

File No. 151117

Committee Item No. _____

Board Item No. 40

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: January 26, 2016

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
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OTHER

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Port Memo - December 9, 2015</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DRAFT Infrastructure Financing Plan</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DRAFT MOU - November 6, 2015</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Historic Core CPE - May 7, 2014</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Crane Cove CPE - October 5, 2015</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Port Memo and Reso Nos. 14-32 and 14-33 - May 9, 2014</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Port Memo and Reso No. 15-38 - October 8, 2015</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Port Memo and Reso No. 15-43 - November 5, 2015</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Hearing Notices</u> |

Prepared by: John Carroll

Date: January 21, 2016

Prepared by: _____

Date: _____

1 [Authorizing Execution of a Memorandum of Understanding Relating to Infrastructure
2 Financing District No. 2]

3 **Resolution approving a Memorandum of Understanding relating to Sub-Project**
4 **Area G-1 (Pier 70 - Historic Core) of City and County of San Francisco**
5 **Infrastructure Financing District No. 2 (Port of San Francisco); and approving**
6 **other matters in connection therewith.**

7
8 WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San
9 Francisco Charter Section 4.114 and B3.581 empower the City and County of San
10 Francisco (City), acting through the Port Commission to use, conduct, operate,
11 maintain, manage, regulate and control the lands within Port Commission jurisdiction;
12 and

13 WHEREAS, Under Government Code Sections 53395 et seq. (IFD Law), the
14 Board of Supervisors is authorized to establish an infrastructure financing district and to
15 act as the legislative body for an infrastructure financing district, including the formation
16 of "waterfront districts" under Section 53395.8 of the IFD Law and the approval of
17 "Pier 70 enhanced financing plans" and the formation of subareas within a Pier 70
18 waterfront district pursuant to Section 53395.81 of the IFD Law; and

19 WHEREAS, By Resolution No. 123-13, which the Board of Supervisors adopted
20 on April 23, 2013, and the Mayor approved on April 30, 2013, the City adopted
21 "Guidelines for the Establishment and Use of Infrastructure Financing Districts on
22 Project Areas on Land under Jurisdiction of the San Francisco Port Commission" (Port
23 IFD Guidelines) relating to the formation of infrastructure financing districts by the City
24 on waterfront property under the jurisdiction of the Port Commission; and
25

1 WHEREAS, By Resolution No. 110-12, which the Board of Supervisors adopted
2 on March 27, 2012 and the Mayor approved on April 5, 2012 (Original Resolution of
3 Intention to Establish IFD), the City declared its intention to establish a waterfront district
4 to be known as "City and County of San Francisco Infrastructure Financing District No.
5 2 (Port of San Francisco)" (IFD), and designated initial proposed project areas within the
6 IFD; and

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

11 WHEREAS, By Resolution No. 421-15, which the Board of Supervisors adopted
12 on November 17, 2015 and the Mayor approved on November 25, 2015 (Second
13 Amending Resolution), the City amended the Original Resolution of Intention, as
14 amended by the First Amending Resolution (the Original Resolution of Intention to
15 Establish IFD, as amended by the First Amending Resolution and Second Amending
16 Resolution: Resolution of Intention to Establish IFD), to propose Sub-Project Area G-1
17 (Pier 70 - Historic Core) within the Pier 70 district; and

18 WHEREAS, Sub-Project Area G-1 (Pier 70 - Historic Core) includes property that
19 the City, acting by and through the Port Commission, has leased to Historic Pier 70,
20 LLC (an affiliate of Orton Development, Inc.) pursuant to Lease No. L-15814, dated as
21 of July 29, 2015 (Lease), which property will be rehabilitated pursuant to a Lease
22 Disposition and Development Agreement, dated as of September 16, 2014, by and
23 between the City, acting by and through the Port Commission, and Historic Pier 70, LLC
24 (LDDA); and
25

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

5 WHEREAS, The Planning Department reviewed the Crane Cove Park project
6 (Crane Cove Project) and the project described in the LDDA (Historic Core Project) and
7 determined that a community plan exemption (CPE) under CEQA Guidelines Section
8 15183 would be appropriate because the Historic Core Project and the Crane Cove
9 Project are within the scope of the EN FEIR and would not have any additional or
10 significant adverse effects that were not examined in the EN FEIR, nor has any new or
11 additional information come to light that will alter the conclusions of the EN FEIR. Thus,
12 the Historic Core Project and the Crane Cove Project will not have any new effects on
13 the environment that were not previously identified, nor will any environmental impacts
14 be substantially greater than described in the EN FEIR. No mitigation measures
15 previously found infeasible have been determined to be feasible, nor have any new
16 mitigation measures or alternatives been identified but rejected by Port; and

17 WHEREAS, Based on those findings, the Planning Department prepared a CPE
18 for the proposed Historic Core Project (Historic Core CPE), which exemption was
19 approved on May 7, 2014 (Planning Department Case No. 2013.1168E) and the Crane
20 Cove Project on October 5, 2015 (Planning Department Case No. 2015-001314ENV)
21 (Crane Cove CPE), copies of which are on file at File No. 151117 and also available
22 online through the Planning Department's web page; and

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

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

8 WHEREAS, Pursuant to the Resolution of Intention to Establish IFD, the Board of
9 Supervisors directed the Executive Director of the Port (Executive Director) to prepare
10 an infrastructure financing plan for the IFD (Infrastructure Financing Plan) and Sub-
11 Project Area G-1 consistent with the requirements of the IFD Law; and

12 WHEREAS, As required by the IFD Law, the Executive Director:

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

19 (B) Prepared Appendix G-1 to the Infrastructure Financing Plan, proposing an
20 allocation of property tax increment from proposed Sub-Project Area G-1 (Pier 70 -
21 Historic Core) to finance the public facilities described in Appendix G-1 to the
22 Infrastructure Financing Plan, which development and public facilities have been
23 analyzed under CEQA in the EN FEIR, Historic Core CPE, and Crane Cove CPE; and,
24
25

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

4 WHEREAS, The Clerk of the Board of Supervisors made the Infrastructure
5 Financing Plan, including Appendix G-1, available for public inspection; and

6 WHEREAS, On January 26, 2016, following publication of notice consistent with
7 the requirements of the IFD Law, the Board of Supervisors held a public hearing relating
8 to the proposed Infrastructure Financing Plan, including Appendix G-1; and

9 WHEREAS, Upon the completion of the public hearing, the Board of Supervisors
10 introduced under even date herewith Ordinance No. ____ entitled "Ordinance
11 establishing an Infrastructure Financing District (including Sub-Project Area G-1 (Pier 70
12 - Historic Core) and adopting an Infrastructure Financing Plan (including Appendix G-1)
13 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San
14 Francisco); approving a Tax Administration Agreement; affirming the Planning
15 Department's determination under the California Environmental Quality Act; and
16 approving other matters in connection therewith," pursuant to which the Board of
17 Supervisors declared the IFD described in the Infrastructure Financing Plan, including
18 Sub-Project Area G-1 (Pier 70 - Historic Core), to be fully formed and established with
19 full force and effect of law, approved the Infrastructure Financing Plan, including
20 Appendix G-1, subject to amendment as permitted by the IFD Law, and established the
21 base year for Sub-Project Area G-1 as set forth in the Infrastructure Financing Plan; and

22 WHEREAS, The Board adopted Ordinance No. ____ on ____, 2016, and the Mayor
23 signed the same on ____ 2016; and

24 WHEREAS, The LDDA also provides for formation by the City of (i) a community
25 facilities district (Facilities CFD) under the Mello-Roos Community Facilities Act of 1982

1 (California Government Code §§ 53311 - 53368), the San Francisco Special Tax
2 Financing Law (Admin. Code ch. 43, art. X) or similar law (collectively, the "CFD Law")
3 to finance certain public infrastructure described in the LDDA and (ii) a community
4 facilities district (Services CFD) under the CFD Law to finance certain ongoing
5 maintenance costs; and

6 WHEREAS, San Francisco Charter Section B7.320 authorizes the Mayor to
7 submit to the Board of Supervisors for approval a memorandum of understanding
8 between the Port Commission and another department or departments of the City,
9 approved by the Port Commission by resolution, that requires the department(s) to
10 expend funds or to transfer funds to the Port Commission; and

11 WHEREAS, On November 10, 2015, by Resolution No. 15-43, the Port
12 Commission approved a Memorandum of Understanding (MOU-16022) by and among
13 the Controller (Controller), the Treasurer and Tax Collector (Treasurer-Tax Collector),
14 and the Port Commission (Memorandum of Understanding), pursuant to which the
15 Controller, the Treasurer-Tax Collector and the Port Commission would agree to
16 implement Appendix G-1, the Facilities CFD and the Services CFD; now, therefore, be it

17 RESOLVED, By the Board of Supervisors as follows:

18 Section 1. Recitals. All of the recitals herein are true and correct.

19 Section 2. File Documents. The documents presented to the Board of
20 Supervisors and on file with the Clerk of the Board or her designee (collectively, the
21 "Clerk") are contained in File No. 151117.

22 Section 3. Approval of Memorandum of Understanding. The Memorandum of
23 Understanding among the Port Commission, the Treasurer-Tax Collector and the
24 Controller, as presented to the Board of Supervisors, substantially in the form on file
25 with the Clerk, is hereby approved.

1 Section 4. Authority to Execute and Modify. The Controller and the Treasurer-
2 Tax Collector are hereby authorized and directed to execute the Memorandum of
3 Understanding with such changes, additions and modifications as the Controller or
4 Treasurer-Tax Collector may make or approve in accordance with Section 6 of this
5 Resolution.

6 Section 5. General Authority. The Mayor, the City Attorney, the Controller, the
7 Treasurer-Tax Collector, the Clerk and other officers of the City and their duly
8 authorized deputies, designees and agents are hereby authorized and directed, jointly
9 and severally, to take such actions and to execute and deliver such certificates,
10 agreements, requests or other documents as they may deem necessary or desirable to
11 accomplish the purposes of this Resolution.

12 Section 6. Modifications, Changes and Additions. Each of the Controller and
13 the Treasurer-Tax Collector, upon consultation with the City Attorney, is hereby
14 authorized and directed to make such modifications, changes and additions to the
15 Memorandum of Understanding as may be necessary or desirable and in the interests
16 of the City, and which changes do not materially increase the obligation of the City or
17 reduce its rights thereunder, and the approval by each of the Controller and the
18 Treasurer-Tax Collector of such modifications, changes and additions shall be
19 conclusively evidenced by the execution and delivery of the Memorandum of
20 Understanding or amendments to the Memorandum of Understanding by the Controller
21 and the Treasurer-Tax Collector, with the final executed version of the Memorandum of
22 Understanding being provided within 30 days to the Clerk of the Board for inclusion into
23 the file for this Resolution.

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Section 7. Ratification of Prior Actions. All actions authorized and approved by this Resolution and consistent with the documents provided herein but taken prior to the date hereof are hereby ratified, approved and confirmed by the Board of Supervisors.

MEMORANDUM

December 9, 2015

TO: MEMBERS, Capital Planning Committee

FROM: Elaine Forbes, Deputy Director of Finance and Administration
Brad Benson, Director of Special Projects

SUBJECT: Request approval of an Infrastructure Financing Plan for the Pier 70 Historic Core (Subarea G-1) and approval to issue bonds in an amount not to exceed \$25.1 million

Executive Summary

On October 19, 2015, Port staff provided the Capital Planning Committee with an information presentation on a proposed Infrastructure Financing District (IFD) at Pier 70 that would include six historic buildings along 20th Street leased to Historic Pier 70, LLC (an affiliate of Orton Development, Inc.) If approved, the IFD would receive property taxes for 45 years to finance public infrastructure and public realm improvements necessary for reuse of the historic buildings and activation of the area.

Port staff requests review and approval of the Infrastructure Financing Plan (IFP) for the Pier 70 Historic Core IFD. The IFP describes the financing framework and limitations, gives a projection of tax revenue the IFD will receive, and describes the public infrastructure and public realm improvements the IFD will support. Appendix G-1 (see Attachment 3) provides more detailed projections and project descriptions. Port staff also requests approval to issue bonds in an amount not to exceed \$25.1 million. While bonds will not be issued until FY 2021-2022, bond counsel recommends approval now for the validation process. The bond sale will be subject to future approvals.

This IFP adheres to the *Guidelines for the Establishment and Use of an Infrastructure Financing District with Project Areas on Land Under the Jurisdiction of the San Francisco Port Commission* which the Board of Supervisors adopted on April 23, 2013, following Capital Planning Committee recommendation in November of 2012. Threshold Criteria 5 states “the Port must demonstrate the net fiscal impact of the proposed project area on the City’s General Fund and show that the project area will result in a net economic benefit to the City, including the Port.” Attachment 4 is a fiscal and economic impact analysis which Keyser Marston Associates prepared. This analysis evaluates the anticipated performance of the Orton Development to derive the fiscal benefit to the General Fund in a lower and higher revenue scenario.

Port Infrastructure Financing Districts

Port IFD Law operates in much the same way as former redevelopment law: when approved by the Board of Supervisors, the Port may form an infrastructure financing district and establish a base year, after which the Port may capture growth in property or possessory interest¹ taxes (“Tax Increment”), either annually (“pay-go”) or through the issuance of bonds, to fund facilities of “communitywide significance” as part of an approved Infrastructure Financing Plan.

The Port’s 10-Year Capital Plan has included projected proceeds from a Port IFD to fund major capital improvements since 2007. Subject to Board of Supervisors approval, the proposed Pier 70 - Historic Core IFP will be the first time the Port implements the Port IFD Law and realizes funding to address Port capital needs.

Within the Port IFD, the Port establishes “project areas” encompassing each project site, but only when the Board approves the related development. Port IFD Law generally allows the capture of property or possessory interest taxes for periods of up to 45 years; establishing different project areas allows the Port to set different 45 year “clocks” for each project area, thus maximizing capture of Tax Increment.

Port IFD law allows the following uses of Tax Increment:

- Repairs and upgrades to piers, docks and wharves and the Port’s seawall
- Installation of piles, both to support piers and to support buildings where soil is subject to liquefaction
- Parks and shoreline improvements, where the Port has been unable to secure General Obligation bond funding to fund new parks
- Utility infrastructure, including utility requirements to comply with standards imposed by the Regional Water Quality Control Board and/or the Bay Area Air Quality Management District
- Streets and sidewalks
- Seismic upgrades and improvements to the City’s seawall and other measures to address sea level rise
- Environmental remediation
- Historic rehabilitation
- Improvements to Port maritime facilities

Legislative Process

On October 6, 2015, Mayor Edwin M. Lee and Supervisor Malia Cohen sponsored two proposed resolutions to initiate the process to form the Pier 70 - Historic Core IFD which are now approved. These resolutions included:

1. A resolution Further Amending Resolution of Intention to Establish Infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco (File No. 151006).

¹ Possessory interest taxes are property tax levied against leasehold interests. Port tenants are responsible for paying possessory interest taxes to the City.

2. Resolution of Intention to Issue Bonds in an Amount Not to Exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) (File No. 151007).

These resolutions provide the public with notice of the City's intent to form a Port IFD at Pier 70 and to issue bonds repaid by Tax Increment and direct City staff to prepare the Pier 70 - Historic Core IFP, which includes a detailed expenditure plan for available Tax Increment. The Board of Supervisors unanimously approved both resolutions.

Port staff with the City Attorney, the Controller and the Tax Collector has finalized following legislation, which will approve the formation of the Pier 70 - Historic Core IFP:

- Ordinance Forming the Infrastructure Financing District and Adopting the Infrastructure Financing Plan
- Resolution Authorizing the Issuance of Bonds
- Resolution Approving the Memorandum of Understanding between the Port, Controller and Tax Collector

The first two are before the Capital Planning Committee for review and approval. The MOU is not subject to Capital Planning Committee review because this is an agreement between the Port Commission, the Controller and the Tax Collector.

Pier 70 - Historic Core IFP

The IFP for the Pier 70 - Historic Core that describes the sources and uses of funding for the project. The funding plan for the Pier 70 - Historic Core IFP is shown in Table 1 below. The proposed IFP anticipates that Orton will initially fund public right-of-way improvements and the Port will fund replacement of electrical infrastructure (including removal of PCB transformers) in Building 102, and that Port will be, and Orton may be, repaid by the proposed Pier 70 - Historic Core IFD. The remaining Tax Increment will fund a portion of Crane Cove Park Phase 2.

Table 1: Pier 70 - Historic Core IFP Funding Plan

| Anticipated Uses | Est. Cost, 2015 Dollars | Target Completion Schedule |
|---|--------------------------------|-----------------------------------|
| Crane Cove Park - Phase 2 | \$13,899,000 | Based on funding availability |
| Bldg. 102 electrical relocation/improvements | 3,090,000 | FY 2016/17 |
| Street, sidewalk, traffic signal improvements | <u>1,271,000</u> | FY 2016/17 – FY 2017/18 |
| Total | \$18,260,000 | |

The Pier 70 - Historic Core sub-project area will generate approximately \$720,000 annually in Tax Increment to the IFD at stabilization in FY 2019-20, which will increase overtime. The project is scheduled to be fully built-out and attain financial stabilization in 2021. At this point, the Port anticipates issuing bonds supported by the Tax Increment. Current estimates indicate the increment supports net bond proceeds of approximately \$6.6 million (in 2015 dollars).

The form of bonds issued to support the IFP will be a later decision for the Board of Supervisors, based on recommendations from the Controller's Office of Public Finance and the Port Commission. The Port IFD Law permits issuance of IFD bonds, but these bonds have not yet been issued in the State of California. Lease No. L-15814 between the Port of San Francisco and Orton anticipates the possible use of Community Facilities District ("CFD") bonds under the Mello-Roos Act, which may be part of a broader Pier 70 strategy.

Table 2: Pier 70 - Historic Core IFP Sources and Uses

| Sources / Uses | 2015 Dollars |
|---------------------------------------|---------------------|
| Port, developer advance, net of bonds | \$1,762,363 |
| Bond proceeds | 6,558,879 |
| Allocated Tax Increment, portion | <u>15,090,670</u> |
| Total Sources | \$23,411,912 |
| Projects funded by debt* | \$8,321,242 |
| Projects funded by pay-go* | 9,938,434 |
| Interest expense | <u>5,152,236</u> |
| Total Uses | \$23,411,912 |

*Projects funded by debt and pay-go equal \$18.26 million consistent with Table 1

Resolution Authorizing Issuance of Bonds

The Resolution approving the issuance of bonds would authorize bonds in an amount not to exceed \$25.1 million and approve the form of Indenture and Pledge Agreement in substantial form. The Resolution further directs the judicial validation action with respect to the IFD. While bonds will not be issued until FY 2021-22, bond counsel recommends approval of the resolution authorizing issuance of the bonds now for the validation process. The maximum principal bond amount of \$25.1 million reflects the

total bonding capacity of the IFD assuming robust growth assumptions (30% higher than the projections in the IFP), more than one bond issuance, and interest rates which are lower than current rates.

Recommendation and Next Steps

Port staff recommends approval of IFP for Pier 70 Historic Core and the Resolution authorizing the issuance of bonds in an amount not to exceed \$25.1 million. Following this approval, the Board of Supervisors will consider the following legislation:

- Ordinance Forming the Infrastructure Financing District and Adopting the Infrastructure Financing Plan
- Resolution Authorizing the Issuance of Bonds
- Resolution Approving the Memorandum of Understanding (MOU) between the Port, Controller and Tax Collector

If the Board of Supervisors approves the legislation described above, Port staff will return to the Capital Planning Committee at a later date regarding the formation of any CFD over the Pier 70 Historic Core and for any proposed issuance of bonds pursuant to the IFP.

Attachments:

Attachment 1: Ordinance establishing an Infrastructure Financing District and adopting an Infrastructure Financing Plan for Infrastructure Financing District No. 2 (Pier 70 – Historic Core)

Attachment 2: Infrastructure Financing Plan for IFD No. 2

Attachment 3: Appendix G-1 (details on the IFP for the Pier 70 – Historic Core)

Attachment 4: Fiscal and Economic Impact Analysis

Attachment 5: Resolution authorizing the issuance of bonds in an amount not to exceed \$25.1 million

**CITY AND COUNTY OF SAN FRANCISCO
Infrastructure Financing District No. 2
(Port of San Francisco)**

INFRASTRUCTURE FINANCING PLAN

Originally adopted:

Date: _____, 20__

Ordinance No.: _____

Schedule of Amendments

| Date of Amendment | Ordinance No. | Purpose of Amendment |
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LIST OF APPENDICES

| Appendix | Related Project Area |
|-----------------|--|
| A | A (Seawall Lot 330) |
| B | B (Piers 30-32) |
| C | C (Pier 28) |
| D | D (Pier 26) |
| E | E (Seawall Lot 351) |
| F | F (Pier 48) |
| G | G (Pier 70) |
| G-1 | Sub-Project Area G-1 (Pier 70 - Historic Core) |
| H | H (Rincon Point-South Point Project Area) |

TABLE OF CONTENTS

Introduction

- I. Boundaries of Proposed IFD
- II. Description of Public Facilities
- III. Financing Section
- IV. Amendments

Conclusion

Exhibit A – Proposed Boundaries of Infrastructure Financing District

Exhibit B – Description of Public Improvements and Facilities Required to Serve the Development Proposed in the IFD

Project Area-Specific Appendices

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CITY AND COUNTY OF SAN FRANCISCO
Infrastructure Financing District No. 2
(Port of San Francisco)

INTRODUCTION

IFD. On March 27, 2012, the Board of Supervisors (the “**Board of Supervisors**”) of the City and County of San Francisco (the “**City**”), pursuant to the provisions of Government Code Section 53395 et seq. (the “**IFD Law**”), and for the public purposes set forth therein, adopted its Resolution No. 110-12 (the “**Original Resolution of Intention**”), pursuant to which it declared its intention to conduct proceedings to establish the “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (the “**IFD**”), including project areas within the IFD (each, a “**Project Area**”).

