

1 subject to a Contingent Services Special Tax until a Permit is issued for such remaining  
2 buildings. To determine the Contingent Services Special Tax for any such Taxable Parcel,  
3 the Administrator shall take the sum of the Contingent Services Special Taxes determined for  
4 each building.

5  
6 **D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

7  
8 1. Annual Escalation of Development Special Tax, Office Special Tax, and  
9 Shoreline Special Tax

10  
11 Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall  
12 be increased by 2% of the amount in effect in the prior Fiscal Year: the Base Development  
13 Special Tax for each Tax Zone; the Base Office Special Tax for each Tax Zone; the Base  
14 Shoreline Special Tax for each Tax Zone; the Expected Maximum Development Special Tax  
15 Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum  
16 Shoreline Special Tax Revenues in Attachment 3; and the Maximum Development Special  
17 Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to  
18 the Leasehold Interests in each Taxable Parcel.

19  
20 2. Annual Escalation of Contingent Services Special Tax

21  
22 Beginning July 1, 2020 and each July 1 thereafter, the Base Contingent Services  
23 Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned  
24 to the Leasehold Interests in each Taxable Parcel shall be adjusted by the Escalator.  
25

1           3.       Changes in Square Footage Category on a Parcel of Developed Property

2  
3           If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is  
4 rezoned or otherwise has a Land Use Change, as determined by the Review Authority, the  
5 Administrator shall, separately for each of the Special Taxes, multiply the applicable Base  
6 Special Tax by the new square footage within each Square Footage Category; if the First  
7 Bond Sale has not yet occurred, this amount shall be the Maximum Special Tax for Leasehold  
8 Interests in the Parcel. If the First Bond Sale has taken place, the Administrator shall apply  
9 the remainder of this Section D.3.  
10

11           If the Maximum Special Tax that would apply to Leasehold Interests in the Parcel after  
12 the Land Use Change is greater than the Maximum Special Tax that applied to Leasehold  
13 Interests in the Parcel prior to the Land Use Change, the Administrator shall increase the  
14 Maximum Special Tax for the Parcel to the amount calculated for each new Square Footage  
15 Category. If the Maximum Special Tax after the Land Use Change is less than the Maximum  
16 Special Tax that applied prior to the Land Use Change, there will be no change to the  
17 Maximum Special Tax for Leasehold Interests in the Parcel. Under no circumstances shall  
18 the Maximum Special Tax on Leasehold Interests in any Parcel of Developed Property be  
19 reduced, regardless of changes in Square Footage Category or square footage on the Parcel,  
20 including reductions in square footage that may occur due to demolition, fire, water damage,  
21 or acts of God.  
22

23           4.       Changes to Planning Parcels and Expected Land Uses  
24  
25

1 If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes  
2 changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or  
3 more Planning Parcels, as determined by the Review Authority, the Administrator shall update  
4 the Expected Land Uses and Expected Maximum Development Special Tax Revenues,  
5 Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special  
6 Tax Revenues, which will be reflected on an updated Attachment 3. In addition, the  
7 Administrator will request updated Attachments 1 and 2 from the Developer. Updated  
8 attachments shall be maintained by the Administrator for purposes of applying this RMA, and  
9 such updates shall not require recordation of an amended RMA.

10  
11 If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make  
12 changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or  
13 more Planning Parcels, the Administrator shall meet with the Port, Developer, and any  
14 affected Vertical Developers to review the proposed changes and evaluate the impact on the  
15 Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special  
16 Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If the  
17 Administrator determines that such changes will not reduce Required Coverage on Bonds that  
18 have been or will be issued, the Port will decide whether to allow the proposed changes and  
19 corresponding redistribution of the Expected Maximum Development Special Tax Revenues,  
20 Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special  
21 Tax Revenues. If such changes are permitted, the Administrator will update Attachment 3  
22 and request updated Attachments 1 and 2 from the Developer. Updated attachments shall be  
23 maintained by the Administrator for purposes of applying this RMA, and such updates shall  
24 not require recordation of an amended RMA. If the Administrator determines that the  
25



1 proposed changes will reduce Required Coverage on Bonds that have been issued, the Port  
2 will not permit the changes.

3  
4 5. Reduction in Maximum Development Special Taxes Prior to First Bond Sale

5  
6 Prior to the First Bond Sale, if the City, Port and Developer determine that assumptions  
7 that were factored into estimates of Tax Increment at STD Formation have changed, and the  
8 estimated Tax Increment is expected to be lower than the original estimates, the Port and  
9 Developer may agree to a proportional or disproportional reduction in the Base Development  
10 Special Tax as set forth in Section 4.5(e) of the Financing Plan. If the parties agree to such a  
11 reduction, the Port will direct the Administrator to use the reduced Base Development Special  
12 Tax for purposes of levying the taxes pursuant to this RMA, and an amended Notice of  
13 Special Tax Lien reflecting the reduction will be recorded against all Taxable Parcels within  
14 the STD. The reduction shall be made without a vote of the qualified STD electors.

15  
16 **E. ANNEXATIONS**

17  
18 If, in any Fiscal Year, a property owner within the Future Annexation Area wants to  
19 annex property into the STD, the Administrator shall apply the following steps as part of the  
20 annexation proceedings:

21  
22 *Step 1.* Working with Port staff, the Administrator shall determine the Expected  
23 Land Uses for the area to be annexed and the Tax Zone into which the property will be  
24 placed.