Subsequently, (i) on June 12, 2012, the Board of Supervisors adopted its Resolution No. 227-12 (the “**First Amending Resolution**”), pursuant to which it ratified and amended the Original Resolution of Intention and (ii) on November 17, 2015, the Board of Supervisors adopted its Resolution No. 421-15 (the “**Second Amending Resolution**”), pursuant to which it ratified and amended the Original Resolution of Intention as previously amended by the First Amending Resolution. Together, the Original Resolution of Intention, the First Amending Resolution and the Second Amending Resolution are referred to in this Infrastructure Financing Plan as the “**Resolution of Intention.**”

In the Resolution of Intention, the Board of Supervisors declared its intention that the IFD will constitute a waterfront district (as defined in Section 53395.8 of the IFD Law), and that one or more of the Project Areas will constitute Pier 70 districts (as defined in Section 53395.8 of the IFD Law) or special waterfront districts (as defined in Section 53395.81 of the IFD Law).

Project Areas. Pursuant to Section 53395.8(g) of the IFD Law, an infrastructure financing district may be divided into project areas, each of which may be subject to distinct time limitations.

In the Resolution of Intention, the Board of Supervisors declared its intention to establish the following initial Project Areas:

- a. Project Area A (Seawall Lot 330). The Board of Supervisors declared its intent to establish Project Area A as a special waterfront district.
- b. Project Area B (Piers 30-32). The Board of Supervisors declared its intent to establish Project Area B as a special waterfront district.
- c. Project Area C (Pier 28). The Board of Supervisors declared its intent to establish Project Area C as a special waterfront district.
- d. Project Area D (Pier 26). The Board of Supervisors declared its intent to establish Project Area D as a special waterfront district .

- e. Project Area E (ASeawall Lot 351). The Board of Supervisors declared its intent to establish Project Area E as a waterfront district.
- f. Project Area F (Pier 48). The Board of Supervisors declared its intent to establish Project Area F as a waterfront district.
- g. Project Area G (Pier 70). The Board of Supervisors declared its intent to establish Project Area G as a Pier 70 district.
- h. Sub-Project Area G-1 (Pier 70 - Historic Core). The Board of Supervisors declared its intent to establish Project Area G as a Pier 70 district.
- i. Project Area H (Rincon Point-South Point Project Area). The Board of Supervisors declared its intent to establish Project Area H as a waterfront district.

In the Resolution of Intention, the Board of Supervisors also declared its intention to establish additional Project Areas within the boundaries of the IFD from time to time in compliance with the IFD Law. The Board of Supervisors will only allocate tax increment to the IFD with respect to territory that is in a Project Area after the Board of Supervisors has approved an appendix to this Infrastructure Financing Plan for the Project Area and with respect to which the Port and the City have entered into a memorandum of understanding relating to the Project Area.

Infrastructure Financing Plan Requirements. Pursuant to the Resolution of Intention, the Board of Supervisors ordered the executive director of the Port of San Francisco to prepare a proposed infrastructure financing plan that is consistent with the General Plan of the City. The Board of Supervisors also directed preparation of a Pier 70 enhanced financing plan (as such term is used in Section 53395.81 of the IFD Law) for Sub-Project Area G-1.

Pursuant to Sections 53395.8 and 53395.81 of the IFD Law, the infrastructure financing plan must include all of the following:

(a) A map and legal description of the proposed IFD, which may include all or a portion of the IFD designated by the Board of Supervisors in the Resolution of Intention.

(b) A description of the public improvements and facilities required to serve the development proposed in the IFD including those to be provided by the private sector, those to be provided by governmental entities without assistance under the IFD Law, those public facilities to be financed with assistance from the proposed IFD (the "**Facilities**"), and those to be provided jointly. The description shall include the proposed location, timing, and projected costs of the public improvements and facilities. The description may consist of a reference to the capital plan for the territory in the IFD that is approved by the Board of Supervisors, as amended from time to time.

(c) A financing section, which must contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the City and of any affected taxing entity proposed to be committed to the IFD, and an affirmation that the infrastructure financing plan will not allocate any portion of the incremental tax revenue of the local educational agencies to the IFD. In the Resolution of Intention, the Board of Supervisors declared that the IFD will not use incremental

property tax revenue from any affected taxing entities to finance the Facilities, except to the extent permitted by Section 53395.8(h) of the IFD Law.

(2) Limitations on the use of levied taxes allocated to and collected by the IFD that are consistent with the IFD Law.

The IFD Law establishes certain set-aside requirements.

(a) For waterfront districts, Section 53395.8 requires that not less than 20% of the amount allocated to the IFD shall be set aside to be expended solely on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the City's waterfront.

(b) For special waterfront districts that include one or more of Seawall Lot 330, Pier 19, Pier 23 and Pier 29, Section 53395.81 establishes a different set-aside in lieu of the set-aside requirement described in the previous sentence: it requires 20% in the aggregate of the special waterfront district Education Revenue Augmentation Fund ("ERAF") share allocated to a Port America's Cup district under Section 53395.81 to be set aside to finance costs of planning, design, acquisition and construction of improvements to waterfront lands owned by federal, state or local trustee agencies, such as the National Park Service or the California State Parks. Any improvements listed in the previous sentence do not need to be located in the IFD.

(3) A projection of the amount of incremental tax revenues expected to be received by the IFD, assuming that the IFD receives incremental tax revenues for a period ending no later than 45 years after the City projects that the IFD will have received \$100,000 in incremental tax revenues under the IFD Law.

(4) Projected sources of financing for the Facilities, including debt to be repaid with incremental tax revenues, projected revenues from future leases, sales, or other transfers of any interest in land within the IFD, and any other legally available sources of funds. The projection may refer to the capital plan for the territory in the IFD that is approved by the Board of Supervisors, as amended from time to time.

(5) A limitation on the aggregate number of dollars of levied taxes that may be divided and allocated to the IFD, subject to amendment of the infrastructure financing plan. The Project Areas may share this limit and the limit may be divided among any Project Areas or a separate limit may be established for a Project Area.

(6) The following time limits: (A) a date on which the effectiveness of the infrastructure financing plan and all tax allocations to the IFD will end and (B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues under the IFD Law.

(7) An analysis of (A) the costs to the City for providing facilities and services to the IFD while the IFD is being developed and after the IFD is developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City as a result of expected development in the IFD.

(8) An analysis of the projected fiscal impact of the IFD and the associated development upon any affected taxing entity. If no affected taxing entities exist within the IFD because the plan does not provide for collection by the IFD of any portion of property tax revenues allocated to any taxing entity other than the City, the IFD has no obligation to any other taxing entity.

(9) A statement that the IFD will maintain accounting procedures in accordance, and otherwise comply, with Section 6306 of the Public Resources Code for the term of the infrastructure financing plan.

(d) Section 53395.8(g)(3)(D) establishes additional requirements for a "Pier 70 enhanced financing plan." A Pier 70 enhanced financing plan must contain all of the following:

(1) A time limit on the issuance of new ERAF-secured debt to finance the Pier 70 district, which may not exceed 20 fiscal years from the fiscal year in which any Pier 70 district subject to a Pier 70 enhanced financing plan first issues debt. The ERAF-secured debt may be repaid over the period of time ending on the time limit established under paragraph (6) above. This time limit on the issuance of new ERAF-secured debt will not prevent a Pier 70 district from subsequently refinancing, refunding, or restructuring ERAF-secured debt as described in the IFD Law.

(2) A statement that the Pier 70 district shall be subject to a limitation on the number of dollars of the ERAF share that may be divided and allocated to the Pier 70 district pursuant to the Pier 70 enhanced financing plan, including any amendments to the plan, which shall be established in consultation with the county tax collector. The ERAF share will not be divided and shall not be allocated to the Pier 70 district beyond that limitation.

(e) Section 53395.81 requires the infrastructure financing plan for a special waterfront district to contain a provision substantially similar to a Pier 70 enhanced financing plan under Section 53395.8(g)(3)(D), with only those changes deemed necessary by the Board of Supervisors, as the legislative body of the special waterfront district, to implement the financing of the improvements described in Section 53395.81(c)(1). Accordingly, a special waterfront district enhanced financing plan must contain all of the following:

(1) A time limit on the issuance of new special waterfront district ERAF-secured debt, which may not exceed 20 fiscal years from the fiscal year in which the special waterfront district subject to a special waterfront district enhanced financing plan first issues debt. The special waterfront district ERAF-secured debt may be repaid over the period of time ending on the time limit established under paragraph (6) above. The 20-year time limit does not prevent a special waterfront district from subsequently refinancing, refunding, or restructuring special waterfront district ERAF-secured debt as described in the IFD Law.

(2) A statement that the special waterfront district is subject to a limitation on the number of dollars of the special waterfront ERAF share (as defined in Section 53395.81 of the IFD Law) that may be divided and allocated to the special waterfront district pursuant to the special waterfront district enhanced financing plan, including any amendments to the plan, which must be established in consultation with the county tax collector. Section 53395.81 declares that the maximum amount of the county ERAF portion of incremental tax revenues that may be committed to a special waterfront district

under Section 53395.81 may not exceed \$1,000,000 in any fiscal year, and declares that the special waterfront district ERAF share may not be divided and may not be allocated to the special waterfront district beyond that limitation.

In addition, Section 53395.81 of the IFD Law requires a special waterfront district enhanced financing plan for a Port America's Cup district to provide that the proceeds of special waterfront district ERAF-secured debt (as defined in Section 53395.81 of the IFD Law) are restricted for use to finance directly, reimburse the Port for its costs related to, or refinance other debt incurred in, the construction of the Port's maritime facilities at Pier 27, including public access and public open-space improvements, and for any other purposes for which the ERAF share can be used, subject to the set-aside requirements under the IFD Law (described above).

This Infrastructure Financing Plan for the IFD, including all exhibits and appendices (the "**Infrastructure Financing Plan**"), is intended to comply with the requirements of the IFD Law.

Infrastructure Financing Plan for Project Areas. This Infrastructure Financing Plan will include certain provisions that apply to only one or a limited subset of the Project Areas, some of which may conflict with or be supplemental to the more general provisions of this Infrastructure Financing Plan. Therefore, this Infrastructure Financing Plan shall include Project Area-specific appendices. This approach will allow the City to establish infrastructure financing plans and unique time limits on a Project Area-specific basis. In the event of any inconsistency between the general provisions of this Infrastructure Financing Plan and an appendix, the provisions of the appendix shall govern with respect to the affected Project Area.

The Board of Supervisors may, at various times, amend or supplement this Infrastructure Financing Plan by ordinance to establish new Project Areas, to address the unique details of an existing Project Area and for other purposes permitted by the IFD Law.

I. Boundaries of Proposed IFD

The boundaries of the proposed IFD, including the boundaries of the initial proposed Project Areas, are described in the map attached to this Infrastructure Financing Plan as Exhibit A. The legal description of the proposed IFD is also attached to this Infrastructure Financing Plan as Exhibit A.

Exhibit A also includes a map and a legal description of Sub-Project Area G-1 (Pier 70 - Historic Core). Similar maps and legal descriptions of other Project Areas will be added to Exhibit A at the same time as appendices for those Project Areas are added to this Infrastructure Financing Plan with the approval of the Board of Supervisors.

Exhibit A may be amended from time to time to reflect the establishment of new Project Areas.

II. Description of Public Improvements and Facilities

Exhibit A to the Resolution of Intention lists the type of public facilities proposed to be financed by the IFD. The public improvements and facilities required to serve the development proposed in the area of the IFD are described in Exhibit B, which initially consists of the Port of San Francisco 10-Year Capital Plan (FY 2015-2024). All of the public improvements and

facilities listed in the 10-Year Capital Plan are public capital facilities of communitywide significance and provide significant benefits to an area larger than the area of the IFD.

The improvements and facilities described in the 10-Year Capital Plan (FY 2015-2024) are likely to change as development plans for the area of the IFD change, and, consequently, the Board of Supervisors may amend the Infrastructure Financing Plan to incorporate the changes in the Port's capital planning.

Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, the following information will be included in the appendix for any Project Area but is not included in this Infrastructure Financing Plan for the area of the IFD that is not in a Project Area:

- A. Public improvements and facilities to be provided by the private sector.
- B. Public improvements and facilities to be provided by governmental entities without assistance under the IFD Law.
- C. Facilities to be financed with assistance from the proposed IFD.
- D. Public improvements and facilities to be provided jointly by the private sector and governmental entities.

III. Financing Section

The following is the financing section for the proposed IFD.

A. Special Fund. Pursuant to Section 53396 of the IFD Law, the IFD will establish a special fund into which tax increment revenues allocated to the IFD will be deposited. In order to separately account for the tax increment revenues allocated to the IFD from each Project Area, the IFD will establish a sub-account within the special fund for each Project Area and, within each sub-account, an account to hold funds that are required to be set-aside for use for specific purposes, as set forth in Section 53395.8(g)(3)(C)(ii) and Section 53395.81(c)(3).

B. Base Year; Commencement of Tax Increment Allocation. The Base Year for each Project Area and the date on which tax increment from the Project Area will begin to be allocated to the IFD will be specified in the appendix for such Project Area. Because the Board of Supervisors will only allocate tax increment revenues to the IFD with respect to territory that is in a Project Area and after the Board of Supervisors has approved an appendix to this Infrastructure Financing Plan for the Project Area, this Infrastructure Financing Plan does not establish a base year for any territory that is not in a Project Area.

C. Maximum Portion of Incremental Tax Revenue.

The financing section must specify the maximum portion of the incremental tax revenue of the City and of each affected taxing entity proposed to be committed to the IFD. The maximum portion of incremental tax revenue of the City specified below is the maximum amount that may be allocated to the IFD; the actual amount of incremental tax revenue to be allocated to the IFD with respect to a specific Project Area will be specified in the appendix for the Project Area.

Maximum portion of incremental tax revenue of the City for each year: 100%

Maximum portion of incremental tax revenue of other taxing entities for each year (not including any ERAF share (as defined in the IFD Law) that is allocated by the IFD Law to a Project Area): 0%

This Infrastructure Financing Plan does not allocate any portion of the incremental tax revenue of the local educational agencies to the IFD.

Nothing in this Section III.C will prevent the IFD from exercising its rights under Section 53395.8(h) of the IFD Law or with respect to the ERAF share as permitted by the IFD Law.

D. Limitations on the Use of Incremental Tax Revenue.

Incremental tax revenue allocated to the IFD will be used within the IFD for the purposes authorized under the IFD Law and this Infrastructure Financing Plan.

There are two set-aside requirements established by the IFD Law:

(i) Pursuant to Section 53395.8(g)(3)(C)(ii), 20% of the tax increment generated in a Project Area that is a waterfront district that is allocated to the IFD must be set aside to be expended solely on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the San Francisco waterfront. Except as described in clause (ii) below, this set-aside requirement applies to waterfront districts and Pier 70 districts.

(ii) Pursuant to Section 53395.81(c)(3), 20% in the aggregate of the special waterfront district ERAF share generated in a special waterfront district that includes one or more of Seawall Lot 330, Pier 19, Pier 23 and Pier 29 that is allocated to the IFD must be set aside to finance costs of planning, design, acquisition and construction of improvements to waterfront lands owned by federal, state or local trustee agencies, such as the National Park Service or the California State Parks. Any improvements listed in the previous sentence do not need to be located in the IFD.

To the extent permitted by law, and as set forth in the appendices for the affected Project Areas, the IFD may satisfy the set-aside requirements on a cross-Project Area basis.

E. Projection of Incremental Tax Revenue.

General. The financing section must include a projection of the amount of incremental tax revenues expected to be received by the IFD, assuming that the IFD receives incremental tax revenues for a period ending no later than 45 years after the City projects that the IFD will have received \$100,000 in incremental tax revenues under the IFD Law.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, this Infrastructure Financing Plan does not contain a projection for that portion of the IFD that is not in an initial Project Area.

Project Areas. For the initial Project Areas and all subsequent Project Areas, the appendix for a Project Area includes the projection for such Project Area.

F. Projected Sources of Financing for the Public Facilities.

The financing section must include the projected sources of financing for the Facilities, including debt to be repaid with incremental tax revenues, projected revenues from future leases, sales, or other transfers of any interest in land within the IFD, and any other legally available sources of funds.

Because of the speculative nature of any future development and sources of financing in that portion of the IFD that is not in a Project Area, this Infrastructure Financing Plan only includes information about the projected sources of financing for the Facilities with respect to the Project Areas in each Project Area's respective appendix.

G. Incremental Property Tax Revenue Limit.

General. The financing section must include a limit on the total number of dollars of levied taxes that may be allocated to the IFD pursuant to the Infrastructure Financing Plan, subject to amendment of the Infrastructure Financing Plan.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, the limit for the portion of the IFD that is not initially in a Project Area is initially established at \$0.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes the limit on the total number of dollars of levied taxes that may be allocated to the IFD with respect to such Project Area.

H. Time Limits.

General. The financing section must include the following time limits: (A) a date on which the effectiveness of the infrastructure financing plan and all tax allocations to the IFD will end and (B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues under the IFD Law.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not initially in a Project Area, this Infrastructure Financing Plan does not establish time limits applicable to such territory.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes the time limits for such Project Area.

I. Cost and Revenue Analysis.

General. The financing section must include an analysis of (A) the costs to the City for providing facilities and services to the IFD while the IFD is being developed and after the IFD is

developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City as a result of expected development in the IFD.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not initially in a Project Area, this Infrastructure Financing Plan does not include a cost and revenue analysis for such territory.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes a cost and revenue analysis. Each appendix will analyze the costs to San Francisco's general fund for providing facilities and services to the Project Area while the Project Area is being developed and after the Project Area is developed, and of the taxes, fees, charges and other revenues expected to be received by the City's general fund as a result of the expected development of the Project Area.

J. Fiscal Impact on Affected Taxing Entities.

The financing section must include an analysis of the projected fiscal impact of the IFD and the associated development upon any affected taxing entity, as that term is defined in Section 53395.8 of the IFD Law.

As explained above, the City is the only taxing entity that will allocate tax increment to the IFD, and the City is excluded from the definition of affected taxing entity. Accordingly, there is no affected taxing entity that will be impacted by the IFD.

Nothing in this Section III.J will prevent the IFD from exercising its rights under Section 53395.8(h) of the IFD Law or with respect to the ERAF share as permitted by the IFD Law.

K. Accounting Procedures.

The IFD will maintain accounting procedures in accordance with and otherwise comply with Section 6306 of the Public Resources Code for the duration of this Infrastructure Financing Plan.

L. Enhanced Financing Plans.

The IFD Law establishes additional requirements for a Pier 70 enhanced financing plan and for special waterfront district enhanced financing plans.

The appendix for each Project Area that is subject to an enhanced financing plan will address the additional requirements.

IV. Amendments

The Board of Supervisors reserves the right to amend this Infrastructure Financing Plan to the extent permitted by the IFD Law.

CONCLUSION

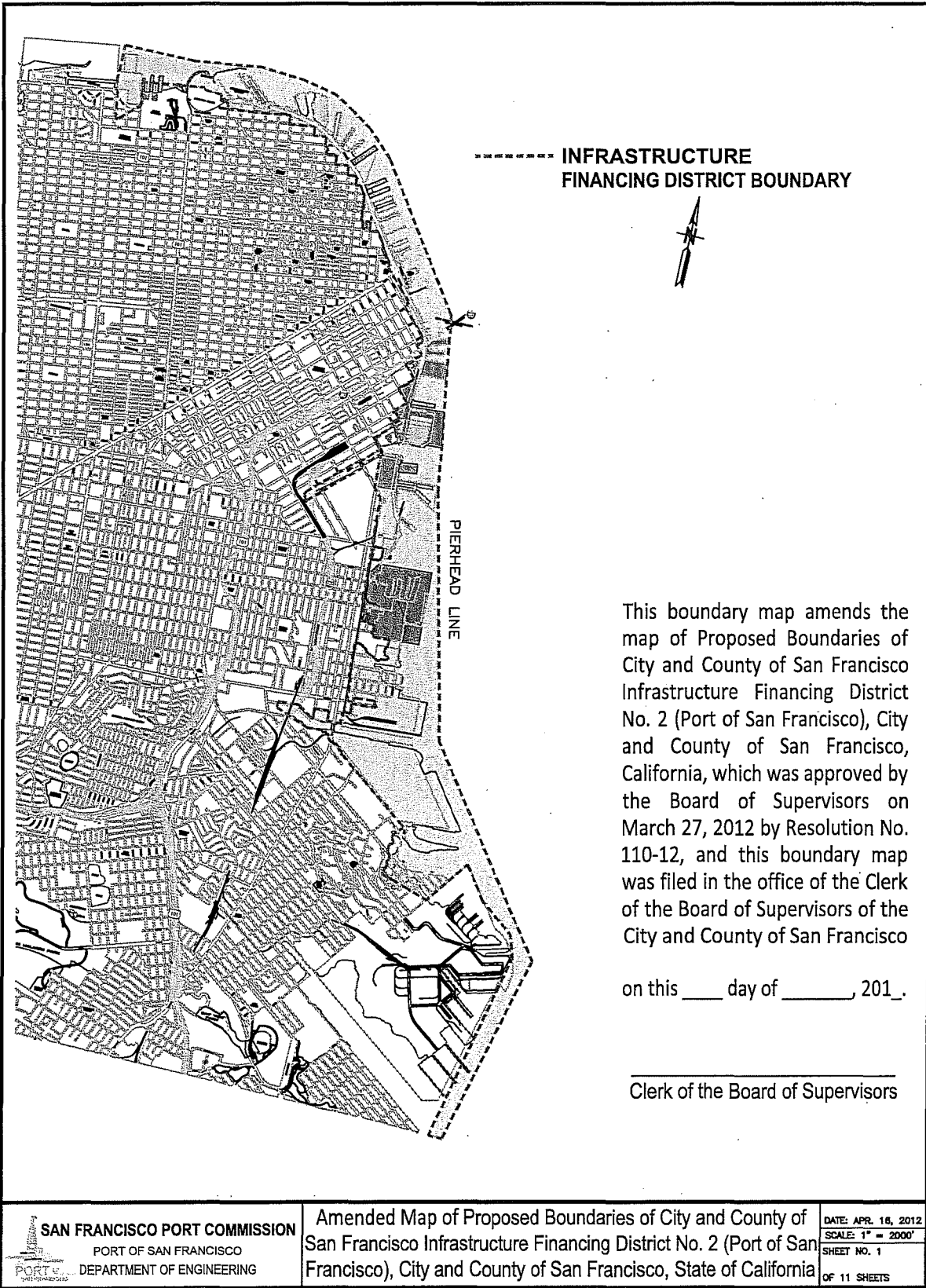
This Infrastructure Financing Plan meets the requirements of the IFD Law and shall be distributed as required by the Resolution of Intention and the IFD Law.

By: _____
Executive Director
Port of San Francisco

EXHIBIT A

PROPOSED BOUNDARIES OF INFRASTRUCTURE FINANCING DISTRICT

(Boundary map and legal descriptions to be attached.)



----- INFRASTRUCTURE
FINANCING DISTRICT BOUNDARY



PIERHEAD LINE

This boundary map amends the map of Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), City and County of San Francisco, California, which was approved by the Board of Supervisors on March 27, 2012 by Resolution No. 110-12, and this boundary map was filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco

on this ____ day of _____, 201_.

Clerk of the Board of Supervisors

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

Amended Map of Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), City and County of San Francisco, State of California

DATE: APR. 18, 2012
SCALE: 1" = 2000'
SHEET NO. 1
OF 11 SHEETS

EXHIBIT A
PROPOSED BOUNDARIES OF INFRASTRUCTURE FINANCING DISTRICT

Infrastructure Financing District Number 2 shall be the Jurisdiction of the Port of San Francisco, inside the United States Government pier-head line for the Port of San Francisco as shown on that Department of the Army Corps of Engineers map titled "San Francisco Bay, California - HARBOR LINES", approved on June 28 1948.

The Jurisdiction of the Port of San Francisco consists of the lands conveyed by the Burton Act, with The Pier 70 Area added, with the Western Pacific Site added, with Seawall Lot 354 added, with Texas Street removed, and with a portion of Seawall Lot 330 removed, each parcel described in detail below.

Lands Conveyed to the Port by the Burton Act

Commencing at the intersection of the center line of Lewis Street with the center line of Webster Street; running thence southerly along the center line of Webster Street to a point in the northerly line of Tide Land Survey #15, San Francisco County patented by the State of California to the North San Francisco Homestead and Railroad Association on June 23, 1864; thence easterly along said northerly line to the north-easterly corner of the lands patented to said association; thence southerly along the easterly line, and the extension thereof, to the shore line of San Francisco Bay as said shore line existed in 1850; thence easterly along the shore line of 1850 to the easterly line of Laguna Street; thence northerly along the easterly line of Laguna Street to the center line of Lewis Street; thence easterly along the center of Lewis street to a point distant 514.19 feet westerly from the westerly line of Van Ness Avenue; thence northerly 21.78 feet to a point distant 514.65 feet westerly from the westerly line of Van Ness Avenue; thence easterly 156.0 feet to a point distant 358.68 feet westerly from the westerly line of Van Ness Avenue and 25.02 feet northerly from the center line of Lewis Street; thence southerly 25.02 feet to a point on the center-line of Lewis Street distant 358.16 feet westerly from the westerly line of Van Ness Avenue; thence easterly along the center of Lewis Street to the center of Polk Street; thence southerly along the center of Polk Street to the southerly line of the Embarcadero; thence easterly along the southerly line of the Embarcadero to a point 275 feet west of the westerly line of Hyde Street measured at right angles thereto; thence southerly parallel with the westerly line of Hyde Street to a point 225 feet north of the northerly line of Jefferson Street; thence easterly parallel with the northerly line of Jefferson Street to the westerly line of Hyde Street; thence southerly along the westerly line of Hyde Street to the southerly line of Jefferson Street; thence Easterly along the southerly line of Jefferson Street to the westerly line of Powell Street; thence southerly along the westerly line of Powell Street to the southerly line of Beach Street; thence easterly along the southerly line of Beach Street to the westerly line of Grant Avenue; thence southerly along the westerly line of Grant Avenue to the southerly line of North Point Street; thence easterly along the southerly line of North Point Street to the westerly line of Kearny Street; thence southerly along the westerly line of Kearny Street to the shore line of 1850; thence southerly along the shore line of 1850 to the southerly

line of Francisco Street; thence easterly along the southerly line of Francisco Street to the Westerly line of Montgomery Street to the southerly line of Chestnut Street; thence easterly along the southerly line of Chestnut Street to the westerly line of Sansome Street; thence southerly along the westerly line of Sansome Street to the southerly line of Lombard Street; thence easterly along the southerly line of Lombard Street to the westerly line of Battery Street; thence southerly along the westerly line of Battery Street to the southerly line of Greenwich Street, thence easterly along the southerly line of Greenwich Street to the westerly line of the Embarcadero; thence southerly along the westerly line of the Embarcadero to the westerly line of Front Street; thence southerly along the westerly line of Front Street to the southerly line of Vallejo Street; thence easterly along the southerly line of Vallejo Street to the easterly line of Front Street; thence southerly along the easterly line of Front Street to the northerly line of Broadway; thence easterly along the northerly line of Broadway a distance of 137.5 feet; thence northerly parallel to Front Street to southerly line of Vallejo Street; thence easterly along the southerly line of Vallejo Street to the westerly line of Davis Street; thence southerly along the westerly line of Davis Street to the southerly line of Broadway; thence easterly along the southerly line of Broadway to the westerly line of Embarcadero; thence southerly along the easterly line of Embarcadero, formerly East Street, as shown on that certain map entitled "Monument Map of the Fifty Vara District of the City and County of San Francisco", to its intersection with the northerly line of Howard Street; thence westerly along the northerly line of Howard Street to the westerly line of Stuart Street; thence southerly along the westerly line of Stuart Street to the westerly line of the Embarcadero; thence southerly along the westerly line of the Embarcadero to a point 137.5 feet southerly from the southerly line of Harrison Street measured at right angles thereto; thence westerly parallel to Harrison Street to the westerly line of Spear Street; thence southerly along the westerly line of Spear Street to the northerly line of Bryant Street; thence westerly along the northerly line of Bryant Street to the westerly line of Beale Street; thence southerly along the westerly line of Beale Street to the northerly line of Brannan Street; thence westerly along the northerly line of Brannan Street to the westerly line of First Street; thence southerly along the westerly line of First Street to the northerly line of Townsend Street; thence westerly 550 feet along the northerly line of Townsend to the former westerly line of Gale Street; thence along said westerly line of Gale Street to the northerly line of King Street; thence westerly along the northerly line of King Street to the westerly line of Second Street.

Thence southerly along the westerly line of Second Street to the northerly line of Berry Street; thence westerly along the northerly line of Berry Street to the westerly line of Third Street; thence southerly along the westerly line of Third Street 275.00 feet to a point 35 feet southerly of the northerly line of Channel Street; thence westerly parallel to said Channel Street 825.00 to the easterly line of Fourth Street; thence northerly along the easterly line of Fourth Street 35.00 feet to the northerly line of Channel Street; thence westerly along the northerly line of Channel Street to a point 285 feet distant from the easterly line of Seventh Street; thence southwesterly to a point on the southerly line of Channel Street 170 feet distance from the easterly line of Seventh Street; thence southerly and parallel to Seventh Street to a point 100.00 feet distant from the southerly line of Channel Street; thence easterly parallel to the southerly line of Channel Street to the westerly line of Sixth Street; thence northerly along said westerly

line of Sixth Street 80.00 feet; thence at right angles to said westerly line 82.5 feet to a point on the easterly line of Sixth Street; thence southerly 80.00 feet along said easterly line; thence at right angles to said easterly line of Sixth Street and parallel to Channel Street to said a point on the westerly line of Fourth Street; thence northerly 100.00 feet along said westerly line of Fourth Street to the southerly line of Channel Street; thence easterly along the southerly line of Channel Street to the westerly line of Third Street; thence southerly along the westerly line of Third Street to the southwesterly line of Fourth Street; thence southeasterly along the southwesterly line of Fourth Street to the westerly line of Illinois Street; thence southerly along the westerly line of Illinois Steer to a point on the line of ordinary high tide as established by the Board of Tideland Commissioners, between Butte, now Nineteenth Street an Napa, now Twentieth, Street in 1868; thence easterly, southerly and westerly along said high water mark to the westerly line of Illinois Street; thence southerly along the westerly line of Illinois Street to the center line of Twenty-fifth Street; thence easterly along the center line of Twenty-fifth Street to the easterly line of Massachusetts Street; thence southerly along the easterly line of Massachusetts Street to the center line of Twenty-Sixth Street; thence westerly along the center line of Twenty-Sixth Street to the westerly line of Maryland Street; thence southerly along the westerly line of Maryland Street to the northerly line of Army Street; thence westerly along the northerly line of Army Street to the westerly line of Michigan Street; thence southerly along the westerly line of Michigan Street to the northerly line of Marin Street; thence westerly along the northerly line of Marin Street to the westerly line of Illinois Street; thence southerly along the westerly line of Illinois Street to the northerly line of Tulare Street; thence westerly and northwesterly along the northerly line of Tulare Street to the northerly line of Marin Street; thence westerly along the northerly line of Marin Street to the center of Texas Street; thence southerly along the center of Texas Street produced to the southerly line of Islais Street produced westerly; thence easterly along the southerly line of Islais Street to the southwesterly line of Arthur Avenue; thence southeasterly along the southwesterly line of Arthur Avenue to the westerly line of Ingalls Street; thence southerly along the westerly line of Ingalls Street to the line of ordinary high tide of 1868, as established by the Board of Tideland Commissioners; thence southerly along the said line of ordinary high tide of 1868 to the northerly line of the State Patent to the South San Francisco Homestead and Railroad Association; thence easterly along said northerly line of the State Patent to the easterly line of Earl Street; thence northerly along the easterly lien of Earl Street and its extension to the bulkhead line of 1948; thence along said bulkhead line to its intersection with the southern boundary of the City and County of San Francisco; thence along the southerly, easterly and northerly boundary lines of said city and county to a point due north of the place of commencement; thence south to the place of commencement. Together with that certain parcel of real property described as follows: Commencing at the intersection of the southwesterly line of Yosemite Avenue with the southeasterly line of Fitch Street; running thence northwesterly along the southwesterly line of Yosemite Avenue to the line of ordinary high tide, as established by the Board of Tideland Commissioners; thence northerly and easterly along said line of ordinary high tide to the southerly line of the State Patent to the South San Francisco Homestead and Railroad Association; thence easterly along said southerly line of the State Patent to the southeasterly line of Fitch Street; thence southwesterly along the southeasterly line of Fitch to the place of commencement.

The Pier 70 Area

Commencing at the point of intersection of the northerly line of Twentieth Street (66.00 feet wide) with the easterly line of Illinois Street (80.00 feet wide), as said point is described on that certain San Francisco Department of Public Works Monument Map No. 326, a copy of which is on file at the office of the Chief Harbor Engineer of the San Francisco Port Commission, running thence easterly along said northerly line at North 86° 49' 20" East, 13.20 feet, to its intersection with the Von Leicht Pueblo Line of 1883, the True Point of Beginning; thence Along said Pueblo Line at North 30° 25' 08" West, 36.23 feet; thence Continuing along said Pueblo Line, North 07° 25' 33" West, 106.09 feet; thence Continuing along said Pueblo Line, North 32° 40' 12" West, 92.23 feet; thence Continuing along said Pueblo Line, North 58° 40' 13" West, 28.32 feet, to the westerly line of Illinois Street; thence Along said westerly line of Illinois Street North 3° 10' 40" West, 990.59 feet; thence North 86° 37' 29" East, 373.53 feet, to a point along the top edge of the existing embankment along the Central Basin; thence running along said top edge, through the following courses:

South 1° 20' 44" West, 7.76 feet; thence South 1° 38' 35" East, 11.26 feet; thence South 40° 13' 42" East, 22.84 feet; thence North 84° 09' 38" East, 9.64 feet; thence South 54° 03' 28" East, 4.40 feet; thence South 66° 58' 42" East, 14.04 feet; thence South 3° 58' 56" West, 8.87 feet; thence South 40° 41' 13" West, 10.59 feet; thence South 48° 18' 22" West, 112.56 feet; thence South 65° 39' 37" West, 31.48 feet; thence South 77° 53' 28" West, 12.33 feet; thence South 83° 28' 47" West, 30.12 feet; thence South 5° 25' 41" East, 34.27 feet; thence North 83° 49' 52" East, 69.07 feet; thence South 52° 29' 10" East, 63.13 feet; thence leaving the said top edge of embankment and running along the existing fence line, North 38° 37' 07" East, 9.09 feet; thence South 65° 12' 52" East, 23.30 feet; thence South 17° 35' 05" West, 4.22 feet; thence South 66° 47' 12" East, 36.94 feet; thence South 54° 34' 59" East, 58.20 feet; thence North 86° 49' 20" East, 345.07 feet; thence South 3° 10' 40" East, 316.06 feet; thence South 8° 17' 47" East, 70.21 feet; thence South 16° 44' 40" East, 13.46 feet; thence South 55° 28' 50" East, 119.49 feet; thence North 86° 49' 20" East, 118.13 feet; thence South 3° 10' 40" East, 35.72 feet; thence North 86° 49' 20" East, approximately 130 feet, to the Mean High Water Line of San Francisco Bay; thence Easterly, Southeasterly, and Southerly along said Mean High Water Line, to its intersection with a line drawn parallel with and distant 154.00 feet southerly from the southerly line of Twenty-Second Street; thence westerly, along said parallel line, South 86° 49' 20" West, approximately 1,080 feet, to a point distant 60.00 feet northerly of the center line of Georgia Street, now closed; thence North 23° 55' 19" West 56.47 feet, to a point on the easterly line of said Georgia Street, said point lying distant 101.20 feet southerly of the southerly line of Twenty-Second Street; thence North 41° 30' 21" West, 129.27 feet, to the intersection of the southerly line of Twenty-Second Street and the westerly line of said Georgia Street; thence along said westerly line of Georgia Street, at North 3° 10' 40" West, 66.00 feet, to the northerly line of Twenty-Second Street; thence North 86° 49' 20" East, along the northerly line of Twenty-Second Street, 40.00 feet, to the center line of said Georgia Street; thence North 3° 10' 40" West, along said center line of Georgia Street, 269.96 feet; thence South 86° 49' 20" West, 240.00 feet, to the easterly line of Michigan Street; thence North 3° 10' 40" West, along the

Easterly line of Michigan Street, 347.34 feet, to a point along the Von Leicht Pueblo Line of 1883; thence along said Pueblo Line, at North 68° 29' 53" West, 52.52 feet; thence continuing at North 44° 01' 43" West, along said Pueblo Line, 49.32 feet, to the westerly line of Michigan Street; thence South 3° 10' 40" East, along said westerly line of Michigan Street, 347.95 feet; thence South 86° 49' 20" West, 200.00 feet, to the easterly line of Illinois Street; thence North 3° 10' 40" West, along the easterly line of Illinois Street, 537.00 feet to the southerly line of Twentieth Street; thence North 86° 49' 20" East, 50.49 feet, to a point on the Von Leicht Pueblo Line of 1883; thence along said Pueblo Line, at North 34° 03' 04" West, 29.62 feet; thence continuing along said Pueblo Line, at North 31° 45' 00" West, 46.20 feet, to the True Point of Beginning; Containing an area of 2,717,640 square feet (62.39 acres) of land, more or less.

Western Pacific Site

Beginning at the point of intersection of the northerly line of army street with the easterly line of Illinois street; running thence easterly along said northerly line of army street and its easterly extension 240 feet to the center line of Michigan street; thence at a right angle northerly along said center line of Michigan street 161 feet; thence at a right angle easterly parallel with said northerly line of army street 840 feet to the center line of Maryland street; thence at a right angle northerly along said center line of Maryland street 39 feet; thence at a right angle easterly parallel with the former northerly line of army street, as said army street existed prior to any vacation thereof, a distance of 570 feet to the former center line of Massachusetts street, now vacated; thence at a right angle northerly along said former center line of Massachusetts street and along the present center line of Massachusetts street 233.138 feet to the center line of twenty-sixth street, extended easterly; thence at a right angle along the center line of twenty-sixth street easterly 250 feet to the direct extension southerly of the eastern line of Potrero Nuevo block no. 509; thence at a right angle along said extension, and along the eastern lines of said block 509, and Potrero Nuevo block 508, northerly 899.116 feet to the northern line of said block 508; thence along the last named line westerly 200 feet to the western line of said block 508; thence along the last named line southerly 77.744 feet; thence at a right angle westerly 620 feet to the center line of Maryland street; thence along the last named line southerly 355.233 feet to the center line of twenty-fifth street, formerly yolo street; thence along the last named line westerly 1080 feet to the direct extension northerly of the easterly line of Illinois street; thence along said extension and along the easterly line of Illinois street 899.277 feet to the point of beginning.

Being entire block nos. 433, 434, 440, 467, 474, 493 and 500; and portions of block nos. 439, 468, 473, 494 and 499; and also portions of Michigan street, Georgia street, Louisiana street Maryland street, Delaware street, Massachusetts street, twenty-fifth street and twenty-sixth street, as certain of said blocks and streets are delineated on that certain map entitle "map of golden city homestead association," recorded on December 12, 1865, in map book "c' and "d", at pages 20 and 21. in the office of the recorder of the city and county of San Francisco; all of said blocks and streets also being delineated on that certain map entitled "map of the salt marsh and tide lands and lands lying under water south of second street, and situate in the city and

county of San Francisco, recorded in map book w, at pages 46 and 47 in the office of the recorder of the City and County of San Francisco.

Also being blocks 508 and 509, and portions of blocks 492 and 501, of the Potrero Nuevo.

Excepting therefrom all minerals and mineral rights, but without the right of surface entry, as set forth and reserved in deed from union pacific railroad company, re-recorded June 19, 1987 as instrument e009928, in reel e367, image 748, official records.

Seawall Lot 354

Commencing at the true beginning point of intersection of the westerly line of Tennessee Street and the southerly line of Marin Street, as said point is described on that certain San Francisco Department of Public Works monument map number 318, with a copy on file at the Office of the Engineers of the San Francisco Port Commission; running thence southerly, along the westerly line of Tennessee Street; thence at a right angle westerly, along the northerly line of Tulare Street; thence at a right angle northerly, along the easterly line of Indiana street; thence at a right angle easterly, running along the southerly line of Marin street, to the true point of beginning.

Texas Street

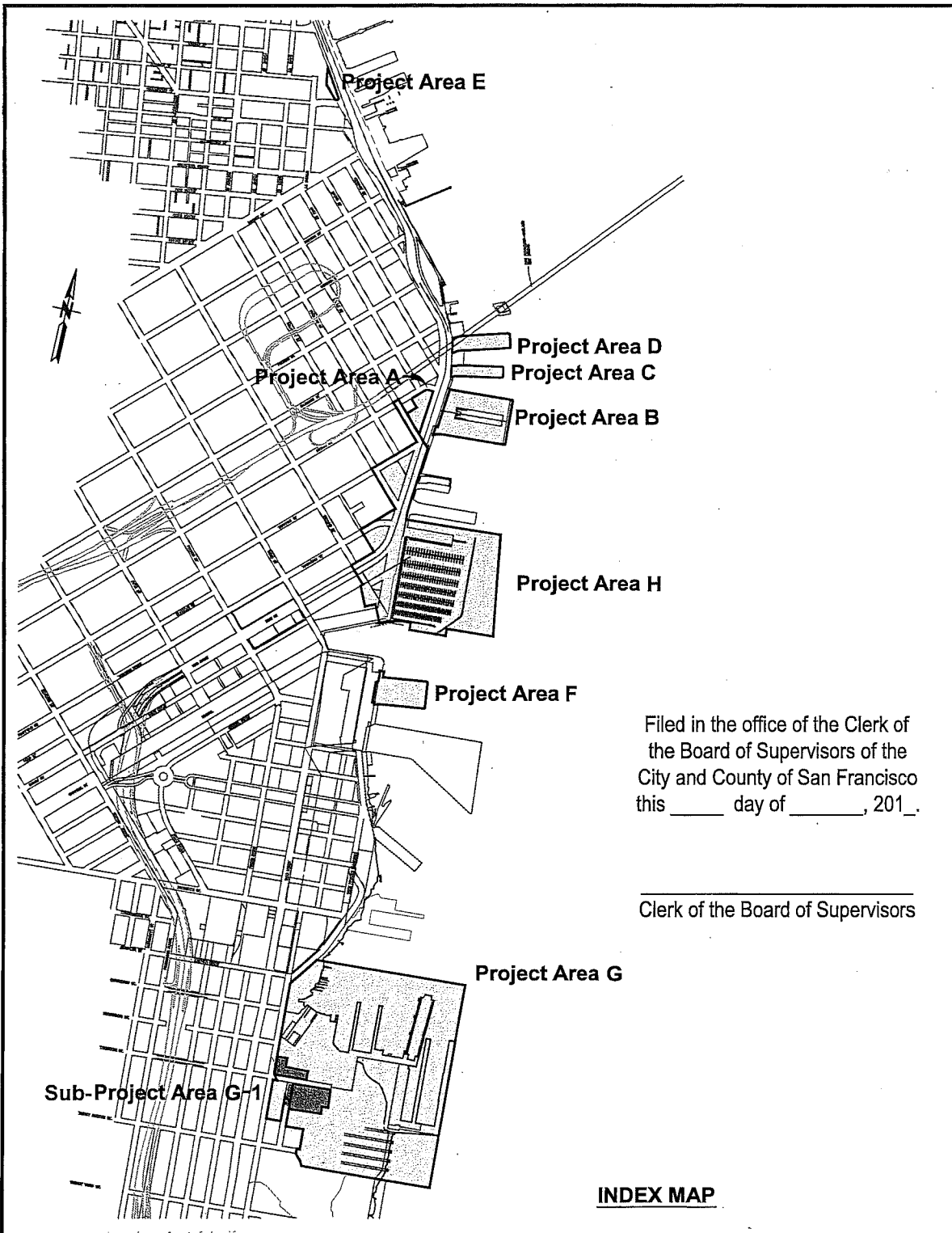
All that certain real property shown on the map entitled "Map of the Salt Marsh and Tidelands and Lands Lying Under Water South of Second Street and situate in the City and County of San Francisco," filed in Map Book W, pages 46 and 47 in the Office of the Recorder of the City and County of San Francisco, California, and described as follows:

All that portion of Texas Street, 80 feet wide, as shown on said map, lying northerly of the northerly pueblo boundary as shown on "Plat of the Pueblo Lands of San Francisco" finally confirmed to the City of San Francisco, approved May 15, 1884 where said boundary crosses said Texas Street between Sixteenth Street (shown as Center Street on said map) and Seventeenth Street (shown as Santa Clara Street on said map), and southerly of the southerly line of said Sixteenth Street.