1           *Step 2.*       The Administrator shall prepare or have prepared updated Attachments  
2 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses,  
3 Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special  
4 Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. After the  
5 annexation is complete, the application of this RMA shall be based on the adjusted Expected  
6 Land Uses and Maximum Development Special Tax Revenues, Maximum Office Special Tax  
7 Revenues, and Maximum Shoreline Special Tax Revenues, as applicable, including the newly  
8 annexed property.

9  
10           *Step 3.*       The Administrator shall ensure that a Notice of Special Tax Lien is  
11 recorded against all Parcels that are annexed to the STD.

12  
13  
14           **F.       METHOD OF LEVY OF THE SPECIAL TAXES**

15  
16           **1.       Development Special Tax**

17  
18           Each Fiscal Year, the Administrator shall determine the Development Special Tax  
19 Requirement for the Fiscal Year, and the Development Special Tax shall be levied according  
20 to the steps outlined below:

21  
22           *Step 1.*       The Administrator shall determine the Development Special Tax to be  
23 levied on Leasehold Interests in each Taxable Parcel of Developed Property, as follows:  
24  
25

1           *Step 1a.* Calculate the Maximum Development Special Tax for each Leasehold  
2 Interest in each Parcel of Developed Property.

3  
4           *Step 1b.* In consultation with the City, determine which Parcels of Developed Property  
5 are Assessed Parcels.

6  
7           *Step 1c.* For all Parcels of Developed Property that are not Assessed Parcels, levy the  
8 Maximum Development Special Tax on Leasehold Interests in such Parcels. Any Remainder  
9 Special Taxes collected shall be applied pursuant to the Financing Plan.

10  
11           *Step 1d.* For all Assessed Parcels:

12  
13           *Step 1dA.* Determine the amount of the Parcel Increment.

14  
15           *Step 1dB.* If the total amount of Parcel Increment available is equal to or greater than  
16 the total aggregate Maximum Development Special Taxes for all Assessed Parcels, then the  
17 levy on each Assessed Parcel shall be zero (\$0).

18  
19           *Step 1dC.* If the total amount of Parcel Increment available is less than the aggregate  
20 Maximum Development Special Taxes for all Assessed Parcels, the Administrator shall apply  
21 the appropriate sub-step below:

22  
23           *Substep 1dC(i).* If, after coordination with the City and Port, the Administrator is  
24 provided with a breakdown of Parcel Increment on a Parcel-by-Parcel basis in time for  
25 submission of the Special Tax levy, the Administrator shall determine the net tax levy on

1 Leasehold Interests in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by taking  
2 the following steps in the following order of priority: (i) subtract from the Maximum  
3 Development Special Tax for each Assessed Parcel the amount of Parcel Increment  
4 generated from the applicable Assessed Parcel, and (ii) for each Assessed Parcel whose tax  
5 levy was not reduced to \$0 pursuant to item (i) in this paragraph, apply any remaining Parcel  
6 Increment that was not applied pursuant to item (i) in this paragraph to each such Assessed  
7 Parcel on a pro rata basis (based on the Assessed Parcel's net remaining tax levy as a  
8 percentage of the aggregate net remaining tax levy for all Assessed Parcels for which Parcel  
9 Increment was insufficient to pay the full amount of the Assessed Parcel's Maximum  
10 Development Special Tax). The Administrator shall levy on Leasehold Interests in each  
11 Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any  
12 Remainder Special Taxes collected shall be applied pursuant to the Financing Plan.

13  
14 *Substep 1dC(ii)*. If, after coordination with the City and Port, the Administrator  
15 determines that a breakdown of Parcel Increment on a Parcel-by-Parcel basis cannot be  
16 provided in time for submission of the Special Tax levy, the Administrator shall determine the  
17 net tax levy on the Leasehold Interest in each Assessed Parcel (the "Net Assessed Parcel  
18 Tax Levy") by subtracting from the Maximum Development Special Tax for each Assessed  
19 Parcel a pro rata share of the Parcel Increment, with such pro rata share determined based  
20 on each Assessed Parcel's Maximum Development Special Tax as a percentage of the  
21 aggregate Maximum Development Special Tax for all Assessed Parcels in the STD. The  
22 Administrator shall levy on the Leasehold Interest in each Assessed Parcel the Net Assessed  
23 Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be  
24 applied pursuant to the Financing Plan.

1 The Review Authority shall make the final determination regarding available Parcel  
2 Increment, the Maximum Development Special Tax that applies to a Parcel based on the  
3 Leasehold Interests in the Parcel, and the application of Parcel Increment pursuant to  
4 Substeps 1dC(i). and 1dC(ii) above.

5  
6 *Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in  
7 order to meet the Development Special Tax Requirement after Capitalized Interest has been  
8 applied to reduce the Development Special Tax Requirement, the Development Special Tax  
9 shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped  
10 Property, in an amount up to 100% of the Maximum Development Special Tax for Leasehold  
11 Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year.

## 12 13 **2. Office Special Tax**

14  
15 Each Fiscal Year, the Administrator shall determine the Office Special Tax  
16 Requirement for the Fiscal Year, and the Office Special Tax shall be levied according to the  
17 steps outlined below:

18  
19 *Step 1.* Levy the Maximum Office Special Tax on Leasehold Interests in each  
20 Taxable Parcel of Developed Property. Any Remainder Special Taxes collected shall be  
21 applied pursuant to the Financing Plan.