That Portion of Seawall Lot 330 Removed from Port Jurisdiction

Commencing at the true beginning point of intersection of the northeasterly line of Beale Street and the southeasterly line of Bryant Street, as said point is described on that certain San Francisco Department of Public Works monument map number 318, with a copy on file at the Office of the Engineers of the San Francisco Port Commission; running thence northeasterly, along the southeasterly line of Bryant Street for a distance of 158.00 feet; thence at a right angle southeasterly, running parallel to Beale Street, for a distance of 143.00 feet; thence at a right


angle southwesterly, running parallel to Bryant Street, for a distance of 158.00 feet; thence at a right angle northwesterly, running along the northeasterly line of Beale Street, for a distance of 143.00 feet, to the true point of beginning, containing an area of 22,594 square feet of land, more or less.

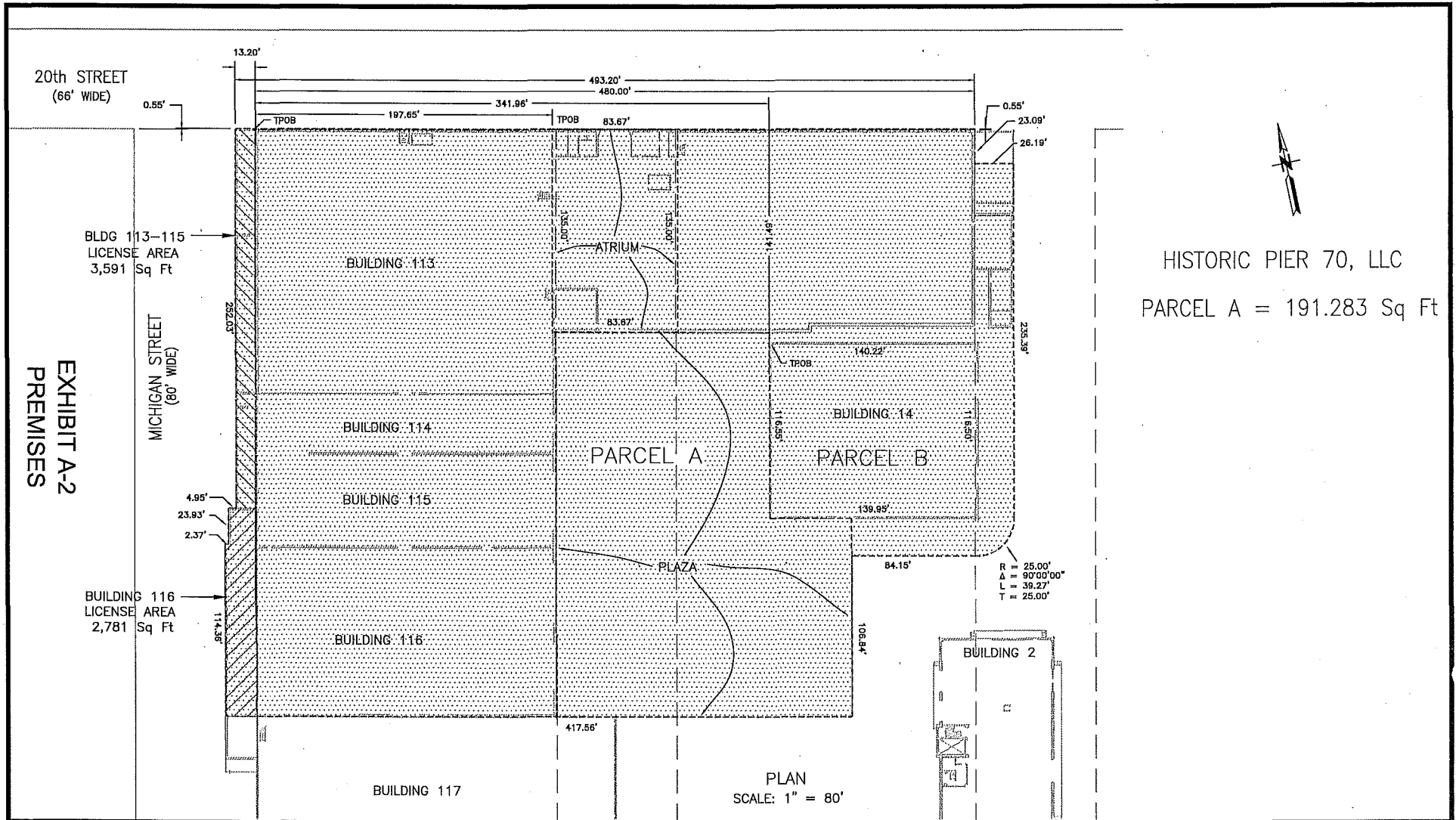


Filed in the office of the Clerk of
the Board of Supervisors of the
City and County of San Francisco
this ____ day of _____, 201_.

Clerk of the Board of Supervisors

INDEX MAP

| | | |
|---|---|--|
|  <p>SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING</p> | <p>Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), City and County of San Francisco, State of California</p> | <p>DATE: DEC. 09, 2011 SCALE: 1" = 2000' SHEET NO. 1 OF 10 SHEETS</p> |
|---|---|--|



HISTORIC PIER 70, LLC
 PARCEL A = 191.283 Sq Ft

APPROVED BY
 SAN FRANCISCO PORT COMMISSION
 DATE _____

 CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

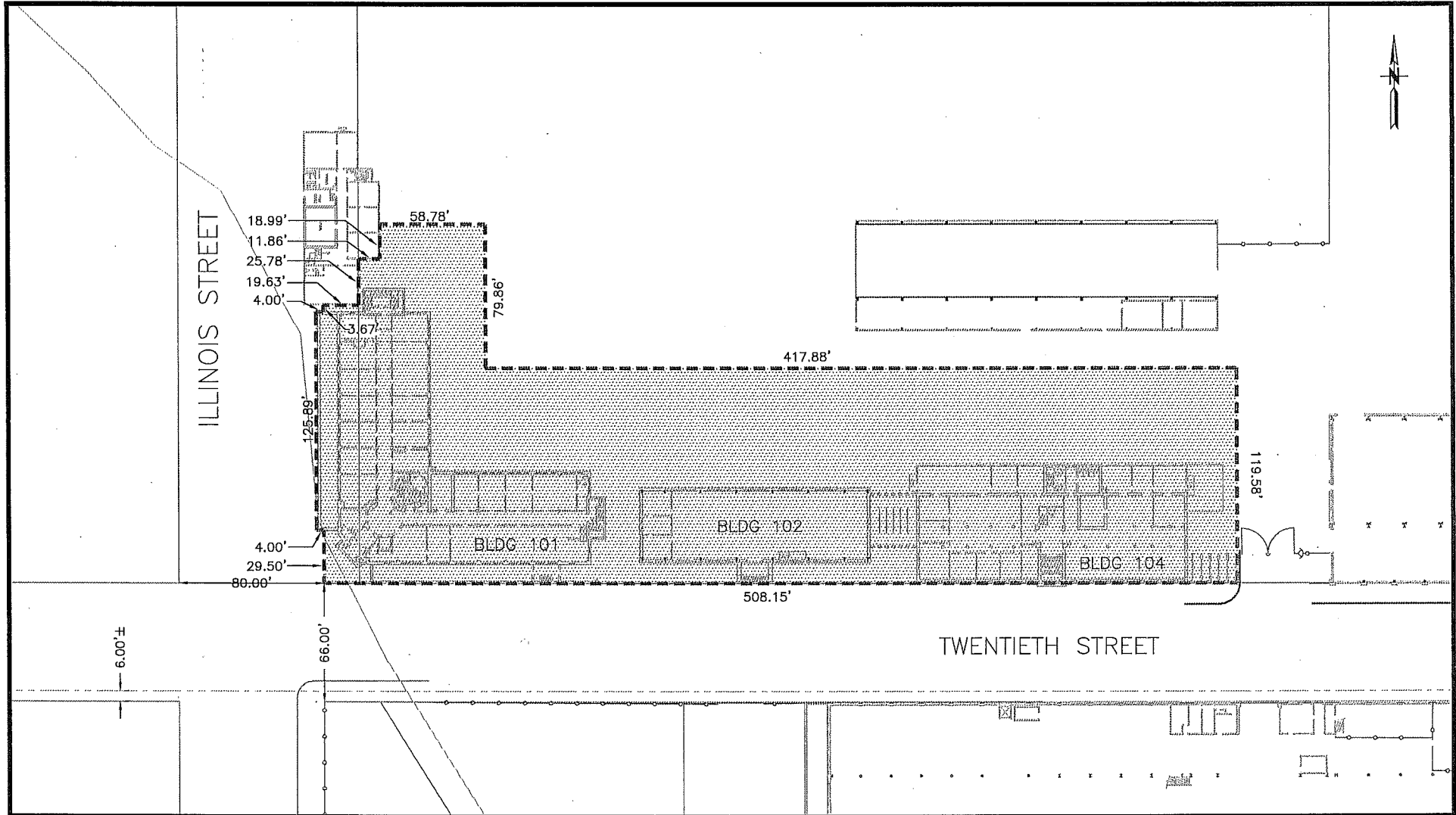
HISTORIC PIER 70, LLC
 A CALIFORNIA LIMITED LIABILITY COMPANY

| | |
|------------------|---------------------------|
| PREPARED BY: ECC | CHECKED BY: P. WILLIAMSON |
| DRAWN BY: ECC | DATE: MAR 23, 2015 |
| CONTRACT NO. | SCALE: 1" = 60' |
| DRAWING NO. | SHEET NO. OF SHEETS |

SUB-PROJECT AREA G-1 (PIER 70 - HISTORIC CORE)

PAGE 1 OF 2

G:\07 STAFF\ECLUST00\temp\SWL349Loas-adjusted.dwg



APPROVED BY
 SAN FRANCISCO PORT COMMISSION
 DATE _____

 CHIEF HARBOR ENGINEER



SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

HISTORIC PIER 70, LLC
 A CALIFORNIA LIMITED LIABILITY COMPANY

| | |
|---------------|--------------------|
| PREPARED BY: | CHECKED BY: |
| DRAWN BY: ECC | DATE: OCT 29, 2015 |
| CONTRACT NO. | SCALE: 1" = 50' |
| DRAWING NO. | SHEET NO. |
| | OF SHEETS |

PARCEL A :

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING PARCELS A & B AS SHOWN ON THAT MAP TITLED "RECORD OF SURVEY 8565 ORTON LEASE AT PIER 70" RECORDED ON APRIL 30, 2015 ON MAP BOOK FF PAGES 59-61 OF SURVEY MAPS AT THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT ON THE NORTHERLY PROJECTION OF THE EASTERLY LINE OF MICHIGAN STREET (80.00 FEET WIDE) DISTANT 0.55 FOOT NORTHERLY FROM ITS INTERSECTION WITH THE SOUTHERLY LINE OF TWENTIETH STREET (66.00 FEET WIDE), AS SAID STREETS EXIST TODAY; RUNNING THENCE EASTERLY PARALLEL TO THE SOUTHERLY LINE OF TWENTIETH STREET 480.00 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 23.09 FEET; THENCE AT A RIGHT ANGLE EASTERLY 26.19 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 235.39 FEET; THENCE SOUTHWESTERLY ALONG A TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", AND AN ARC DISTANCE OF 39.27 FEET; CONTINUING THENCE WESTERLY TANGENT TO THE PRECEDING CURVE 84.15 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 106.84 FEET; THENCE AT A RIGHT ANGLE WESTERLY 417.56 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 114.36 FEET; THENCE AT A RIGHT ANGLE EASTERLY 2.37 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 23.93 FEET; THENCE AT A RIGHT ANGLE EASTERLY 4.95 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 252.03 FEET; THENCE AT A RIGHT ANGLE EASTERLY 13.20 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 191,283 SQUARE FEET OF LAND, MORE OR LESS.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.


| | | | | | | |
|---|--------------|-----------|---|------|-------|------------------------------|
|  SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING | | | HISTORIC PIER 70, LLC A CALIFORNIA LIMITED LIABILITY COMPANY | | | APPROVED _____ DATE _____ |
| IN CHARGE OF | MADE BY: ECC | TRACED BY | CRD. BY | DATE | SCALE | DRAWING NO. |
| | | | | | | SHEET NO. OF |

PARCEL C:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING PARCELS C, D & E AS SHOWN ON THAT MAP TITLED "RECORD OF SURVEY 8565 ORTON LEASE AT PIER 70" RECORDED ON APRIL 30, 2015 ON MAP BOOK FF PAGES 59-61 OF SURVEY MAPS AT THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS;

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF TWENTIETH STREET (66.00 FEET WIDE) AND THE EASTERLY LINE OF ILLINOIS STREET (80.00 FEET WIDE), AS SAID STREETS EXIST TODAY, SAID POINT BEING THE TRUE POINT OF BEGINNING; RUNNING THENCE NORTHERLY ALONG THE EASTERLY LINE OF ILLINOIS STREET 29.50 FEET; THENCE AT A RIGHT ANGLE WESTERLY 4.00 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 121.50 FEET; THENCE AT A RIGHT ANGLE EASTERLY 4.00 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 3.67 FEET TO A POINT ON THE SOUTHERLY WALL OF BUILDING No. 40; THENCE AT A RIGHT ANGLE EASTERLY 19.63 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 25.78 FEET; THENCE AT A RIGHT ANGLE EASTERLY 11.86 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 18.99 FEET; THENCE AT A RIGHT ANGLE EASTERLY 58.78 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 79.86 FEET; THENCE AT A RIGHT ANGLE EASTERLY 417.88 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 119.58 FEET TO A POINT ON THE NORTHERLY LINE OF TWENTIETH STREET; THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID NORTHERLY LINE OF TWENTIETH STREET 508.15 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 67,354± SQUARE FEET (1.546) Ac) OF LAND, MORE OR LESS.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.

| | | | | | | |
|---|-------------|---|----------|------|-------|------------------------------|
|  SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING | | HISTORIC PIER 70, LLC A CALIFORNIA LIMITED LIABILITY COMPANY | | | | APPROVED _____ DATE _____ |
| IN CHARGE OF | DATE BY EDC | TRACED BY | CHKD. BY | DATE | SCALE | DRAWING NO. SHEET NO. OF |

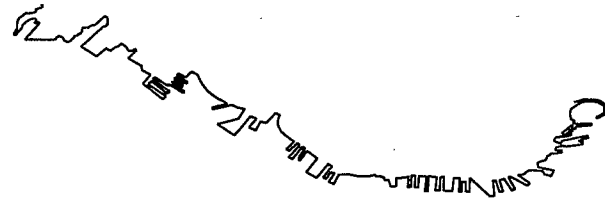
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EXHIBIT B

**DESCRIPTION OF PUBLIC IMPROVEMENTS AND FACILITIES
REQUIRED TO SERVE THE DEVELOPMENT PROPOSED IN THE IFD**

[See attached Ten-Year Capital Plan FY 2015-2024 Update]

Port of San Francisco



Ten-Year Capital Plan

FY 2016-2025 Update

Table of Contents

| | | |
|------|--|----|
| I. | Executive Summary | 1 |
| II. | Introduction | 4 |
| III. | Strategic Outlook and Continuing Challenges | 5 |
| IV. | Capital Need Estimates | 16 |
| V. | Capital Expenditures | 19 |
| VI. | Plan of Finance | 22 |
| VII. | Conclusions | 40 |
| | Appendix A: Ten-Year Capital Needs, by Facility | 42 |
| | Appendix B: Allocation Strategy for Port Capital Funds | 50 |
| | Appendix C: Criteria for Formation of Port IFD Project Areas | 52 |

I. EXECUTIVE SUMMARY

The Capital Plan represents the guiding document for the Port's capital investments, and provides an assessment of capital needs, the investment required to meet those needs, and a plan to finance them. The FY2016-25 update of the plan reflects improvement from prior year plans in the Port's ability to address its capital needs over the next ten years. While the overall need is still substantial, some of the strategies the Port has put in place are beginning to yield results. 2014 included a number of major accomplishments:

- Completion and opening of the James R. Herman Cruise Terminal;
- Completion of Cruise Terminal Park and dedication of the Lucy and Fritz Jewett Grove;
- A comprehensive review of the Waterfront Land Use Plan ("Waterfront Plan") detailing major Port accomplishments since 1997, including a review of 120 major projects representing \$1.6 billion in public and private investment; and
- After 15 years, the successful disposition of the Port's Drydock #1.

Since its inception in 2006, the Capital Plan has provided a solid framework for the Port's investment to maintain and enhance its assets. In particular, the Port has utilized the plan's findings and priorities to guide issuance of its revenue bonds as well as preparations for the 34th America's Cup.

In the past four years, the Port has seen a dramatic uptick in capital investment, with approximately \$160 million expended for a variety of projects that have advanced the Port's maritime commerce mission, brought people to the waterfront, and made substantial progress toward reducing the Port's capital backlog. The James R. Herman Cruise Terminal project, park projects, and the City's commitment to host the 34th America's Cup drove much of the Port's recent investment.

These experiences yielded important insights that have advised this plan:

- As demonstrated by the James R. Herman Cruise Terminal and the rebuild of Pier 29 after a fire, the City has the expertise and capacity to direct major new investment within a very short timeframe;
- Port Maintenance staff are the Port's most cost-efficient and effective means of rebuilding most pier aprons and bringing pier sheds into code compliance;
- The Port excels at designing and building public parks and managing historic rehabilitation improvement projects; and
- In order to deliver major waterfront improvements, the Port requires a comprehensive strategy to obtain entitlements and regulatory approvals, particularly for in-water construction.

Pursuant to direction from the Port Commission, this year's plan continues progress made in recent years to expand and stabilize capital funding from the Port's operating budget. Port staff also has continued to refine the capital project scoring process, with an inter-divisional focus on project readiness and financial outcomes.

The strategic, ongoing challenges to the Port discussed in detail in this plan are ever present in the minds of the Port staff: seismic risk to the seawall and other Port facilities; tidal flooding and sea level rise; the Port's yellow- and red-tagged facilities; ongoing problems posed by underpier utility infrastructure; revitalization of the southern waterfront; and the relentlessly increasing cost of dredging the Port's berths. Daunting as these challenges may be, the Port staff has developed concrete strategies for addressing them.

With respect to the Port's annual recalculation of needs, this plan identifies a total need of just over \$1.62 billion over the ten-year period (plus an additional \$476.3 million for conditional seismic work), primarily for deferred maintenance and subsystem renewal work required on Port facilities.

| Changes From Prior Year Plan | State of Good Repair | | | | Seismic (\$ millions) |
|---|-----------------------|-----------------------|------------------------|---------------------|-----------------------|
| | Backlog (\$ millions) | Renewal (\$ millions) | One-Time (\$ millions) | Total (\$ millions) | |
| <i>Prior Year (FY2015-24) Plan</i> | \$613.4 | \$544.0 | \$433.1 | \$1,590.5 | \$464.3 |
| Updated project cost estimates, completions | (73.8) | | (15.6) | (89.4) | (11.2) |
| Leased facility improvements (by tenants) | | (6.3) | | (6.3) | |
| New year ten (FY2025) project costs | | 48.0 | | 48.0 | |
| Escalation (5%) | 30.7 | 27.2 | 21.66 | 79.53 | 23.2 |
| FY2016-25 Plan | \$570.3 | \$612.9 | \$439.2 | \$1,622.3 | \$476.3 |

The total need of \$1.62 billion for state-of-good-repair projects includes an estimated \$612.9 million for capital renewal, which represents the amount needed over the next ten years to maintain facilities in a state-of-good-repair, as projected in the FRRM database. This plan shows an existing backlog for deferred maintenance of \$570.3 million, with another \$439.2 million for other one-time expenses. Investments for seismic repairs may or may not be required during the ten-year period; as such, the \$476.3 million cost of seismic work is not included in the total need, but is shown separately.

The plan projects total sources of \$853.7 million will be available during the ten-year period, of which the Port will use \$487.9 million to fund state-of-good-repair and \$365.8 million to fund capital enhancement projects (including seismic work). At the end of the ten-year period, the Port will reduce its state-of-good-repair needs by 30 percent from \$1.62 billion to \$1.13 billion and its conditional seismic needs from \$476 million to \$464.3 million.

As with last year's plan, this plan separates internally- and externally-generated sources into separate discussions. Internally-generated funding sources include (1) Port capital funds, (2) Port revenue bonds, and (3) tenant obligations. Together, these sources are projected to generate \$344.7 million over the next ten years, of which the Port will apply \$328.1 million (or 95

percent) to state-of-good-repair projects and \$16.6 million (or 5 percent) to capital enhancement projects.

| Internally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|---|-----------------------------|----------------------------------|----------------------------|
| Port Capital Budget | \$139.5 | \$16.6 | \$156.1 |
| Port Revenue Bonds & COPs | 41.2 | | 41.2 |
| Port Tenant Improvements | 147.4 | | 147.4 |
| Total | \$328.1 | \$16.6 | \$344.7 |

Externally generated sources include (1) development projects, (2) general obligation bonds, and (3) grants. This plan projects these sources to generate \$509.1 million, of which the Port will apply \$160.1 million (or 32 percent) to state-of-good-repair projects and \$349 million (or 68 percent) to enhancement projects.

| Externally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|---|-----------------------------|----------------------------------|----------------------------|
| General Obligation Park Bonds | \$5.6 | \$55.5 | \$61.1 |
| Federal & State Grants | 0.4 | 24.8 | 25.2 |
| Federal Railway Administration | 0.0 | 2.8 | 2.8 |
| US Army Corps of Engineers | 27.5 | 0.0 | 27.5 |
| Prop 1B, RM2 (DTFT) | 7.6 | 89.8 | 97.4 |
| Development Projects | 119.0 | 176.1 | 295.1 |
| Total | \$160.1 | \$349.0 | \$509.1 |

The Port's Ten-Year Capital Plan continues to evolve since its inception nine years ago. The Port has used the information that the plan generates to develop and implement its legislative and financing strategies to redevelop the City's waterfront, fulfill its public trust mission, and guide the stewardship of its extensive assets.

Since the first plan in 2006, the Port has used this document to guide a total in investment in excess of nearly \$220 million in non-developer funding. Still, a persistent gap remains between the Port's available resources and ever growing need. It is a clear challenge, but one the Port has demonstrated it has the fortitude as an institution to meet. While the plan is a forward looking document, it is our history of continual improvement that has generated opportunity for growth, and leveraged even greater opportunity. It provides a solid framework and confidence-building, holistic view of the Port to interested constituents, as well as to general audiences.

This year, the Port Commission and Port staff will commence a public planning effort to update the Waterfront Plan with the help of the Planning Department, the Bay Conservation and Development Commission and the California State Lands Commission. This effort will be informed by the 10-Year Capital Plan in a way that was not possible in 1997 when the Waterfront Plan was first adopted. At the time, the Port had some understanding of the condition of its assets – but not the Portwide, strategic view afforded by the 10-Year Capital Plan. Through this planning effort, the Port Commission and the public will have an opportunity to align the 10-Year Capital Plan and the Waterfront Plan, as the Port strives to develop strategies to remain a strong steward of its aging historic resources in the face of major challenges including seismic risk and sea level rise.

II. INTRODUCTION

This report presents the Port of San Francisco's Ten-Year Capital Plan for Fiscal Year 2016 – 2025 (FY2016-25). The Ten-Year Capital Plan (Capital Plan) is updated annually and provides the public with reporting on the Port's capital strategy, including a comprehensive inventory of the Port's facilities, current conditions and capital needs, and available and projected capital resources over the next ten years. It is an important reference document that supports and guides capital expenditure and investment decisions by the Port Commission and staff, and also is included as a chapter of the Ten-Year Capital Plan of the City and County of San Francisco, which is updated biennially.

The Port produced the first ten-year outlook of its capital needs in 2006. That achievement was significant because it provided a complete inventory of the Port's facilities, which span 7½ miles of waterfront stretching from Fisherman's Wharf to India Basin in Bayview-Hunters Point, including piers, wharves, roadways and upland properties along San Francisco Bay. The Port undertook a laborious process of characterizing the general condition of each of its facilities in a newly defined capital portfolio, including generation of estimates for needed capital repair, proposed enhancements and seismic upgrades. This, together with a reporting of various existing and projected sources of funding, enabled the public to understand for the first time the magnitude of the Port's capital needs, as well as the limited resources available to address them. As reflected then and in this current update, existing and projected funding continues to fall short; the FY2016-25 plan identifies funding to address approximately 30 percent of the needed investment in "state-of-good-repair" work to maintain facilities over the next ten years.

As a routine matter, each year the Port staff has updated the Capital Plan to incorporate new information learned over the previous year and improve the Port's overall estimation of the condition of its capital assets. Over time, an increasingly valuable aspect of the capital planning process has been the review of emerging challenges and opportunities, and the public discourse around the values that guide capital decision-making at the Port of San Francisco.

The appeal of the San Francisco waterfront to the public is broad and varied, and creates a thicket of competing demands that sometimes are in conflict. In response to a 1990 voter-approved initiative (Proposition H), the Port Commission adopted the Waterfront Land Use Plan in 1997 – the Port Commission's principle planning document – which provides a framework to reconcile competing waterfront interests including public trust, maritime, public access, historic preservation, urban design, environmental, economic, and community values.

Because the Waterfront Land Use Plan is reviewed only every five years, the annual update of the Capital Plan has grown to reflect more frequent changes to the policy landscape. The Capital Plan, like the Port's two-year operating and capital budgets, is subject to cost estimate revisions, changes in City reporting conventions, and new capital needs that are often defined by changes in uses of Port property. While this year's Capital Plan reflects the Port's priorities for capital spending, each iteration reflects changes in both estimated need and available funding. The Capital Plan is also a repository for the changing financial tools and policy approaches Port staff is pursuing to revitalize the waterfront.

III. STRATEGIC OUTLOOK AND CONTINUING CHALLENGES

This year's plan reflects improvement in the Port's ability to address its capital needs over the next ten years. While the overall need is still substantial, some of the strategies the Port has put in place are beginning to yield results. A review of highlights from the last two years illustrates the Port's progress: the Exploratorium opened at Pier 15; the 34th America's Cup regattas were held on the San Francisco Bay; the Port completed major waterfront parks and shoreline improvements in Fisherman's Wharf, South Beach, Mission Bay, and Bayview Hunters Point; and Turner Construction completed construction of the James R. Herman Cruise Terminal and Northeast Wharf Plaza at Pier 27.

The Port's facilities are beautiful and iconic, but aging. The Port has historically relied on private investment and long-term master leasing to provide resources for new construction and major rehabilitation of its facilities. The Port's Waterfront Land Use Plan explicitly acknowledges this strategy by establishing the process by which the Port selects and partners with private developers. These public-private partnerships pursue mixed use development in designated areas of the waterfront, primarily using private equity and historic tax credits (where applicable). As indicated in prior capital plans, the Port staff has found this approach, on its own, is insufficient, and that additional tools are necessary for the Port to make real progress in its transition from its industrial past to a modern Port and City waterfront.

Increasingly, the Port relies on coordination with other public agencies at the federal, state, and local levels to fund major waterfront improvements. In 2013, the Capital Planning Committee recommended, and the Board of Supervisors formally adopted, guidelines for the use of Infrastructure Financing District (IFD) tax increment proceeds in association with major Port development projects, formalizing City policy as to how this powerful funding tool can be used along the waterfront. The Board of Supervisors also unanimously endorsed term sheets for master plan developments at Seawall Lot 337 & Pier 48 and at the Pier 70 Waterfront Site. The use of IFD tax increment proceeds both addresses the Port's existing backlog at these sites, and builds the accompanying enhancements that make these new developments possible. The size and complexity of these new development proposals garnered a significant level of public attention throughout much of 2013.

Controversy about height limits dominated the discussion about the waterfront in 2014. Local residents and environmental organizations who shared an intense concern about heights in several key instances – during the Broadway Hotel design process, the 8 Washington approval process, and during initial consideration of Piers 30-32 as a site for a Golden State Warriors pavilion – forged a coalition to pass Proposition B in June 2014, a measure requiring a public vote for any waterfront height increase on Port property. Proposition B passed by 59-41%. Proposition B has changed what was primarily a neighborhood planning discussion about appropriate heights into a Citywide discussion with statewide implications, as evidenced by the recent lawsuit that State Lands filed to challenge the measure.

Public planning for Seawall Lot 337 and Pier 70 has demonstrated a clear need to increase height limits to enable feasible redevelopment in these areas. Potential maritime industrial uses in the

Port's Southern Waterfront are also likely to require increases above existing height limits in some cases.

Following on the passage of Proposition B, Forest City California proposed and qualified Proposition F for the November 2014 ballot, authorizing an increase of heights at the 28 acre Pier 70 Waterfront Site from 40' to 90'. While this was lower than the heights of up to 230' that were contemplated by the Term Sheet for the site endorsed by the Port Commission and the Board of Supervisors in 2013, the proposal conformed to massing exercises the Port produced as part of the Pier 70 Preferred Master Plan. Proposition F passed by 73-21%, allowing environmental review and related site planning efforts to continue for the Pier 70 Waterfront Site.

In the past three years, the Port has seen a dramatic uptick in capital investment in projects that have advanced the Port's maritime commerce mission, engaged people at the waterfront, and made substantial progress toward reducing the Port's capital backlog. Much of the Port's own investment over the past two years was driven by the City's commitment to host the 34th America's Cup, which required targeted investments delivered by the Port and its contractors at Piers 30-32 and Piers 19, 19½, 23, 29 and 29½ to make these facilities safe for event participants and spectators. These included major reconstruction of the Pier 19 south apron, which now serves as dedicated open space, new power distribution in the Pier 23 shed, substantial substructure repair to Pier 29, ceiling truss repairs in the Pier 29 shed, and rehabilitation of structural elements at the marginal wharf underneath the Embarcadero at Piers 30-32.

These experiences have yielded important insights for future Port capital planning:

- As demonstrated by the James R. Herman Cruise Terminal and the rebuild of Pier 29 after a fire, the City has the expertise and capacity to direct major new investment within a very short timeframe;
- Port Maintenance staff are most often the Port's most cost-efficient and effective means of rebuilding most Port aprons and bringing Pier sheds into code compliance;
- The Port excels at designing and building public parks and managing historic rehabilitation improvement projects; and
- In order to deliver major waterfront improvements, the Port requires a comprehensive strategy to obtain entitlements and regulatory approvals, particularly for in-water construction.

Pursuant to direction from the Port Commission, this year's plan continues progress made in recent years to expand and stabilize capital funding from the Port's operating budget. Port staff also has continued to refine the capital project scoring process, with an inter-divisional focus on project readiness and financial outcomes.

Capital Project Investment Priorities

The projects and investments prioritized in this plan are guided by criteria the Port Commission believes respond to basic public safety and environmental needs, optimize resources that address the Port Commission's fiduciary responsibilities, and strike a balance among diverse public interests. Port staff used the following criteria to set investment priorities:

- Basic repairs and improvements to existing facilities that support continued leasing and revenue generation;
- Infrastructure improvements, including seawall, substructure, and utility repairs that respond to the shared objectives of protecting public safety, improving environmental quality, and responsible stewardship of historic resources along the waterfront;
- Improvements to retain and support San Francisco's diverse maritime and industrial tenants;
- Investments in waterfront parks and public open space that meet public trust needs and acknowledge the increasing role of Port lands in addressing City economic and quality-of-life objectives; and
- Strategic waterfront development that leverages private investment to support City policies and transform the waterfront, while reducing the Port's capital liability and enhancing land value.

Waterfront Land Use Plan Update

As described above, in the wake of several ballot measures adopted by voters to limit Port development and to require voter approval of waterfront height increases, Port staff has initiated efforts to review and update the Waterfront Land Use Plan ("Waterfront Plan") – the Port's guiding policy document – in keeping with the requirements of Proposition H (1990).

Port staff published the Draft Review of the Waterfront Land Use Plan, a report that documents 120 major Port development and capital project accomplishments since 1997, analyzes development projects that were initiated but were not completed to glean lessons learned, and makes preliminary recommendations to the public and the Port Commission about issues that should be considered in updates to the Waterfront Plan. The Port accepted public comment on the Draft Review through November 30, 2014, as the first phase in a broader public outreach effort to update the Waterfront Plan.

Port staff intends to develop detailed recommendations for Port Commission consideration for a public planning effort involving San Francisco Planning Department, BCDC and the California State Lands Commission to update the Waterfront Plan.

Through its 10-Year Capital Plan, the Port has established a process of prioritizing available public funding to finance improvements to Port assets based on criteria established by the Port Commission including return on investment, relationship of the project to the Port's maritime mission, public safety, regulatory requirements, protection of cultural and natural resources, etc. As part of the effort to update the Waterfront Plan, Port staff have begun assembling information and analysis about waterfront-wide issues including the age and construction type of the Port's historic piers, sea level rise, seismic risk, historic character of Port facilities, open space, the public realm and waterfront transportation to enable the Mayor, the Board of Supervisors, the Port Commission and the public to form a consensus about how to guide public and private investment on Port property going forward. Preliminary staff analysis developed to support this effort suggests some major themes:

- ***There is not that much Port land available for mixed-use development.*** Much of the Port's 670 acres has been developed for long-term uses or otherwise are dedicated for open space and maritime uses. Approximately 44% of Port property, or 298 acres, is used or reserved for maritime uses. Another 131 acres, or 20%, has been turned into open space, or is planned for open space. 18% of Port property (120 acres) has been developed for mixed uses or is leased. Approximately 8% of Port property (51 acres) is in various stages of planned mixed use development, including two new neighborhoods at Pier 70 and on Seawall Lot 337 in Mission Bay. Port staff has identified an **additional 5% of Port property that is still un-programmed, but is likely development sites**; another 7% of Port property is characterized by "engineering, economic and regulatory challenges" which could or could not be viable development sites pending further analysis and public dialogue.

While there has been significant public focus on waterfront development, as the waterfront matures, development will slow over time, and the Port will require more public funding to address key infrastructure requirements.

- ***Rising sea levels and the City's future flood protection needs pose a serious challenge to the Port's traditional model of redeveloping finger piers.*** Some piers are subject to current flood risk in a strong storm (100 Year Flood), and the piers will become more flood prone over time. With rising sea level, the construction window for repair and maintenance of substructure decks of finger piers will become shorter and shorter making it quite expensive to repair and maintain the substructure decks. The concrete degradation due to corrosive marine environment also is expected to accelerate. Considering all these facts, Port staff do not consider additional 66 year leases of the piers advisable without an identified solution to sea level rise; based on current projections of rising sea levels, 35 (or 30) year leases may be the longest advisable lease term. Lease provisions that allow early termination for sea level rise, or two way options to extend leases with solutions to sea level rise could provide a similar solution. Port staff needs to evaluate solutions to protect piers from flooding, such as flood walls or raised floor elevations. Other approaches to protecting the Port's historic finger piers, such as restoring bulkhead buildings for public use, and keeping pier sheds in light industrial use, also should be investigated.

- ***Addressing seismic risk to the seawall and the bulkhead buildings that mark the entrance to the Port's piers is a clear priority.*** The *Seawall Seismic Risk Analysis* will analyze seismic and liquefaction risk to the Port's seawall in a major temblor on a nearby fault. If the study identifies that the seawall is subject to significant movement during such an event, it could undermine the bulkhead structures along the Embarcadero, and damage utilities and the Embarcadero Roadway, including San Francisco Municipal Transportation Agency transit infrastructure. The study will also provide high level conceptual design solutions to mitigate this risk.
- ***There is strong public support for the Port to continue its plan implementation efforts at Pier 70 and Seawall Lot 337 in Mission Bay.*** Due to the Port's public planning efforts that preceded selection of development partners at these sites, and the close collaboration of Port development partners with the community during development master planning, it is clear that there is strong support to continue these development efforts. Both projects incorporate site and design measures to plan for sea level rise. They also will fulfill important community objectives of delivering new open space, rehabilitating historic resources, building new green infrastructure and providing market rate and affordable housing to address the City's housing crisis. The Seawall Lot 337 project will require voter approval of proposed height increases.
- ***Additional neighborhood planning is needed in the South Beach area and in the Northeast Waterfront at the foot of Telegraph Hill.*** These neighborhoods have recently experienced development controversy that warrants additional planning to rebuild trust, and are the primary locations where the Port's few remaining mixed use development opportunities exist. These neighborhood planning efforts will examine land use options for under-utilized piers and surface parking lots and related urban design, transportation and historic preservation considerations. The Port Commission has also directed Port staff to develop a Southern Waterfront maritime/eco-industrial master plan based on prior public planning to direct continuing staff efforts to develop its maritime terminals and adjacent backlands.

During the public process to update the Port's Waterfront Plan, Port staff intends to use the lessons learned from the 10-Year Capital Plan to enable the public and policymakers to understand the unique financing and engineering challenges associated with historic waterfront infrastructure and buildings. Developing a clear understanding of the limits of when and where public and private investment can be successful in upgrading existing assets will allow decision-makers to decide when historic assets are truly beyond their useful life, and when the Port should begin envisioning new maritime and public trust improvements that are resilient to sea level rise and can serve coming generations.

Continuing Challenges and Opportunities

In addition to the investments needed to maintain facilities in a state-of-good-repair, there are other issues that may pose significant challenges in the future. The most immediate concerns, and implications for this and future capital plans, are described below.

The Seawall: The seawall and adjoining marginal wharf¹ that run along The Embarcadero from Fisherman's Wharf southwest to Mission Bay constitute the City's primary flood control system along the Bay waterfront. Collectively, these interconnected structures form the essential foundation of The Embarcadero Promenade. Built in segments from 1876 to 1929, the Seawall was and still is a major engineering achievement, established through the creation of a reinforced rock dyke, supported by concrete and wooden piles. The Port has maintained ongoing efforts to repair the seawall, which is a contributing historic resource in the Embarcadero National Register Historic District.

These structures continue to function as originally designed. However, recent and planned Port construction projects, including the Pier 43½ Bay Trail Promenade and Brannan Street Wharf projects, have uncovered aged and damaged elements of the Seawall, which supplement the growing repair demands associated with maintaining the marginal wharf. Increasing concern among state policymakers, including the California State Lands Commission, the San Francisco Bay Conservation and Development Commission (BCDC) and the Joint Policy Committee,² in addition to knowledge gained through flood risk and sea level rise studies the Port has conducted or has underway, elevate the urgency of developing a City strategy.

In 2014, the Port Commission authorized an earthquake vulnerability study of the Great Seawall, which was awarded through a competitive process to a Joint Venture between GHD, Inc., an international professional services company with an office in San Francisco, and Geotechnical Consultants, Inc. The purpose of this study is to take a comprehensive look at the earthquake safety of this portion of the waterfront. Specific objectives of the study include:

- analysis of earthquake behavior of the seawall, bulkhead wharves, and adjacent infrastructure including the Embarcadero Roadway;
- assessment of earthquake damage and safety risks, including SFPUC, BART and MUNI infrastructure
- forecast of economic impacts;
- development of conceptual level earthquake retrofits for the seawall and bulkhead wharves; and
- prioritization of future improvements and/or further study needs.

Additionally, the study results will assist the Port in planning for and implementing adaptation measures necessary to address sea level rise and climate change. At the early conceptual stage of

¹ The marginal wharf, or bulkhead wharf, is a piled structure built parallel to the waterfront along the top of the seawall with the purpose of extending a deck over the water to provide berthing for ships along the seawall and as a connection point for the finger piers, which in many cases were built later. The marginal wharf was built in twenty one sections and varies in width and construction, the newer sections being constructed of concrete. The marginal wharf also supports the bulkhead buildings along The Embarcadero.

² The Joint Policy Committee is a forum where the three major regional policy entities, which include BCDC, the Metropolitan Transportation Commission and the Association of Bay Area Governments, resolve competing policy objectives in order to provide unified policy guidance to Bay Area local governments, The Joint Policy Committee has been charged by the three agencies with further analysis and public policy guidance to local governments that are exposed to risks of sea level rise.

this effort, Port engineers are suggesting a wide potential range of costs to strengthen the seawall, ranging from \$50 million (for relatively minor strengthening in a few locations) to \$4 billion (for complete replacement). Costs in this range are beyond the port's ability to fund with its own resources, and a combination of sources will likely be required to fund this work, including local, state and federal sources. A major goal of this study is to produce a conceptual seismic design for the seawall and bulkhead wharves that can be incorporated in the City's 10-Year Capital Plan.

Tidal Flooding and Sea Level Rise: In 2011, the Port completed a URS study of sea level rise along the northern waterfront, analyzing potential flooding impacts assuming 16" of sea level rise by 2050 and 55" by 2100. In 2013-14, the Port participated in an inter-departmental task force called SF Adapt, formed at Mayor Edwin Lee's direction, to assess the potential impacts of climate change on the City. A Sea Level Rise Committee of SF Adapt was tasked with developing guidelines for incorporating sea level risk into capital planning for the City. Port staff participated in this Sea Level Rise Committee, which developed Guidance for Incorporating Sea Level Rise into Capital Planning in San Francisco: Assessing Vulnerability, Risk and Adaptation. This guide is intended to be a "how to" guide for capital planners, presents the most up to date science on sea level rise and lays out four steps in the process for incorporating sea level rise into capital planning: 1) Science review; 2) Vulnerability assessment; 3) Risk assessment; and 4) Adaptation planning.

The Port and BCDC also initiated the Mission Creek Adaptation Project as part of an international collaboration between the Netherlands-based Stichting Delta Alliance, several City departments including the San Francisco Public Utilities Commission, the Planning Department, the Department of Public Works and San Francisco Environment, BCDC and SPUR to develop sea level rise adaptation alternatives for the Mission Creek waterfront area of San Francisco. Mission Creek is one of the City's lowest-lying areas and is vulnerable to flooding from sea level rise. This Project seeks to build the capacity of San Francisco to address the risks of flooding from sea level rise and storms by developing adaptation alternatives for the Mission Creek area and continuing the exchange of knowledge and information between the Netherlands and California. The primary objective of the project is to develop sea level rise and storm water adaptation alternatives for the Mission Creek area portion of the City's waterfront based on the findings of a high-level vulnerability assessment. This study will also provide the Port with concepts that could address future flood risk along Islais Creek and other parts of the waterfront.

BCDC-Port Cooperative Planning. As part of the planning and permitting process to entitle the Pier 27 Cruise Terminal project in 2012, the Port and BCDC have been managing a cooperative joint planning process to identify additional public benefit opportunities along the San Francisco waterfront. This work relates closely, and will be integrated with Port efforts to update the Waterfront Land Use Plan. Public benefits include the improvement or creation of new public open spaces and public realm, and improved connections that create continuous public access and enjoyment of the waterfront. One of the priority opportunities is to create landscaped improvements to the Ferry Building Plaza on the bay side of the Ferry Building, where the Farmer's Market occurs every Saturday. It has become a major public gathering space and should be improved to be an attractive addition to the Port's waterfront open space system. Planning work is in the early phases and there is no design yet, or cost estimates. Any significant improvement to create this public plaza is anticipated to require substantial resources. The Port would evaluate tax increment proceeds from Infrastructure Finance District, tenant contributions, future General Obligation Bond funding, along with grants and other funding options as part of developing an implementation strategy.

At-Risk Facilities. The Engineering Division regularly conducts inspections of all Port facilities and records and categorizes the condition of more than 350 structures, including piers, wharves, and buildings. Based on the structural condition of the facilities, the division makes recommendations for occupancy loads, load restrictions, barricades, and warning signs. The inspection findings also are used to document maintenance and repair needs.