22  
23 *Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in  
24 order to meet the Office Special Tax Requirement after Capitalized Interest has been applied  
25 to reduce the Office Special Tax Requirement, the Office Special Tax shall be levied

1 Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an  
2 amount up to 100% of the Maximum Office Special Tax for Leasehold Interests in each  
3 Taxable Parcel of Undeveloped Property for such Fiscal Year.

4  
5 **3. Shoreline Special Tax**

6  
7 Each Fiscal Year, the Administrator shall determine the Shoreline Special Tax  
8 Requirement for the Fiscal Year, and the Shoreline Special Tax shall be levied according to  
9 the steps outlined below:

10  
11 *Step 1.* Levy the Maximum Shoreline Special Tax on Leasehold Interests in each  
12 Taxable Parcel of Developed Property. Any Remainder Special Taxes collected shall be  
13 applied pursuant to the Financing Plan.

14  
15 *Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in  
16 order to meet the Shoreline Special Tax Requirement after Capitalized Interest has been  
17 applied to reduce the Shoreline Special Tax Requirement, the Shoreline Special Tax shall be  
18 levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped  
19 Property, in an amount up to 100% of the Maximum Shoreline Special Tax for Leasehold  
20 Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year.

21  
22 **4. Contingent Services Special Tax**

23  
24 Each Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the  
25 Administrator shall coordinate with the City and the Port to determine the Services Special

1 Tax Requirement for the Fiscal Year. The Contingent Services Special Tax shall then be  
2 levied Proportionately on Leasehold Interests in each Taxable Parcel of Developed Property,  
3 in an amount up to 100% of the Maximum Contingent Services Special Tax for Leasehold  
4 Interests in each Parcel of Developed Property for such Fiscal Year until the amount levied is  
5 equal to the Services Special Tax Requirement. The Contingent Services Special Tax may  
6 not be levied on Undeveloped Property.

### 7 8 **G. COLLECTION OF SPECIAL TAXES**

9  
10 Special Taxes shall be collected in the same manner and at the same time as ordinary  
11 ad valorem property taxes on the regular tax roll, provided, however, that the City may directly  
12 bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and  
13 may collect delinquent Special Taxes through foreclosure or other available methods as  
14 authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be  
15 levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any  
16 Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the  
17 possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to  
18 the Taxpayer.

19  
20 In calculating the Development Special Tax Requirement, Office Special Tax  
21 Requirement, or Shoreline Special Tax Requirement, under no circumstances may the  
22 Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a  
23 Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent  
24 (10%) of the respective Maximum Development Special Tax, Maximum Office Special Tax, or  
25 Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD

1 Law) as a consequence of delinquency or default in payment of Special Taxes levied on  
2 Leasehold Interests in another Parcel(s) in the STD (the "Delinquency Levy").  
3

4 The Delinquency Levy, if any, is determined when calculating the Development Special  
5 Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on  
6 Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1, the Delinquency  
7 Levy, if any, has already been applied and, therefore, the Administrator shall not levy any  
8 additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax  
9 levy reduced or eliminated by Parcel Increment.  
10

11 The Development Special Tax shall be levied and collected on Leasehold Interests in  
12 each Taxable Parcel until the earlier of: (i) the Fiscal Year in which the Port determines that all  
13 Authorized Expenditures that will be funded by the STD have been funded and all  
14 Development Special Tax Bonds have been fully repaid; (ii) the Fiscal Year after the Fiscal  
15 Year in which Tax Increment is no longer collected within the Sub-Project Area within which  
16 the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid,  
17 as determined by the Administrator with direction from the Deputy Director; and (iii) Fiscal  
18 Year 2093-94.  
19

20 The Office Special Tax and the Shoreline Special Tax shall be levied on and collected  
21 from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.  
22

23 Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event  
24 occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.  
25



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**H. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Taxes will be levied on fee simple interests in the STD, including Tax-Exempt Port Parcels.

**I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds.

**J. SPECIAL TAX APPEALS**

Any Taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the Taxpayer's application. If the Administrator concludes that the computation of the Special Taxes was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Taxes was correct, then such determination shall be final and conclusive, and the Taxpayer shall have no appeal to the Board from the decision of the Administrator.

1           The filing of an application or an appeal shall not relieve the Taxpayer of the obligation  
2 to pay the Special Taxes when due.

3  
4           Nothing in this Section J shall be interpreted to allow a Taxpayer to bring a claim that would  
5 otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere  
6 in applicable law.