In 2013, the Engineering Division updated the Port Commission on the status of facilities that are load-restricted (yellow-tagged) or fully restricted (red-tagged), based on the Facility Assessment Program.³ The Engineering Division has updated this report, which will be heard before the Port Commission on February 10, 2015.

Yellow-tagging and red-tagging are engineering risk management strategies designed to protect the public, Port tenants and Port staff. Red-tagging involves closure of a facility for use and occupancy until safe occupancy can be restored. The red-tagging and closure of some of these facilities could have a negative impact on the Port's operating revenues, which in turn would impact the ability to fund other capital improvements.

The 2015 engineering report lists 35 facilities as yellow-tagged, with at least another 10 years of adequate performance, and 22 facilities as red-tagged, predicted to fail within approximately five years. The Engineering Division will continue to monitor these facilities and impose further restrictions as necessary until repairs are made. Consistent with the Port Commission's investment criteria, revenue-generating yellow-tagged facilities will continue to receive priority in future capital planning and allocation decisions.

While there are no revenues generated by red-tagged assets, nevertheless they pose a risk of failing and triggering an emergency repair or demolition, and possible closure of an adjoining green or yellow-tagged facility. In some cases, red-tagged facilities may impair the Port's ability

³ "Informational Presentation on the Port's Load Restricted (Yellow with Green Hatching-Tagged) and Fully Restricted (Red-Tagged) Facilities," February 7, 2013.

to utilize an adjacent green or yellow-tagged facility to greater potential by restricting access (especially fire egress). While some of the red-tagged facilities may never be repaired, others may still be brought back into productive use with sufficient capital investment. The Capital Plan reflects efforts to address three of the 22 red-tagged facilities:

| Facility | Remediation Plan |
|---------------------|---|
| Pier 31 | Port Engineering is preparing design plans for architectural, structural and utility improvements. Project will be bid in 2015. |
| Pier 38 | A private development partner has been selected who will refurbish the bulkhead and portion of adjoining shed; possible phase two refurbishment may be added to address remainder of shed and north and south aprons (including seismic strengthening of shed and substructure) |
| Pier 19 North Apron | Port Engineering is 90% complete with creation of structural repair plans. Repair to begin in the summer of 2015. |

As part of the Facility Assessment Program, the Engineering Division will continue to monitor red-tagged facilities to preclude the possibility of a significant collapse without warning. Repairs to additional red-tagged facilities will be funded in future capital plans as revenue sources are identified.

Under Pier Utility Infrastructure. To ensure compliance with regulatory standards, the Port instituted an under pier utility inspection and response program. The objectives of the program are to: (1) ensure that all under pier water and sewer utilities are inspected annually (consistent with the Port’s permit requirements); (2) identify active leaks or highly vulnerable conditions that could lead to pipe failure; and (3) take corrective action to stop leaks and prevent failures which could result in an illegal discharge into the Bay.

The Port’s Maintenance Division created a scorecard to record observations and assess conditions based on visual inspections. The Division has documented a response protocol that will be followed to address the findings from inspections. Work orders will be generated to address detected leaks or critical conditions that pose an immediate threat to water and sewer infrastructure. Non-critical conditions will be documented and scheduled for follow-up inspections on an annual basis. The Maintenance Division initiated inspections of all piers in 2013. Funding in the amount of \$250,000 annually for the inspection and response program is included in the two-year Capital Budget, and anticipated to continue throughout the entire period of the Ten-Year Capital Plan. Larger repairs (such as completely replacing water and sewer lines) are beyond the scope of the inspection and response program. Instead, those needs will be incorporated into larger plans for pier improvements, such as the development projects described elsewhere in this report.

Southern Waterfront Revitalization. The Port continues land use planning and maritime market outreach to update plans for improving Piers 80 to 96, including the Piers 90-94 Backlands in the Southern Waterfront. Much of this area is underutilized and represents a major

opportunity for increased maritime commerce and complementary industrial uses. This is the remaining primary area within City and Port jurisdiction that can support the unique operational and transportation access requirements of maritime commerce public trust uses.

A recent economic benefits study highlights the value of maintaining and expanding industrial uses on Port property. The report⁴ estimated that Port industrial and maritime tenants generated over \$785 million in annual economic activity in San Francisco, and employed roughly 2,400 workers (2011 data). The report also noted the policy benefits that accrue to the City from the Port's industrial and maritime property, including: retention of targeted production, distribution, and repair (PDR) jobs; a concentration of potential incubator space for fast-growing "creative industries" and innovative business ventures; and positive environmental outcomes from businesses operating in close proximity to their customers. Additionally, the report found that wages in industrial jobs such as those located on Port property were, on average, 24 percent higher than retail and personal services jobs in San Francisco. Operational benefits to the Port include diversification of the real estate portfolio (which helps manage risk) and uses that are consistent with the Public Trust Doctrine.

In 2011, the Federal Railroad Administration (FRA) awarded the Port a \$3 million grant for signaling and freight rail track upgrades to the Quint Street Lead, a one-mile stretch of track that connects the Caltrain main line to the Port of San Francisco Rail Yard on Cargo Way. The Port is focused on enhancing freight rail access to and from San Francisco to reduce freight truck trips on regional highways and city streets. Freight rail is also an important element of the City's emergency response plan to serve city evacuation and clean-up requirements in the aftermath of a disaster.

Given the size and location of the Port's Southern Waterfront assets (including unimproved land and underutilized piers), Port staff are pursuing a number of key initiatives to improve the area. These include a joint project with the Department of Public Works to competitively bid an asphalt and concrete batching plant to supply City paving projects and an iron ore export terminal at Pier 96. There have been expressions of interest for these and other uses, but significant improvements to infrastructure and environmental restoration must be undertaken to make the area viable. The Port's proposed \$19.5 million request to fund capital projects includes notable expenditures to improve the area, including \$8.5 million to fund the Backlands Project which will grade a 17 acre underutilized area, pave a portion of the land, construct a roadway and install solar lighting, fire hydrants, composting, restrooms, and a natural based storm water management infrastructure. Improvements will accommodate the site for leasing for construction laydown, vehicle parking and storage types of uses.

Any such improvements to Port Southern Waterfront property must undergo environmental review pursuant to requirements under the California Environmental Quality Act (CEQA) and Chapter 31 of the San Francisco Administrative Code, under the direction of the San Francisco Planning Department. Given the types of improvements contemplated for these Southern Waterfront properties, the Port anticipates the requirement for an addendum to the Southern

⁴ "Economic Benefits of Port Maritime and Industrial Uses," prepared by BAE Urban Economics, December 2013.

Waterfront Environmental Impact Report (SEIR) and has commenced work with the San Francisco Planning Department on this effort..

IV. CAPITAL NEED ESTIMATES

The FY2016-25 update of the Port's Ten-Year Capital Plan identifies a total need of just over \$1.62 billion (plus an additional \$476 million for conditional seismic work), primarily for deferred maintenance and subsystem renewal work required on Port facilities. For purposes of this plan, "need" is defined as projects required to maintain Port property in a state-of-good-repair for existing use over the next ten years. In this context, need excludes seismic upgrades (which may or may not be triggered by code requirements) and capital enhancements (such as building new infrastructure or parks along the waterfront). This distinction among different project types is a part of the architecture of the Port's capital modeling software, the Facilities Renewal and Reinvestment Model (FRRM), which is also used by the City to project all General Fund departments' capital needs.

This \$1.62 billion in need is approximately \$39 million more than the need identified in the Port's prior year (FY2015-24) capital plan (excluding conditional seismic work, which was \$464 million in the prior year). Each year the capital plan cost estimates are updated to reflect the following changes:

1. Completed projects are removed from the backlog (including projects undertaken by the Port and by tenants, where the tenant has responsibility for facility maintenance);
2. Project costs are updated to reflect more recent estimates, where available (e.g., as a result of a more extensive engineering analysis, design and/or third-party cost estimates);
3. A new year ten (FY2025) is rolled into the plan, and most of previous plan's year one (FY2015) costs are rolled into the backlog, if the project was not funded; and
4. Costs are escalated annually by the Controller's office based on various construction indexes, with a 5 percent escalation applied this year (the escalation factor is built into FRRM).

Table 1 summarizes adjustments to the Port's capital need estimates. Completed projects help to lower the need, while inflation and the addition of a new tenth year add to the projected need over the next ten years. Updated project cost estimates are based on more detailed engineering designs for development projects at Piers 30-32 and Pier 70.

Table 1 -- Port Capital Need Estimates

| Changes From Prior Year Plan | State of Good Repair | | | | Seismic (\$ millions) |
|---|-----------------------|-----------------------|------------------------|---------------------|-----------------------|
| | Backlog (\$ millions) | Renewal (\$ millions) | One-Time (\$ millions) | Total (\$ millions) | |
| <i>Prior Year (FY2015-24) Plan</i> | \$613.4 | \$544.0 | \$433.1 | \$1,590.5 | \$464.3 |
| Updated project cost estimates, completions | (73.8) | | (15.6) | (89.4) | (11.2) |
| Leased facility improvements (by tenants) | | (6.3) | | (6.3) | |
| New year ten (FY2025) project costs | | 48.0 | | 48.0 | |
| Escalation (5%) | 30.7 | 27.2 | 21.66 | 79.53 | 23.2 |
| FY2016-25 Plan | \$570.3 | \$612.9 | \$439.2 | \$1,622.3 | \$476.3 |

As Table 1 illustrates, the total need of \$1.62 billion for state-of-good-repair projects includes an estimated \$612.9 million for capital renewal, which represents the amount needed over the next 10 years to maintain facilities in a state-of-good-repair, as projected in the FRRM database. This plan shows an existing backlog for deferred maintenance of \$570.3 million, with another \$439.2 million for other one-time expenses.⁵ Investments for seismic repairs may or may not be required during the ten-year period, as described below; as such, the cost of seismic work is not included in the total need, but is shown separately. Appendix A provides a detailed breakdown of the need shown in Table 1, by Port facility.

Seismic Costs

Since the publication of the Port's first capital plan in 2006, the Port has maintained a policy decision to assume as a need all seismic repair even where that need exceeds code-driven requirements. In consideration of the fact that many of the Port's structures are 100 years old, the Port's original capital plan adopted a standard that all properties should be upgraded to modern seismic standards.

The City's Capital Planning Committee has provided direction to City departments to report need (defined as projects required to maintain property in a state of good repair) separately from seismic work.⁶ To conform to City convention, the FY2012-21 Capital Plan instituted a policy of

⁵ One-time needs are generally utilized in FRRM for non-cyclical needs, which are typically driven by changes in code requirements. The Port's capital modeling also includes a large number of the structures at Pier 70 in this category, as they are condemned and entirely in a state of deferred maintenance. For these structures, partial rehabilitation is not a viable option, and any rehabilitation will trigger substantial seismic work. Until they are rehabilitated and enter a capital maintenance cycle, the entire rehabilitation cost for these buildings are modeled as one-time costs.

⁶ The City's modeling of capital needs differs from the Port's in one very important respect, which is related to the fact that only the Port must account for pile supported pier structures. The City's calculation of "need" is entirely centered around renewal of building subsystems at the end of their usable life. As a result, there are no state-of-good-repair projects carried in the City Plan that could trigger a seismic upgrade to the structure in which they are contained. For that reason, the City classifies all seismic upgrade projects as capital enhancements. The Port's modeling of its capital assets is distinct from the City's in that the Port includes structural elements of buildings –

programming funding for seismic work only where a change of use or major rehabilitation is taking place, consistent with building code requirements. The FY2016-25 Capital Plan further distinguishes between the Port's aggregate capital need and capital need inclusive of contingent seismic costs by separating out seismic costs from state-of-good-repair. Over the next ten years, that seismic need totals \$476 million.⁷

The seismic work identified in this plan represents a kind of worst-case scenario in terms of potential impacts to capital expenditure planning. Port engineers believe that a number of the pier and wharf structures along the waterfront may be structurally repaired in a manner that does not trigger seismic work. Additionally, depending on the way in which a given pier was constructed (as nearly all were constructed approximately 100 years ago), costs associated with full seismic upgrade can be prohibitive, where the amortization period for the associated investment would exceed the useable life of the pier (in particular, the cost of mitigating the effects of sea level rise and overtopping of lower elevation piers complicate the economics of investment recovery on these facilities).

the piles and decking of piers. Repair to these pier structure elements will under some circumstances trigger seismic work, so the Port categorizes seismic projects as conditional or caveated need (as opposed to capital enhancement).

⁷ This number excludes Pier 70, where the costs for seismic work are rolled into "full rehabilitation" estimates, where seismic-only costs cannot be separated out (see footnote #5).

V. CAPITAL EXPENDITURES

This plan identifies funds that are projected to be available during the ten-year period from FY2016 through FY2025. The expenditure of those funds is broken into two categories: (1) capital projects that help maintain the Port's facilities in a state-of-good-repair, and (2) enhancement projects that add value to the Port property (some enhancement projects also include work to address seismic conditions). Table 2 provides a breakdown of capital expenditures and funding sources by fiscal year.

Table 2 -- Ten-Year Capital Expenditure Plan

| Spending Plan | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021-25 | Total | |
|---------------------------------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|-------------------------|
| State of Good Repair | | | | | | | | Deferred SOGR: 1,133.0 |
| Emergency Facility Repair | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 | 1.0 | |
| ADA | | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 | 0.9 | |
| Dredging | 18.9 | 6.0 | 6.0 | 6.0 | 6.0 | 30.0 | 72.9 | |
| Emerging Needs | | | | | | | | Deferred Seismic: 464.5 |
| Repair / Reinvestment | 60.4 | 52.9 | 44.8 | 49.4 | 21.2 | 184.5 | 413.2 | |
| <i>State of Good Repair Subtotal:</i> | <i>79.4</i> | <i>59.1</i> | <i>51.0</i> | <i>55.6</i> | <i>27.4</i> | <i>215.5</i> | <i>487.9</i> | |
| Enhancements | | | | | | | | |
| Parks and Open Space | 10.5 | 12.8 | 0.8 | | | 32.4 | 56.5 | |
| Facility Improvements | 2.0 | 6.5 | 5.3 | 4.2 | 4.4 | 20.4 | 42.9 | |
| Development Project Areas | | 5.3 | 59.6 | 62.5 | 15.1 | 33.5 | 176.1 | |
| Ferry Terminal Expansion Project | 9.4 | 10.2 | 9.7 | 38.6 | | 22.4 | 90.3 | |
| <i>Enhancements Subtotal:</i> | <i>22.0</i> | <i>34.9</i> | <i>75.4</i> | <i>105.3</i> | <i>19.5</i> | <i>108.7</i> | <i>365.8</i> | |
| Spending Total: | 101.3 | 93.9 | 126.4 | 160.9 | 47.0 | 324.2 | 853.7 | |

| Funding Sources | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021-25 | Total |
|-----------------------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|
| Port Capital Budget | 12.8 | 19.8 | 22.2 | 15.9 | 15.5 | 69.9 | 156.1 |
| Port Revenue Bonds and | 1.2 | | | | | 40.0 | 41.2 |
| General Obligation Park | 11.4 | 13.9 | 0.8 | | | 35.0 | 61.1 |
| Federal & State Grants | 2.0 | 3.8 | 2.0 | 2.2 | 2.5 | 12.6 | 25.2 |
| Federal Railway | 2.8 | | | | | | 2.8 |
| US Army Corps of Engineers | 0.3 | 7.0 | | | | 20.2 | 27.5 |
| DTFT - State Proposition 1B | 5.4 | 6.1 | 10.3 | 38.6 | | 22.4 | 82.8 |
| DTFT - Local Sources (RM2) | 5.4 | 6.1 | 3.1 | | | | 14.6 |
| Port Tenant Improvements | 29.4 | 5.5 | 8.9 | 29.4 | 13.8 | 60.4 | 147.4 |
| Development Projects | 30.7 | 31.8 | 79.0 | 74.7 | 15.1 | 63.7 | 295.1 |
| Funding Total: | 101.3 | 93.9 | 126.4 | 160.9 | 47.0 | 324.2 | 853.7 |

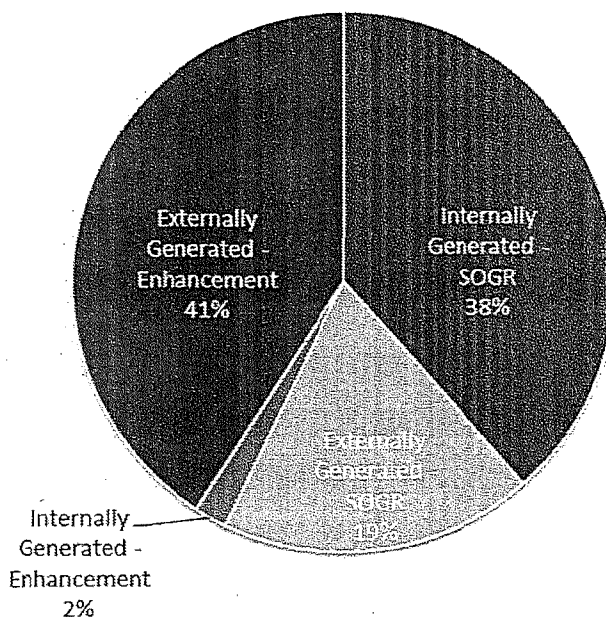
| | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Balance/ (Shortfall): | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|

| Additional Funding Sources | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021-25 | Total |
|----------------------------------|--------|--------|--------|--------|--------|-------------|-------------|
| US Army Corps WRDA 2020 | | | | | | 40.0 | 40.0 |
| City Match to WRDA 2020 | | | | | | 20.0 | 20.0 |
| Transferrable Development | | | | | | 23.9 | 23.9 |
| Additional Funding Sought | | | | | | 83.9 | 83.9 |

As Table 2 illustrates, a total of \$853.7 million is projected to be available during the ten-year period, of which the Port will apply \$487.9 million to state-of-good-repair needs and \$365.8 million to capital enhancement projects (including seismic work). At the end of the ten-year period, the Port will reduce its state-of-good-repair needs by 30 percent from \$1.62 billion to \$1.13 billion and its conditional seismic needs from \$476 million to \$464.3 million.⁸ Fluctuations in year-to-year spending are driven by the timing of repair and renewal activities, the availability of grant funding for dredging the Central Basin, and development project schedules, as reflected in project term sheets and other planning documents.

Overall, the plan reflects a balanced expenditure of funds, with most of the Port’s internally generated funding sources directed towards state-of-good-repair (SOGR) projects, whereas enhancement projects are more dependent on externally generated funds, as described in the next section and illustrated below:

Figure 1 – All Funds, Sources and Uses



While the plan projects \$853.7 million in capital investments over the next ten years, at the end of that period the Port will still face a backlog of \$1.13 billion for needed improvements, and possibly another \$464.5 million in conditional seismic work. The Port must continue to explore ways to address these unfunded needs, including building partnerships to attract new sources of

⁸ A small amount of seismic conditions will be addressed by development projects (Pier 48 and Pier 70) and the Downtown Ferry Terminal project. For the most part, project plans assume that conditional seismic requirements are not triggered. The capital plan will continue to carry conditional seismic costs in project inventory unless and until there is a definitional change or investments are made that remove the cost.

funds. Some pier sheds, such as Piers 26, 28, and 54, do not appear viable for rehabilitation with present day financing tools (although rehabilitation of the bulkhead structures appears feasible). Piers 26 and 28 are contributing resources to the Embarcadero Historic District listed on the National Register of Historic Places. If the Piers 26 and 28 sheds cannot be rehabilitated in their entirety (as prior predevelopment investigation at Pier 26 suggests), Port staff believe that there may be an approach to saving and rehabilitating the historic Piers 26 and 28 bulkhead buildings, with their distinctive Spanish-Mediterranean facades underneath the Bay Bridge. The Port will work with historic rehabilitation experts and the public to determine the future of these facilities.

The bottom of Table 2 lists additional funding sources that the Port is actively pursuing. These funding sources are too speculative to include in the current expenditure plan, but reflect the Port's ongoing strategy for outside funding sources. As the Port obtains additional federal, state or local legislative authorization or grant awards, these funding sources will be added to future capital plans. It is also likely that estimations of need will change as the Port investigates these funding opportunities. For example, it is only after the Port conducts preliminary engineering analysis of the seawall that staff will be able to accurately reflect costs to strengthen the seawall in the capital plan.

VI. PLAN OF FINANCE

The purpose of the plan of finance is to map out how the Port intends to utilize existing and potential financing mechanisms to maintain its assets in a state-of-good-repair and to enhance its portfolio through strategic investments. The plan presents a strategy that will fund \$853.7 million in state-of-good-repair and enhancements over the ten-year period (FY2016-25). The first two years of this plan employ the two-year capital budget as a starting point. The two-year capital budget will be considered for adoption separately by the Port Commission; subsequent years' capital spending will go before the Port Commission for approval as part of the biennial budget process.

This report breaks discussion of funding sources into two categories: (1) internally-generated funds, and (2) externally-generated funds. The funding sources within each category are described more fully below, along with a discussion of the proposed uses of those funds. Table 2 summarizes the amounts projected from each of these sources over the next ten years.

A. Internally-Generated Funding Sources

Internally-generated funding sources include those sources that are primarily within the Port's control, utilizing existing assets, with a fairly high degree of confidence in their projected value. These sources include (1) Port capital funds, (2) Port revenue bonds, and (3) tenant obligations. Together, these sources are projected to generate \$344.7 million over the next ten years, of which the Port will apply \$328.1 million (or 95 percent) to state-of-good-repair projects (including dredging) and \$16.6 million (or 5 percent) to capital enhancement projects:

| Internally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|---|-----------------------------|----------------------------------|----------------------------|
| Port Capital Budget | \$139.5 | \$16.6 | \$156.1 |
| Port Revenue Bonds & COPs | 41.2 | | 41.2 |
| Port Tenant Improvements | 147.4 | | 147.4 |
| Total | \$328.1 | \$16.6 | \$344.7 |

The sources and uses of internally-generated funds are illustrated below:

Figure 2 – Internal Funding Sources

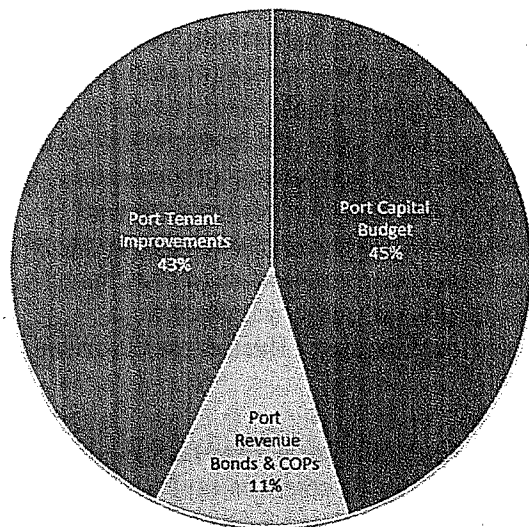
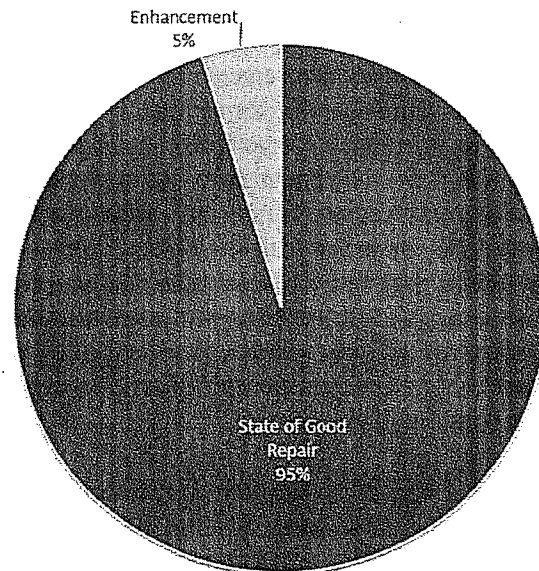


Figure 3 – Uses of Internal Funds



A.1 Port Capital Funds

In 2012, the Port Commission adopted a policy designating a minimum amount of operating revenues for capital projects. Pursuant to this policy, on an annual basis, a minimum of no less than 20 percent of Port operating revenues shall be set aside in the Port’s operating budget to fund capital expenditures (increasing to 25 percent beginning in FY2019). This minimum funding requirement shall be met through (1) an annual appropriation for current capital expenditures (“Capital Budget”) and (2) a designation of current estimated revenues for future capital expenditures, consistent with the Ten-Year Capital Plan. The policy is intended to (1) ensure that the Port has stable and growing operating resources dedicated to capital expenditures, (2) constrain the operating budget to achieve the funding requirement goal of operating revenues for capital, (3) require staff and Port Commission trade-off decisions between operating growth and capital needs, and (4) reduce the credit risk associated with unfunded capital obligations.

The policy is an attempt to reverse the Port’s historical trend of underinvestment in maintaining its assets in a state-of-good-repair. Based on certain analyses, the Port should reinvest in its pier substructures a minimum amount of 0.75 percent of the value of those substructures each year.⁹ According to this formula, the Port should spend \$23.3 million annually in substructure repairs

⁹ The level of need is calculated based on the cyclical replacement of portions of pier substructures, based on construction type and exposure to tidal action. For example, Port engineers estimate that the Port should rehabilitate 15 percent of the Port’s pre-1920s era concrete piers every 20 years.

alone. Over the last ten years the annual appropriation for the Capital Budget has averaged just over \$10 million.¹⁰ The size of the Port's annual capital budgets combined with the deferred backlog has meant that the capital budgets have primarily funded dredging, deferred maintenance and emergency needs, and have not addressed renewal needs adequately.

Port capital funds are generally allocated to the following program areas: (1) emergency facility repair (a set-aside of funds for unforeseen situations, available for the most pressing capital needs in subsequent years if the programmed year remains emergency-free); (2) renovations to make facilities compliant with the Americans with Disabilities Act; (3) dredging of the bay floor along the waterfront, which maintains the depth of berths at the Port's piers so that they remain suitable for water traffic; (4) emerging needs, where planning and design of projects are funded in order to position them for non-Port sources of construction funds; (5) repair and reinvestment to maintain facilities for current use; and (6) capital enhancements, where new assets are being constructed or where development of a facility includes rehabilitation far beyond return to current use. The process and criteria used to select projects for the Capital Budget are described in Appendix B.

Year 1 of the Capital Plan is the second year of the two-year Capital Budget, which is adopted by the Port Commission on a biennial basis. For FY2016, that allocation programs capital funding at \$12.8 million. An unplanned surplus of funds has provided an additional \$19.4 million for assorted projects, which the report discusses below, bringing the FY2016 total to an unprecedented \$28.1 million in Port Capital funds. The next four years of the plan (FY2017-FY2020) are based on forecasts included in the Port's five-year financial plan, and reflect a modest increase in capital funding each year. The capital plan assumes an average available capital budget of \$17.2 million per year for the remaining five years of the plan (FY2021-2025). Overall, capital funding from the Port's operating budget reflects a notable improvement from the average annual appropriation levels of past plans.

The projects currently proposed to be funded by the additional funds include:

- Port development of the Backlands, \$8,500,000;
- BAE Electrical Service Separation, \$3,000,000;
- Matching the US Army Corps of Engineers to dredge the Central Basin, \$2,900,000;
- Pier 23 Roof Replacement, \$2,833,151;
- Additional funding for the Quint Street Lead, \$1,000,000;
- Seawall Study and Repairs, \$1,000,000; and
- Pier 39 Sediment Investigation, \$250,000.

Each of the listed projects is described in detail in the February 6, 2015 staff report requesting approval to seek the aforementioned \$19.4 million supplemental appropriation.

¹⁰ The range of funds available for annual reinvestment during this ten-year period is from a low of \$6.4 million in FY2005 to a high of \$15.4 million in FY2012; however the amounts prior to adoption of the Capital Policy do not reflect a natural growth over the period but instead show a wide variation in the allocation.

A.2 Port Revenue Bonds

The Port finances its larger scale capital projects, addressing significant deferred maintenance and enhancing property, in part, through the issuance of debt. The Port's revenue bonds, secured by the net revenues of the Port as defined in the bond indenture, present an opportunity to accelerate the delivery of much-needed capital investments. Bond proceeds are used to fund new projects that offer a significant return on investment, as well as repair of critical infrastructure needed to sustain the Port's operating revenues and protect future bonding capacity.

Over the last five years, the Port has gone out to the capital markets on three separate occasions to raise funds for its capital program. In 2010 the Port issued \$36.7 million of revenue bonds, in 2013 the City issued \$37.7 million of Certificates of Participation (COPs) on behalf of the Port, (which the Port is responsible to repay), and in 2014 the Port issued \$22.7 million of revenue bonds.

The majority of the proceeds from these three debt issues have been expended or committed primarily for the construction of the new James R. Herman Cruise Terminal, rehabilitation of Piers 31 and 33, repairs and improvements to the Port's historic pier structures located in the Northern Waterfront, and for capital expenditures related to preparing venues for the 34th America's Cup regattas.

Port staff will periodically revisit its remaining debt capacity, based on then current projections of operating revenues and expenditures. When considering additional bond sales, it will be important to factor in the impact of increased debt service on the amount of funds available to pay for repair and replacement projects from operating revenues. Port staff will assess the trade-offs between pay-as-you-go and accelerated funding via bonds. This plan reserves any remaining bonding capacity for projects with early returns on investments that generate revenues in excess of the amount required to service debt costs. This approach is necessary for expanding sources for the repair and replacement capital budget, as well as for expanding the Port's bonding capacity in order to make future investments in maritime commerce projects. As no projects have been identified as ready for funding, this plan assumes no additional Port bond revenues over the next ten years. Port staff may revisit this assumption if the SWL 337 or Pier 70 waterfront site projects begin generating sufficient net revenues to fund improvements to the Port's historic finger piers (as anticipated by SB 815) in the next ten years.

A.3 Tenant Obligations

The Port has a number of properties that are under long-term leases (for example, a master tenant agreement of up to 66 years). Often, a condition of those leases is that the tenant assumes responsibility for maintenance and capital improvements to the property, including both the superstructure and substructure. The Port's asset database (FRRM) identifies the facilities where responsibility is assigned to Port tenants, and for those facilities, this plan assumes that those

tenants maintain the facility in a state-of-good-repair, according to the capital replacement schedule.¹¹ Over the next ten years, FRRM projects tenant obligations to be \$147.4 million.

B. Externally-Generated Funding Sources

For purposes of this year’s plan, externally-generated funding sources represent those sources that require some form of partnership with an external party in order to be realized. Those partners may include developers, federal or state agencies, or other departments within the City and County of San Francisco. While partnerships often require considerably more effort to build and maintain, and are not entirely within Port’s control, ultimately they have far greater potential in the long-term than traditional internally-generated sources. The plan of finance relies significantly on these sources to fund both state-of-good-repair and enhancement projects over its ten-year period. These sources include (1) development projects, (2) general obligation bonds, (3) grants, and (4) transferable development rights.

Together, this plan programs these sources as generating \$509.1 million, of which the Port will apply \$160.1 million (or 32 percent) to state-of-good-repair projects and \$349.0 million (or 68 percent) to enhancement projects.¹²

| Externally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|---|-----------------------------|----------------------------------|----------------------------|
| General Obligation Park Bonds | \$5.6 | \$55.5 | \$61.1 |
| Federal & State Grants | 0.4 | 24.8 | 25.2 |
| Federal Railway Administration | 0.0 | 2.8 | 2.8 |
| US Army Corps of Engineers | 27.5 | 0.0 | 27.5 |
| Prop 1B, RM2 (DTFT) | 7.6 | 89.8 | 97.4 |
| Development Projects | 119.0 | 176.1 | 295.1 |
| Total | \$160.1 | \$349.0 | \$509.1 |

¹¹ The Port characterizes repairs for facilities where tenants have ten years or more left on their lease agreement as sourced to tenants, recognizing that short-term tenants are unlikely to make major capital investments with little time left to amortize those improvements.

¹² Enhancement projects include an estimated \$78.5 million in seismic work at Piers 30-32, Pier 48, Pier 70, and the Downtown Ferry Terminal expansion.

The sources and uses of externally-generated funds are illustrated below:

Figure 4 – External Funding Sources

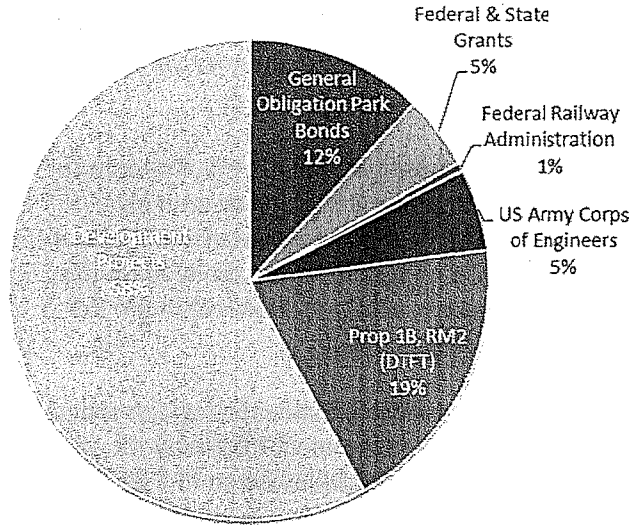
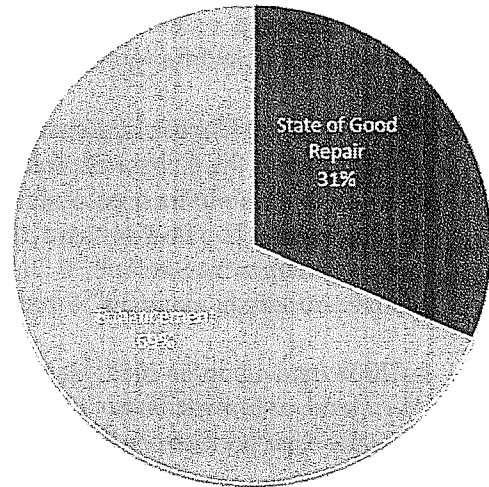


Figure 5 – Uses of External Funds



B.1 Legislative Program

The Port has adopted policies and pursued options to attract partners and external funding through an aggressive legislative program. The following is a summary of the results of recent legislative efforts:

- In 2005, the California Legislature adopted SB 1085 (Senator Carole Migden), permitting the Board of Supervisors to form Infrastructure Financing Districts (IFD) on Port property that allow the capture of growth in property (or possessory interest) tax increment to fund public improvements along the waterfront.
- In 2007, the California Legislature adopted SB 815 (Senator Carole Migden), authorizing the Port to lease certain seawall lots south of Market Street and north of Pier 50 for non-trust (i.e., commercial and residential) purposes, with net proceeds to fund rehabilitation of Port historic resources and parks required by the San Francisco Bay Conservation and Development Commission (“BCDC”). The largest of these is Seawall Lot 337 in Mission Bay, the site of the Port’s current negotiations with Seawall Lot 337 Associates, LLC, to develop a new neighborhood south of AT&T Park.
- In 2010, the California Legislature adopted AB 1199 (Assemblymember Tom Ammiano), permitting the Port to establish a Pier 70 IFD that may issue debt repayable with both the local share of possessory interest tax and the state’s share of possessory interest tax (permitted by AB 1199).
- In 2011, the California Legislature adopted AB 664 (Assemblymember Tom Ammiano), with technical amendments following in 2012 (AB 2259), authorizing the Port to capture

up to \$1 million annually in state tax revenue to fund the James R. Herman Cruise Terminal and related improvements, if the City demonstrates that the state will earn revenue in excess of this amount from the 34th America's Cup. This legislation applies to the following locations: SWL 330, and Piers 19, 23 and 29. The California Infrastructure Financing Bank (I-Bank) must first find that the net present value of tax benefits of the 34th America's Cup to the State of California exceeds the net present value of tax increment it would forego from these sites.

- In 2011, the California Legislature adopted AB 418 (Assemblymember Tom Ammiano) authorizing the California State Lands Commission to approve a trust swap with Pier 70, allowing the public trust designation of land within the site to be rationalized to allow for development. The Port is negotiating with Forest City California, Inc. to develop the 25 acre Waterfront Site at Pier 70. The Port is negotiating separately to develop the Port's historic buildings along 20th Street with Orton Development, Inc.
- In 2008, and again in 2012, San Francisco voters approved investments through issuance of general obligation bonds totaling \$68 million in the development of a network of waterfront parks from Fisherman's Wharf to Heron's Head Park adjacent to Pier 96.

B.2 Infrastructure Financing Districts

Building on the authority granted by state legislation and working with the San Francisco Board of Supervisors, the Port is now in the process of forming a second Port Infrastructure Financing District.¹³ Government Code Sections 53395 et seq. ("IFD Law") allow public agencies to finance public infrastructure improvements by capturing and bonding against property tax increment generated in the IFD after it is established. To do so, the public agency must follow a multi-step process that includes approval of a financing and infrastructure plan by the Board of Supervisors.

IFD Law was crafted to allow IFDs to function much like redevelopment project areas. In this regard, IFDs do not increase tax rates; rather, they rely on increases in the property tax base within the IFD. Like redevelopment, the fundamental justification for tax increment financing is the notion that but for public and private investment made possible by tax increment financing, development and the resulting property tax increases would not occur. In contrast to redevelopment law, the IFD Law does not require the public agency to make a finding of blight or require a set-aside of a portion of the tax increment for affordable housing (except when the projects to be financed through the IFD displace housing).

¹³ IFDs function in a manner similar to redevelopment, by allowing local jurisdictions to establish a geographical district within which all growth in property and possessory interest tax above an established base year (typically referred to as "tax increment") can be pledged to service debt on bonds issued to fund capital improvements of communitywide significance. Note that although this mechanism uses property tax increment, it does not rely on a redevelopment agency structure and is not impacted by the recent elimination of redevelopment agencies in California.

By Resolution 110-12, the Board of Supervisors adopted a Resolution of Intention to Establish an Infrastructure Financing District for the City and County of San Francisco (Infrastructure Financing District No. 2, the "District") for multiple sites on Port property, including Seawall Lot (SWL) 330, Piers 30-32, Pier 26, Pier 28, Pier 48, and Pier 70. Resolution 227-12 amended the District to include SWL 351 as a project area.

Port staff will likely recommend removal of Piers 26 and 28 from the District, because these piers are no longer likely development sites. Concurrent with recommending a Disposition and Development Agreement for the proposed development of SWL 337 and Pier 48 in conjunction with the Port's development partner, Port staff will recommend that the Board of Supervisors amend Resolution 227-12 to include SWL 337. Concurrent with recommending a Disposition and Development Agreement for the Pier 70 Waterfront Site, it is likely that Port staff will also recommend adding 3 acres of adjacent private property owned by Pacific Gas and Electric, Inc. to the Pier 70 project area.

As Port staff advances individual development projects, there will be an associated Infrastructure Finance Plan for the Board's consideration as the next step in forming the District. The Finance Plan will include a detailed description of the development plan for each project area and specify the type of projects eligible for IFD monies and the estimated value of the tax increment over the life of the projects. The development projects currently being negotiated are summarized below.¹⁴

In 2013, the Board of Supervisors adopted Resolution 123-13, adopting Guidelines for the Establishment and Use of an Infrastructure Financing District with Project Areas on Land Under the Jurisdiction of the San Francisco Port Commission (Port IFD Guidelines). Consistent with IFD law applicable to the proposed Port IFD, proposed uses of the Port IFD proceeds can include:

- Repairs and upgrades to piers, docks and wharves and the Port's seawall;
- Installation of piles, both to support piers and to support buildings where soil is subject to liquefaction;
- Parks and shoreline improvements, where the Port has been unable to secure General Obligation bond funding to fund new parks;
- Utility infrastructure, including utility requirements to comply with standards imposed by the Regional Water Quality Control Board and/or the Bay Area Air Quality Management District;
- Streets and sidewalks;
- Seismic upgrades and improvements to the City's seawall and other measures to address sea level rise;
- Environmental remediation;

¹⁴ Each of the development projects is subject to ongoing real estate negotiations which include the allocation of IFD to infrastructure costs. When City staff publishes each project term sheet for public review and consideration by the Port Commission and the Board of Supervisors, City staff will publish more detailed cost information related to the use of IFD.

- Historic rehabilitation; and
- Improvements to Port maritime facilities.

The Port IFD Guidelines establish minimum criteria regarding the formation of IFD project areas on Port property. These guidelines can be found in Appendix C. IFD Law is the subject of frequent legislative action in wake of California's repeal of community redevelopment law. This year, Governor Jerry Brown has signaled his openness to amendments to IFD Law that would permit its use for affordable housing in addition to infrastructure and facilities of communitywide significance. If the Legislature enacts such a change (or similar changes), the Port and the Board of Supervisors may need to consider further amendments to the Port IFD Guidelines.

B.3 Development Projects

Since the 1970s, the Port's primary tool for redeveloping property has been public-private partnerships. In exchange for long-term leases (50-66 years) and other financial consideration (including rent credits, land value and IFD tax increment, for example), private developers assume much of the responsibility for rehabilitating and improving Port property for designated uses. This includes upgrades to meet current seismic building code requirements, repairs to adjoining segments of the seawall, and climate change adaptation improvements. The Port typically limits its contribution to development projects to existing facility improvements, along with Port staff, attorneys, and other consultants needed to coordinate and assist the developer. By engaging a development partner and allowing them to make a reasonable return on their investment, the Port is able to generate substantially more resources to address the Port's backlog of capital investment needs.

As noted in Table 2, development projects are forecast to be the largest financial source to address both state-of-good-repair (\$119 million) and enhancement (\$176.1 million) in the plan. The vast majority of enhancements that are contemplated are investments in new, publicly-owned parks and infrastructure, largely to support new neighborhoods planned at SWL 337 and Pier 70. A portion of expenditures on enhancements will also address seismic conditions.

The Port is engaged in an exclusive negotiations process with a private investor or partner in several project areas. The developers will make significant investments to rehabilitate and enhance these properties; however, the ten-year plan reflects only that portion of the investment necessary to repair or replace facilities to continue operating them for their current use, or for enhancements that benefit the general public. Funding for these projects may come from a number of both private and public sources; however, for purposes of this plan, all development project generated funds are shown on a single line item in Table 2.

Two of these projects (SWL 337 and Pier 70 Waterfront Site) involve proposed height increases that are likely to be subject to significant local debate. SWL 337 and the Pier 70 Waterfront Site are just starting the process of environmental review and urban design planning.

The teams working on these projects plan to entitle them within the current real estate market cycle. If any of the projects are not entitled within expected timeframes, Port staff will make corresponding adjustments to future capital plans.

Pier 70 Area: Pier 70 is located on San Francisco's Central Waterfront, an approximately 65-acre site, generally between 18th and 22nd Streets, east of Illinois Street. For over 150 years, some portion of the site has been in use for ship building and repair or steel production, as well as for other supporting heavy industrial uses. The Port completed an environmental investigation and risk assessment of the project area. Findings from the completed risk assessment do not indicate any immediate need for soil or groundwater remediation. Following a three-year community planning process, the Port Commission endorsed the Pier 70 Master Plan in May 2010. The Plan balances sustained ship repair, historic preservation, new waterfront parks and new development. It identifies over 3 million square feet of new building potential and 700,000 square feet of buildings to be rehabilitated. On April 17, 2014, the National Park Service approved the Port's nomination for the Union Iron Works Historic District at Pier 70 and listed the district in the National Register of Historic Places. Port staff continues to work with the State Lands Commission on public trust matters that impact the Pier 70 area.