**ATTACHMENT 1**

**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

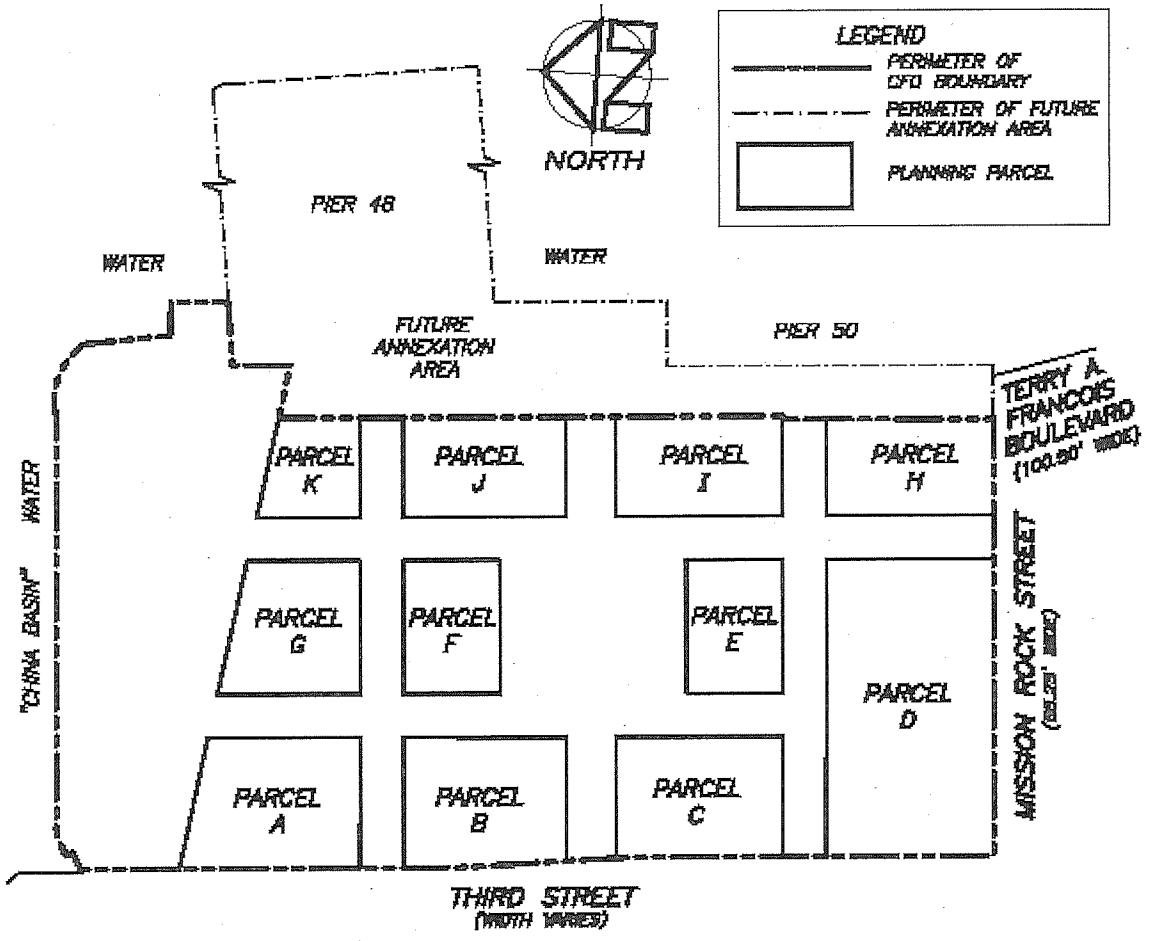
**IDENTIFICATION OF PLANNING PARCELS**

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ATTACHMENT 1  
City and County of San Francisco  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)

IDENTIFICATION OF PLANNING PARCELS



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
859 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
S-2020E\_EXHIBIT-CFD BOUND.dwg  
JANUARY 31, 2020

**ATTACHMENT 2**

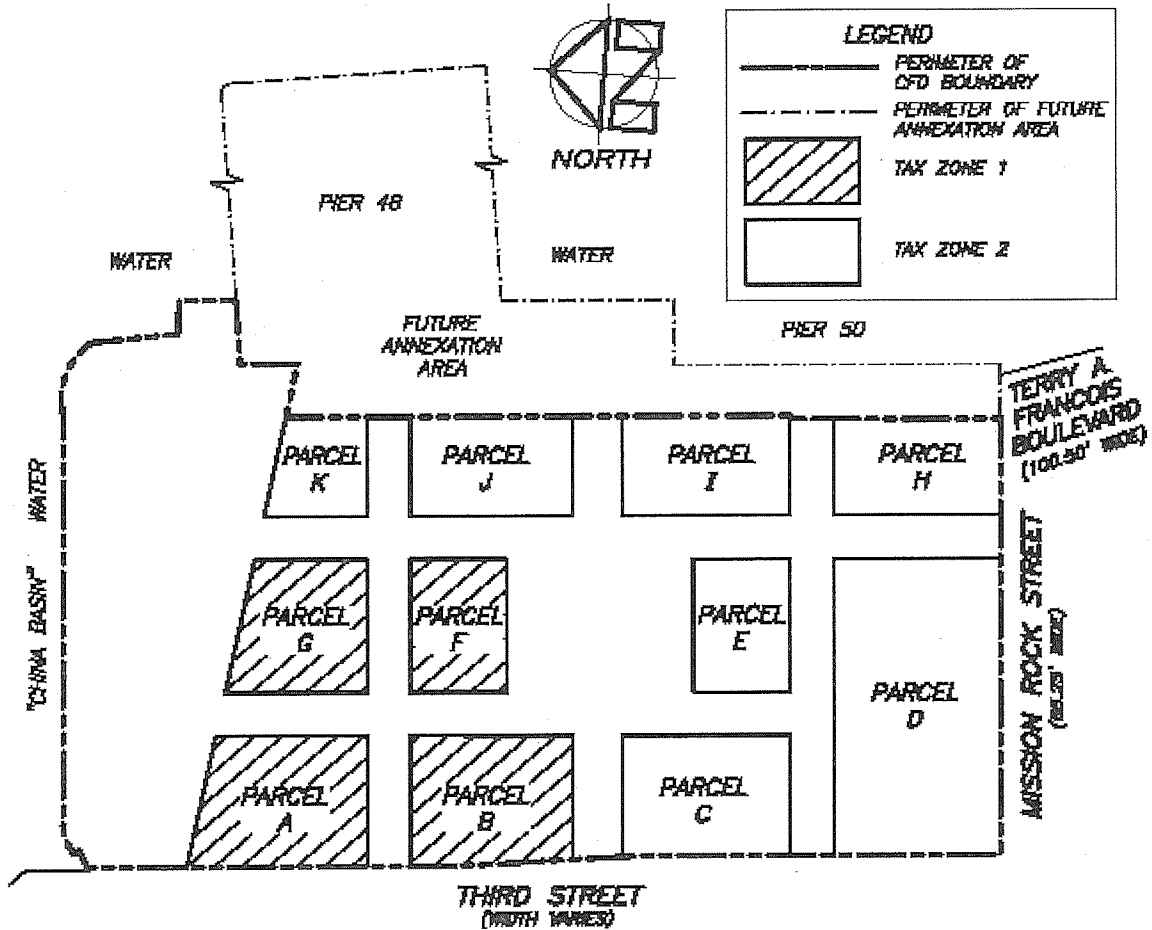
**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

**IDENTIFICATION OF TAX ZONES**

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**ATTACHMENT 2**  
**City and County of San Francisco**  
**Special Tax District No. 2020-1**  
**(Mission Rock Facilities and Services)**  
**IDENTIFICATION OF TAX ZONES**



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
859 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
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JANUARY 31, 2020

1 ATTACHMENT 3

2 City and County of San Francisco

3 Special Tax District No. 2020-1

4 (Mission Rock Facilities and Services)

5  
6 Expected Land Uses, Expected Maximum Development Special Tax Revenues,  
7 Expected Maximum Office Special Tax Revenues, and  
8 Expected Maximum Shoreline Special Tax Revenues  
9

10 Planning Parcel	11 Expected Land Uses	12 Expected Square Footage	13 Expected Maximum Development Special Tax Revenues (FY 2019-20)*	14 Expected Maximum Office Special Tax Revenues (FY 2019-20)*	15 Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
16 <i>Tax Zone 1</i>					
17 Parcel A	18 Market Rate Residential Square Footage	146,000	\$1,252,680	\$0	\$0
	19 Office Square Footage	48,447	\$314,906	\$93,018	\$88,174
22 Parcel B	23 Market Rate Residential Square Footage	0	\$0	\$0	\$0

1	Planning	Expected	Expected	Expected	Expected	Expected
2	Parcel	Land	Square	Maximum	Maximum	Maximum
3		Uses	Footage	Development	Office	Shoreline
4				Special Tax	Special Tax	Special Tax
5				Revenues	Revenues	Revenues
6				(FY 2019-20)*	(FY 2019-20)*	(FY 2019-20)*
7		Office Square Footage	255,008	\$1,657,552	\$489,615	\$464,115
8						
9	Parcel G	Market Rate Residential Square Footage	0	\$0	\$0	\$0
10						
11		Office Square Footage	283,323	\$1,841,600	\$543,980	\$515,648
12						
13						
14	Parcel F	Market Rate Residential Square Footage	113,000	\$969,540	\$0	\$0
15						
16		Office Square Footage	0	\$0	\$0	\$0
17						
18						
19	<b><i>Tax Zone 2</i></b>					
20	Parcel C	Market Rate Residential Square Footage	0	\$0	\$0	\$0
21						
22		Office Square Footage	355,000	\$2,307,500	\$571,550	\$646,100
23						
24						
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Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
Parcel D	Market Rate Residential Square Footage	76,800	\$658,944	\$0	\$0
	Office Square Footage	0	\$0	\$0	\$0
Parcel E	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	141,000	\$916,500	\$227,010	\$256,620
Parcel H	Market Rate Residential Square Footage	96,000	\$823,680	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998
Parcel I	Market Rate Residential Square Footage	0	\$0	\$0	\$0

1	Planning	Expected	Expected	Expected	Expected	Expected
2	Parcel	Land	Square	Maximum	Maximum	Maximum
3		Uses	Footage	Development	Office	Shoreline
4				Special Tax	Special Tax	Special Tax
5				Revenues	Revenues	Revenues
6				(FY 2019-20)*	(FY 2019-20)*	(FY 2019-20)*
7		Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
8						
9	Parcel J	Market Rate Residential Square Footage	0	\$0	\$0	\$0
10						
11		Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
12						
13						
14	Parcel K	Market Rate Residential Square Footage	62,400	\$535,392	\$0	\$0
15						
16		Office Square Footage	49,999	\$324,994	\$80,498	\$90,998
17						
18						
19	TOTAL EXPECTED REVENUES (FY2019-20)			\$13,904,280	\$2,575,611	\$2,705,932

20 \*Beginning July, 2020 and each July 1 thereafter, the Base Development Special Tax,  
 21 the Base Office Special Tax, and the Base Shoreline Special Tax shall be escalated as  
 22 set forth in Section D.1.  
 23  
 24  
 25

**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

**PUBLIC AGENCY STATEMENT AND CONSENT**

January 31, 2020

Board of Supervisors of the  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Members of the Board of Supervisors:

The Board of Supervisors of the City and County of San Francisco (the "City") has initiated formation of City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (the "Special Tax District") under Chapter 43, Article X of the San Francisco Administrative Code (as it may be amended from time to time, the "Code"), which Code incorporates by reference the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act"). This Public Agency Statement and Consent (this "Statement") is submitted in connection with the formation of the Special Tax District pursuant to Sections 53317(f)(1), 53317(f)(3) and 53326(a) of the Mello-Roos Act.

1. Property Owner. This Statement is submitted by the entity identified below (the "Property Owner"), which is the owner of the fee simple title of the parcels of land identified by the Assessor Parcel Numbers listed on Exhibit B attached hereto and incorporated herein by reference (the "Property"). The undersigned warrants to the City with respect to the Property that it is authorized to execute this Statement and that the submission of this Statement and participation in the proceedings to form the Special Tax District will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of the State of California or the United States of America, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, fiscal agent agreement, contract, agreement or other instrument to which the Property Owner is a party or is otherwise subject or bound.

2. Consent to Proceedings. The Property Owner hereby consents to proceedings under the Code to create the Special Tax District. The Property Owner acknowledges that a two-thirds vote of the qualified electors in the Special Tax District that vote on the issues is required for (i) the levy of special taxes in the Special Tax District pursuant to the Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be prepared by the City, (ii) the issuance of special tax bonds and the incurrence of other debt (as defined in the Mello-Roos Act) for the Special Tax District in an amount to be determined during the formation proceedings, and (iii) the establishment of an appropriations limit for the Special Tax District in an amount to be determined during the formation proceedings.

The Property Owner hereby declares that it is a "landowner" (as defined in Section 53317(f) of the Mello-Roos Act) for purposes of the formation proceedings for the Special Tax District because the Property either will be (a) transferred by conveyance of the fee interest to private ownership for the construction of improvements, in which case the Property Owner hereby agrees that the Property will be subject to the special tax on the same basis as private property within the Special Tax District and affirmatively waives any defense based on the fact of public ownership to any action to foreclose on the Property in the event of nonpayment of the special tax or (b) leased to a nonexempt person or entity and, pursuant to Section 53340.1 of the Mello-Roos Act, the special tax will be levied on the leasehold interest and payable by the owner of the leasehold interest.

3. Boundaries of CFD. The Property Owner hereby consents to the Property being included within the boundaries of the Special Tax District.

4. Purpose of CFD. The Property Owner acknowledges that the Special Tax District will be created for the purpose of financing the facilities, public services and other costs described in Exhibit A attached hereto and incorporated herein by reference.

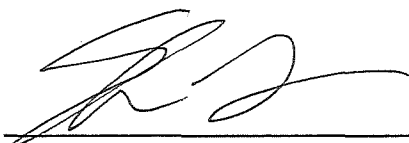
5. Elections. The Property Owner hereby consents to a special election being held under the Code to authorize the special taxes and the issuance of the bonds and other debt and to establish an appropriations limit for the Special Tax District, to the consolidation of the matters into a single election and to the election being conducted by the City and its officials, using mailed or hand-delivered ballots, with such ballots being opened and canvassed and the results certified at the same meeting of the Board of Supervisors as the public hearings on the Special Tax District under the Code or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for the Special Tax District, all notices of hearings and all notices of election, applicable waiting periods under the Code for the election and all ballot analyses and arguments for the election are hereby waived. The Property Owner also waives any requirement as to the specific form of the ballot to be used for the election, whether under the Code, the California Elections Code or otherwise.

This Statement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this Statement, the Property Owner agrees to all of the above.

CITY AND COUNTY OF SAN FRANCISCO,  
ACTING BY AND THROUGH THE SAN  
FRANCISCO PORT COMMISSION

By:   
\_\_\_\_\_  
Elaine Forbes  
Executive Director  
San Francisco Port Commission

**EXHIBIT A**

**PROPOSED DESCRIPTION OF FACILITIES, SERVICES AND OTHER COSTS TO BE  
FINANCED BY THE SPECIAL TAX DISTRICT**

## **EXHIBIT A**

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the “STD”), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement (“DDA”), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit A, “including” has the meaning given to it in the DDA.

### **Authorized Facilities**

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code Section 53311 et seq.), including:

1. Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA.
2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements.
3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression.
4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use.
5. Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited to, water recycling production equipment such as buffer and treatment tanks, reverse osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as pumps, valves, and electrical equipment; distribution facilities such as main pipes, laterals, and valves; customer interface equipment such as water meters, back flow preventers, and valves; along with financing costs and any other components required for non-potable water supply system (whether publicly or privately owned) intended to provide treated

wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings, and any other components or administrative costs required for non-potable water system.

6. District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment; distribution facilities such as main pipes, laterals, and valves; customer interface equipment such as energy meters and energy transfer stations; along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings.
7. Sanitary Sewer, Storm Drain, and Stormwater Management– includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements.
8. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services.
9. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding. Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements.
10. Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications. through the permitting process.

11. Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations, signage, emergency services infrastructure, landscaping (including trees and Silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and wayfinding and interpretative signage and facilities.
12. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed antenna systems, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, wayfinding, interpretive and other park signage, viewing platforms, water access facilities (including boat launch), retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, construction and occupancy costs of park structures, and any other components, e.g., Shoreline Improvements), and any other associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space in the DDA, Design Controls documents, or Subdivision Map.
13. Water-based Transportation Improvements – includes, but not limited to, modes of water-based transportation and all infrastructure, design, and permitting costs related to providing water-based transportation facilities at the Project.
14. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic Pier 48.
15. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Mission Rock Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other related documents, and associated with public improvements.
16. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities.
17. Shoreline Protection Facilities includes, but is not limited to, waterfront Improvements at the San Francisco Bay shoreline to provide stability, to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.



18. Deferred Infrastructure.
19. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development incurred after the Reference Date, such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.
20. Associated Public Benefits – including, but not limited to, costs required to provide Associated Public Benefits related to transportation, childcare, public open space, sustainability, community meeting space and programs, and other public-benefitting improvements and expenditures.
21. Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons; studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers; replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port.
22. Any other costs authorized to be financed by the STD under the DDA.
23. Interim improvements required for the use of the Project Site including temporary bike lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other improvements required for the interim use of the remaining Project Site.
24. Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA, including developer management costs, third party professional services, construction management Fees, and asset management costs.
25. Developer Mitigation Measures, including the formation of the Transportation Management Association and dust, vibration, asbestos and settlement monitoring.
26. Insurance, Bonding and Warranty costs as required by the City in connection with the authorized improvements.
27. Miscellaneous Costs, such as costs associated with implementing the DDA, including any additional costs that the Parties have agreed shall be incurred by the Developer for the Project, such as master planning for each phase, audits, appraisals, workforce development costs (such as a liaison), cash payments and community outreach initiatives.

Any facility authorized to be financed by the STD may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

The facilities authorized to be financed may be located within or outside the boundaries of the STD.

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the STD.

The facilities to be financed shall also include all incidental expenses, defined as follows:

- (1) The cost of planning and designing facilities to be financed by the STD, including the cost of environmental evaluations of those facilities.
- (2) The costs associated with the creation of the STD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the STD.
- (3) Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- (4) Special taxes levied on a property in the STD and paid by the Developer on behalf of a local agency or other landowner prior to the development of the property.

The facilities to be financed also includes the interim cost of the facilities, which shall mean the Developer Return or Port Return, as applicable, and any interest payable on any promissory note payable to the STD.

The STD may also apply bond proceeds and special taxes to repay the Port Commission for advances made to pay for authorized costs, under any promissory note or otherwise.

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by the STD.

## **AUTHORIZED SERVICES**

Special taxes collected in the STD may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the

Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), in the STD and, to the extent permitted by the DDA, outside the STD, including:

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, public paseos and other public amenities, some of which may be rooftop facilities or located on privately leased property but identified as public open space in the DDA or Design Controls or Subdivision Map.
- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete infrastructure, retaining walls within the ROWs and related amenities in the STD, some of which may be located on privately leased property but identified as public open space in the DDA or Design Controls.
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the STD that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront.
- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving.
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs.
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages.
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities.
- Any other costs authorized to be financed by the STD under the DDA.

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term “**operation**” includes providing security and hosting special events.

## **INCIDENTAL COSTS**

Special taxes collected in the STD will also fund, in whole or in part, the incidental costs associated with the facilities and services authorized to be financed. Incidental costs include, but are not limited to:

1. Administrative expenses and fees including costs incurred to form the STD, to annex territory to the STD, to annually administer the STD, to levy and collect special taxes for the STD, and any other costs incurred in standard administration of the STD by the City or their authorized consultants;
2. Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years;
3. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond, disclosure, and underwriter counsel fees and all other incidental expenses; and
4. Reimbursement of costs related to the formation of the STD advanced by the City and any landowner(s) in the STD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City or any landowner(s) in the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD.

## **COMPLIANCE WITH CFD GOALS**

The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this Exhibit A.

**EXHIBIT B**

**ASSESSOR PARCEL NUMBERS**

Assessor's Parcel Nos.

Names of Property Owners

8719A-002

San Francisco Port Commission



**CITY AND COUNTY OF SAN FRANCISCO**  
**DEPARTMENT OF ELECTIONS**

John Arntz, Director

February 3, 2020

Board of Supervisors of the  
 City and County of San Francisco  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102

Re: Registered Voters within Boundaries of Proposed "City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)"

Honorable Members of the Board of Supervisors:

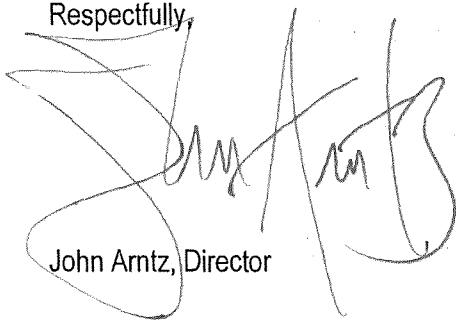
This letter will confirm that on February 3, 2020, I reviewed the records of registered voters for the territory that is encompassed within the proposed boundaries of the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (the "Special Tax District") and the future annexation area (the "Future Annexation Area") proposed to be established for the Special Tax District, as such territory is (a) shown on the boundary map for the Special Tax District and the Future Annexation Area, reference to which map is hereby made and by this reference incorporated herein and (b) identified by the following list of Assessor Parcel Numbers and landowners:

Block	Lot	Owner per Assessor's Roll	Special Tax District or Future Annexation Area
8719A	002	San Francisco Port Commission	Special Tax District
8719A	003	San Francisco Port Commission	Future Annexation Area
8719A	001	San Francisco Port Commission	Future Annexation Area

I also reviewed a map of the predecessor parcels to the above-listed parcels: 8719-006, 9900-06, 9900-048.

Based on this review, I hereby certify that on the date hereof, there were no registered voters within the boundaries of the Special Tax District and the Future Annexation Area.

Respectfully,



John Arntz, Director

Proposed Boundaries of  
 City and County of San Francisco  
 Special Tax District No. 2020-1  
 (Mission Rock Facilities and Services)  
 City and County of San Francisco  
 State of California

TAXES LEVIED BY THIS DISTRICT MAY BE USED TO  
 PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES.

1. FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF  
 SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO THIS  
 DAY OF \_\_\_\_\_, 20\_\_\_\_.

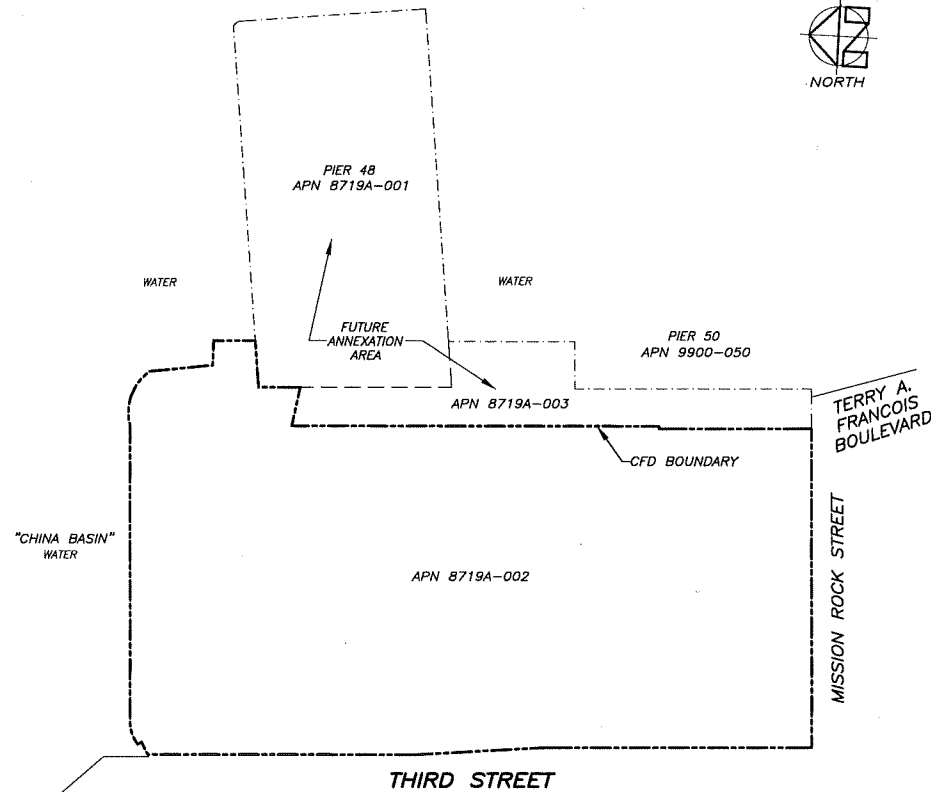
ANGELA CALVILLO  
 CLERK OF THE BOARD OF SUPERVISORS

2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED  
 BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT  
 NO. 2020-1 (MISSION ROCK FACILITIES AND SERVICES), CITY AND COUNTY  
 OF SAN FRANCISCO, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD  
 OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A  
 MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_,  
 20\_\_\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

ANGELA CALVILLO  
 CLERK OF THE BOARD OF SUPERVISORS

3. FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,  
 AT THE HOUR OF \_\_\_\_ O'CLOCK \_\_\_\_M., IN BOOK \_\_\_\_ OF MAPS OF  
 ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_ IN  
 THE OFFICE OF THE COUNTY ASSESSOR-RECORDER IN THE CITY AND  
 COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

COUNTY ASSESSOR-RECORDER,  
 CITY AND COUNTY OF SAN FRANCISCO



LEGEND	
APN	ASSESSOR'S PARCEL NUMBER
—————	PERIMETER OF CFD BOUNDARY
- - - - -	PERIMETER OF FUTURE ANNEXATION AREA
-----	ASSESSOR'S PARCEL LINE

MARTIN M. RON ASSOCIATES, INC.  
 Land Surveyors  
 859 HARRISON STREET, SUITE 200  
 San Francisco, California 94107  
 JANUARY 31, 2020 SHEET 1 OF 1



*board of supervisors*  
**2020 FEB -4 P 4: 31**  
*received by OK*  
*[Signature]*

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Sophia Kittler  
RE: Resolution of Intention – Establishing the Mission Rock STD No. 2020-1  
DATE: Tuesday, February 4, 2020

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**Resolution declaring the intention to establish City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) and a Future Annexation Area; ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on April 7, 2020; determining other matters in connection therewith, as defined herein; and making findings under the California Environmental Quality Act.**

Should you have any questions, please contact Sophia Kittler at 415-554-6153.