The Port Commission authorized a developer solicitation for the Waterfront Site as well as a second solicitation for Historic Buildings:

Pier 70 Waterfront Site: Following a competitive process, the Port Commission selected Forest City California, Inc. as its development partner for the Waterfront Site and on July 12, 2011 authorized an ENA. This project area requires significant infrastructure investment and new land use approvals to redeploy a largely vacant portion of Pier 70 for new uses in new buildings. The ENA provides for a five-year period to develop plans for the project, negotiate required agreements, and secure required approvals. In May 2013, the Port Commission endorsed a non-binding term sheet describing the fundamental deal terms for the project. The Board of Supervisors, in June 2013, added its endorsement of the term sheet and, in accordance with Administrative Code, Chapter 29, determined the proposed development fiscally feasible. Negotiations between the Port and the developer continue on the transaction details and documents, including the ground leases, the development and disposition agreement and financing plans.

In response to Proposition B (June 2014), Forest City redesigned its development concept for the Waterfront Site and drafted and qualified Proposition F for voter consideration on the November 4, 2014 ballot. As described above, San Francisco voters approved Proposition F to increase site zoning from 40 to 90 feet, which is not higher than the tallest point at the tallest historic building already at this project site. Subject to all required public review processes, this initiative encourages a development project and sets policy direction for identified major uses and supporting infrastructure improvements. The measure sets forth major uses to include: (i) nine acres of waterfront parks, playgrounds and recreation opportunities on and adjacent to the Project Site; (ii) below market-rate homes, representing 30% of all new housing units; (iii) construction of between approximately 1,000 and 2,000 new housing units, a majority of which will be

rental homes; (iv) restoration and reuse of currently deteriorating historic structures essential to the creation of a new Union Iron Works Historic District; (v) substantial new and renovated space for arts, cultural, small-scale manufacturing, local retail and neighborhood services; (vi) preservation of the artist community currently located in the Noonan Building; (vii) between approximately 1,000,000 and 2,000,000 square feet of new commercial and office space (which is in addition to reuse of historic structures); and (viii) accessory parking facilities and other transportation infrastructure.

Forest City's development concept for the Waterfront Site is subject to review and approval under CEQA. Forest City has filed an environmental application for CEQA review which commenced in late 2014, with potential consideration of final transaction documents and a Waterfront Site Special Use District by the Port Commission, the Planning Commission and the Board of Supervisors in 2016.

20th Street Historic Buildings: The 20th Street Historic Buildings are six buildings on or near 20th Street at Pier 70. These historic resources, some dating to the 1880s, are in need of substantial investment to return to active use. Following a competitive solicitation process, in May 2012, the Port entered into an exclusive negotiations agreement with Orton Development Inc. for a public/private partnership to rehabilitate these buildings. In September 2014, the project's Lease Disposition and Development Agreement ("LDDA") was executed. The LDDA is the document that describes the obligations of each party to implement the rehabilitation project including a detailed schedule of performance describing a phased construction schedule.

The Port and Orton Development expect to close escrow and execute a lease to convey the site to Orton in 2015. In total, these buildings have over 250,000 square feet of building space with potential in some cases, for additional mezzanine construction. The current capital cost estimate is \$76 million. The Port will contribute \$1.5 million to the project (repositioning funds previously committed to a temporary shoring of one of the buildings). Orton will invest up to \$14 million of equity in the project and secure the remainder of the funding from leasehold mortgage, historic tax credit investors and a Seismic Safety Loan administered by the Mayor's Office of Housing and Community Development. The Port defers its rent from the project until Orton's equity investment is repaid.

BAE Ship Repair: The BAE Ship Repair leasehold is 15.1 acres of leasable land and 17.4 acres of leasable water on the northeastern edge of Piers 68 and 70. It includes 19 buildings, six functional cranes, and two floating drydocks. It is under a lease to BAE generating approximately \$1.8 million dollars in annual revenues to the Port. A capital improvement plan is being developed for further improvements to infrastructure that will sustain the Ship Repair facility for the next 25 years. These improvements will be reflected in future capital plans upon completion of negotiations with BAE.

Seawall Lot 337 & Pier 48: In September 2010, following a one-year community planning and developer selection process, the Port entered into an exclusive negotiation agreement (ENA)

with Seawall Lot 337 Associates, LLC (an affiliate of the San Francisco Giants) for the mixed-use development of Seawall Lot 337 (SWL 337) and the adjacent Pier 48. Pursuant to the ENA, the developer submitted its Revised Proposal in March 2012 which contemplates a flexible mixed-use development at the site balancing residential, office, retail, exhibition and parking uses distributed over a network of city blocks – with expectation that the combination of uses will evolve to meet market demands and to reflect community and regulatory concerns, and be responsive to certain requirements to ensure mixed-use diversity.

In March 2013, the Port Commission endorsed a non-binding term sheet describing the fundamental negotiated elements and proposed financial terms for the lease and development of the project site and, in May 2013, the Board of Supervisors added its endorsement of the term sheet and also found the proposed development to be fiscally feasible under Administrative Code, Chapter 29. Following these approvals, the ENA allows the developer three years to complete the project entitlement process. The total cost of the project, as planned, is estimated at \$1.8 billion.

The project team is pursuing project entitlements including a thorough environmental review in accordance with the California Environmental Quality Act ("CEQA"). The Port anticipates that this project could generate new lease revenues and result in higher property values. The project schedule previously anticipated completing the CEQA process and gaining project approvals in early 2015 with lease payments commencing on sub parcels beginning in 2016. However, Proposition B (June 2014) requires voter approval of the height increases required for the project, as proposed (per the non-binding terms endorsed by the Port and City). In light of Proposition B, Seawall Lot 337 Associates, LLC is re-examining the proposed heights and density with the expectation that the Project would be presented to the voters for approval on a future ballot.

8 Washington/Seawall Lot 351: This two-thirds of an acre site is currently a surface parking lot located along the Ferry Building waterfront at The Embarcadero and Washington Street. It is to be merged with the adjacent 2½ acre tennis and swim club property in a \$345 million residential-commercial development agreement between the Port and San Francisco Waterfront Partners ("SFWP"), including dedicated public parking for the Ferry Building area, improvements to approximately ½ acre of public open space and \$5 million in public funding for sidewalk widening and street furnishings recommended in the Northeast Embarcadero Study ("NES").

As described above, the approved project is the subject of a recently passed legislative referendum rescinding the increase in building height granted the development. SFWP, therefore, is considering its options to reevaluate the proposed development, including project funding structure. The Port is awaiting the developer's decision on proceeding with this project following its reevaluation.

Pier 38 Bulkhead Rehabilitation: Pursuant to Port Commission authorization, the Port issued a request for proposals ("RFP") for the Pier 38 Bulkhead in November 2012, seeking a development entity to rehabilitate the Pier 38 bulkhead building and limited shed improvements for re-occupancy in the near-term. Responses were received in March 2013 and the Port

Commission selected TMG Partners in December 2013. Lease negotiations consistent with the Port Commission's goal to expeditiously rehabilitate and re-tenant the bulkhead building are nearing completion. Under the proposed agreement, TMG would invest approximately \$7.2 million to correct code violations, improve public access and upgrade the float on the north side of the pier. The Port expects the lease to commence in 2015.

B.4 General Obligation Bonds

The Port Commission and Port staff remain grateful for the infusion of funding approved by voters to create waterfront open space through the 2008 and 2012 Clean and Safe Waterfront Parks General Obligation Bonds. The following bond-funded projects, totaling \$34.7 million are in various stages of conceptual development and permitting:

- **Crane Cove Park, Phase 1:** Crane Cove Park is an approximately 9 acre Blue Greenway waterfront park located in the Central Waterfront generally between 19th and Mariposa Streets east of Illinois Street. Initial park concepts include shoreline cleanup and stabilization, restoration of historic cranes, historic interpretation, bay access, and a facility for human powered boats. The total cost for the entire project is expected to be \$45 million dollars, which is greater than the current available funding. As a result, the project will be phased as funding is secured. Available funding for the 1st phase of the project is \$23.3 million, including (a) \$10 million from 2008 Clean and Safe Neighborhood Park G.O. Bonds, (b) \$10 million from 2012 Clean and Safe Neighborhood Parks G.O. Bonds, (c) \$1 million from grants from the Metropolitan Transportation Commission and California Coastal Conservancy, and (d) \$3.3 million in other Port funds.

This Blue Greenway Project benefits from significant planning conducted through the development of the Port's Pier 70 Preferred Master Plan and the Blue Greenway Planning and Design Guidelines community planning process. The Park Master Plan and Schematic Design were approved by the City's Waterfront Design Advisory Committee and the BCDC Design Review Board in July 2014. Phase 1 of the project, comprising approximately 5 acres, will start construction in 2016 and is expected to be complete by 2017.

- **Bayview Gateway:** The \$3.9 million Bayview Gateway Project will create a new one acre public open space along the southern bank of Islais Creek in San Francisco's southeast waterfront. The project site is bound by Islais Creek on the north, Cargo Way on the south, 3rd Street on the west, and Illinois Street on the east. The project will demolish the existing timber wharf, rehabilitate the seawall, and transform the asphalt lot into a public park with walkways, plaza spaces and green spaces from which to enjoy the Bay. In addition, the project will serve as both a gateway to and an amenity for the Bayview neighborhood. The project is under construction, and is expected to be completed in 2015.

- **Agua Vista Park:** The \$2.5 million 20,000 square foot Aqua Vista park within 2,000 linear feet of shoreline access will be renovated and connected to the recently improved edge of Bayfront Park (with 2008 Neighborhood Parks bond proceeds). When completed, Aqua Vista Park and the future Bayfront Park combined are expected to include 2,000 linear feet of new shoreline access, continuous walking and bike paths, and dramatic views of ships being worked on at the Pier 70 ship yard and dry dock. Improvements may include new pathways, seating areas, interpretation and fishing facility improvements. Aqua Vista is a waterfront park at the southern edge of Mission Bay located on Terry Francois Boulevard at 16th Street that was originally improved in the 1970s. The project is expected to be completed in 2017.
- **Islais Creek Improvements:** The Islais Creek Shoreline Access improvement project is expected to complete the pathway system along the northern shore of Islais Creek from I-280 to Illinois Street. New public access would connect the Islais Creek Promenade at Tennessee Street to the historic Third Street Bridge. Improvements budgeted at \$2 million are expected to include a new waterfront walkway and scenic look out points. This site currently is partially unimproved, but improvements would close a gap in the Islais Creek system of open spaces, the Blue Greenway, and Bay Trail. The project is expected to be completed in 2017.
- **Warm Water Cove Park:** This existing 2 acre park is located along the bay's edge. Currently, it has a walking path, sitting areas, and native shoreline plantings. This park is expected to be renovated and expanded as a bay-side open space for gathering, walking, picnicking and historic interpretation, at a cost of \$1.5 million. Originally improved in the 1970s, the park is in need of new plantings, site furnishings, pathways and lighting. The park also is expected to be expanded to connect with 25th Street to close a gap in the Blue Greenway and San Francisco Bay Trail network. The project is expected to be completed in 2017.
- **Fisherman's Wharf Plaza:** The Port and the San Francisco Bay Conservation and Development Commission are conducting a community planning process to define improvements for a public plaza in Fisherman's Wharf. Improvements will complement the existing Pier 43 Bay Trail Promenade. The area will offer places to sit, picnic or stroll, along with dramatic views of the historic Pier 43 Ferry Arch and Alcatraz Island. The \$1.5 million plaza will be in the heart of Fisherman's Wharf, connecting and expanding upon shoreline open space.

B.5 Grants, Direct Appropriations and Other Funding Sources

As part of the plan of finance for the Port's capital requirements, Port staff is working with local, state, and federal governments and organizations to identify and secure grants and other contributions. Table 2 above lists several sources of funding that will support both state-of-good-repair and enhancement projects.

- **U.S. Department of Transportation, Federal Railway Administration** – In 2012 the Port was awarded \$3 million to improve reliability and efficiency of rail movement through

track and switching upgrades to the Port's primary rail spur, the Quint Street Lead. The award is strategically important for the Port, as it supports the larger goal of (and is a necessary component to) creating a robust export terminal at Pier 96 serviced by six-axle locomotives. The project assumes iron ore as the export commodity, with appropriate weight capacity and resiliency built in to associated infrastructure improvements. The remaining \$3.8 million in funding (which includes \$1 million in additional Port capital funds allocated by this year's proposed supplemental appropriation) will be expended by the Port in FY2016.

- ***USACE, Continuing Authorities Program Section 107, Central Basin Dredging*** – The Central Basin is the approach to the Pier 70 Shipyard's primary drydock facility. Dredging of this area is critical to operations of the shipyard. While the drydock itself is the largest privately operated repair facility of its kind on the west coast of the Americas, the increasingly restrictive siltation in the Central Basin is limiting the number and type of vessels that can access it. In September 2009, the Port requested dredging assistance from the Army Corps under Continuing Authorities Program Section 107. A 35' depth Central Basin dredge project has been approved and is scheduled for construction in 2016. The Army Corps will provide up to \$10 million in federal funding, which is 63 percent of the \$15.8 million estimated cost of the dredge project. The Port's proposed supplemental appropriation for this year includes \$2.9 million and BAE will provide \$2.9 million to fund the project, providing for a \$5.8 million local match. After this initial dredge, the Army Corps will then assume all costs for future dredging of the Central Basin, which will require several million dollars of federal funding every decade..
- ***USACE, Water Resources Development Act of 2007 (WRDA07)*** – In 2006, Port staff worked with Mayor Gavin Newsom's Office to successfully petition the Office of House of Representatives Speaker Nancy Pelosi to carry a new bill for federal authorization of a number of the Port's facilities. WRDA07 was approved by Congress and, in Section 5051 authorizes USACE, in cooperation with the Port of San Francisco, to seek appropriation of \$25 million for "...repair and removal, as appropriate, of Piers 30-32, 35, 36, 70 (including Wharves 7 and 8), and 80 in San Francisco, California, substantially in accordance with the Port's redevelopment plan." In 2011, Congress appropriated \$4.8 million of this authorization for removal of Pier 36, leaving \$20.2 million in authorization remaining. All funding from this source requires a 2:1 match from the Port. The Port has traditionally been the only City department with projects eligible for funding from the Army Corps.

In 2008 Congress placed a hold on project-based authorization, determining them to be "earmarks." As of the writing of this plan, the United States Congress continues to operate under a two-year moratorium on congressionally directed spending, i.e., direct "project" funding. However, because this moratorium has a differential impact across funding sources – in particular, the budget for the USACE is more affected than others – there is a great deal of speculation that the definition of "earmark" may be revised. The Capital Plan assumes that the remaining authorization of \$20.2 million will be appropriated in the FY2020-24 period.

- Department of Homeland Security, Port Security Grants*** – Since 2007, the Port’s Homeland Security Division has applied for and been awarded over \$28 million in State and Federal Port Security grant Programs. Over the next five years, the Port plans to apply for an additional \$6.3 million in federal funding provided by FEMA under the PSGP (Port Security Grant Program). PSGP funding will provide enhanced security capabilities, establish boundaries, and provide controlled access where required and authorized, as well as enhance threat detection and prevention, and increase security measures for berth and passenger terminals that are consistent with Department of Homeland Security and United States Coast Guard requirements. It is expected that FEMA will continue to require a 25 percent match, which the Port will provide from the capital budget. Individual security projects may include lighting, high security fencing, closed-circuit television (CCTV) cameras, intrusion detection systems, and vessels.
- San Francisco Bay Area Water Emergency Transportation Authority (WETA)*** – WETA is proposing to utilize federal and state funding to support a two-phased project to improve the Downtown Ferry Terminal (DTFT) at the San Francisco Ferry Building. WETA and the Port have entered into a Memorandum of Understanding (MOU) to undertake a coordinated planning effort for the DTFT expansion project in accordance with the Port’s objectives for stewardship of the San Francisco waterfront and WETA’s mission to provide ferry service and emergency operations. The project would expand the number of ferry gates, improve pedestrian circulation and ferry patron boarding, and enhance emergency response capabilities to evacuate people from San Francisco in the event of a major catastrophic event. The remaining work in the project plan includes funding from state and local sources, including California Proposition 1B, Proposition K (½ cent sales tax) and RM2 (bridge tolls) and addresses \$7.6 million in state-of-good-repair and \$2.1 million in seismic needs.

The Water Emergency Transportation Authority (“WETA”) is now pursuing Phase 2 of the Downtown Ferry Terminal to add up to three new ferry gates, weather-protected areas for queuing, and a new public plaza between the Ferry Building and the Agriculture Building, which also will support emergency staging and evacuation in the event of a major catastrophe. Construction of Phase 2, at an estimated cost of \$97 million, is expected to begin in 2016 and be completed by 2020.
- Environmental Clean-up and Open Space Projects*** – As part of a settlement agreement with the Cosco Busan following a collision with the Bay Bridge in 2012, the Port and Department of Recreation and Parks were awarded \$1.37 million in funding to be used for environmental clean-up and open space projects. The Port will use its \$685,000 share of the award to stabilize the shoreline at the future site of Crane Cove Park in the Port’s Pier 70 area.
- California Coastal Conservancy Grant*** – The California Coastal Conservancy has awarded the Port \$620,000 for repair to the Port’s historic Copra Crane, and for related removal of portions of Pier 84. The Copra Crane, operated by Longshoremen, was last utilized in 1974 to remove copra (dried coconut) imported from the Philippines from cargo vessels. It is an important part of Port labor history, as it is the last remnant of

manually operated machinery for loading and unloading cargo on the San Francisco waterfront.

Table 2 lists several additional sources of funding that the Port staff has identified, but not yet secured, that could contribute significantly to future capital plans. Staff will make a concerted effort to realize these funding sources.

- ***City Match to USACE WRDA 2020, Seawall Repair*** – Though WRDA legislation is intended to be biennial, as a matter of practice these new authorizations are passed into law much less frequently. For the next WRDA, Port staff will submit language to amend the Port's existing WRDA07 authorization to increase the amount of funding authorized, and to make eligible appropriations for seawall construction or repair and removal of derelict pilings. This Authorization assumes a conservative estimate of \$60 million for a comprehensive rehabilitation and modernization of the San Francisco seawall. The USACE share of this project would be two-thirds, or \$40 million. The balance of funds, or local match for the seawall rehabilitation described above, is one-third, or \$20 million. Because this capital requirement is so high relative to the Port's capital budget, and because the beneficiaries of this project extend far beyond the Port, the plan assumes that financing for the local share of the project would come from a general fund source that recognizes its City-wide benefit.

B.6 Transferrable Development Rights

Each of the pier sheds and associated bulkhead buildings on the Port's historic finger piers are collectively recognized as part of the Embarcadero Waterfront Historic District listed on the National Register of Historic Places. Any alteration or historic rehabilitation undertaken for these resources is required under Port Commission policy to comply with U.S. Secretary of the Interior Standards for Historic Rehabilitation (Secretary Standards). The Port has relied on the Federal Historic Tax Credit Program as one essential financing tool to assist in paying for the high cost of rehabilitation to meet the Secretary Standards. However, given the age of the piers and increasing costs of repair, structural and/or seismic interventions necessary to meet current codes, other financing strategies are required to save these historic resources and continue the Port's waterfront revitalization efforts.

The Port has initiated discussions with the Board of Supervisors, Planning Department, San Francisco Architectural Heritage and other preservation stakeholders to consider allowing the City's Transfer of Development Rights (TDR) program to be applied to historic rehabilitation projects defined by the Port Commission that would rehabilitate historic resources in the Embarcadero Historic District. TDR is an historic preservation incentive tool that allows unused development air rights on sites containing recognized historic resources of public value to be sold and applied to other development "receptor" sites. The City's TDR program requirements and provisions are contained in the San Francisco Planning Code and administered by the San Francisco Planning Department. Any historic building that receives benefit from the TDR program would require that the allowable development of that site be reduced by the amount sold through the TDR program.

The Port sees TDR as an important financing tool that could generate significant funding to support historic rehabilitation costs of its historic pier resources, particularly at Piers 19, 23 and 29 in the Northern Waterfront.

In 2013, the Port participated with City Planning in a study of the current program to determine how the current TDR market is functioning and to what extent the addition of Port piers into the program would impact the existing market. The study concluded that there is some limited capacity in the local TDR market for addition of publicly-owned buildings, and that the City should remain open to the Port's proposal to use TDR for Piers 19, 23 and 29.

In 2013, the Planning Department and Capital Planning Committee endorsed the use of TDR for designated historic Civic Center Buildings including the War Memorial, only the second time in the history of the program that TDR has been used to help finance rehabilitation of publicly-owned historic buildings. The Planning Department and the Capital Planning Committee have determined that further use of TDR for publicly-owned buildings (including the Port's piers) should wait until market impacts of the War Memorial TDR allocation can be determined.

If the War Memorial allocation indicates that there is sufficient market demand to accommodate the Port's finger piers, the Board of Supervisors would have to adopt legislation authorizing the Port to participate in the TDR program. The Port has already succeeded in gaining State authorization to participate in the local TDR program through enactment of AB 2649 (Assemblymember Tom Ammiano).

VII. CONCLUSIONS

The Port's Ten-Year Capital Plan continues to evolve since its inception nine years ago. The Port has employed the information that the Plan generates to develop and implement its legislative and financing strategies to redevelop the City's waterfront, fulfill its public trust mission, and reconnect the City with its waterfront.

Since the first plan in 2006, the Port has used this document to guide a total in investment exceeding \$220 million in non-developer funding. Still, a persistent gap remains between the Port's available resources and its ever growing need. It is a clear challenge, but one the Port has demonstrated it has the fortitude as an institution to meet. While the plan is a forward looking document, it is our history of continual improvement that has generated opportunity for growth, and leveraged even greater opportunity. The plan was integral to the Port's issuance of its revenue bonds as well as to the Port's preparations for the 34th America's Cup. It provides a solid framework and confidence-building, holistic view of the Port to interested constituents, as well as to general audiences.

As a road-map, the plan has enabled stronger application for federal grant funding, and stronger footing for inclusion in future City-sponsored general obligation bonds. The plan also served a vital role in supporting legislative changes to the Port's ability to develop Seawall Lot 337 and Pier 70 by securing tax increment to pay for public infrastructure investments in these proposed development project areas.

The Port's review of the Waterfront Land Use Plan highlighted that the Port is more unified with its waterfront than it has ever been, with industry, commerce and residence all existing in a harmony of contrasts. A South Beach resident might walk from her home to attend a San Francisco Giants game, and between innings, watch from her seat as one of the largest ships in the world is lifted out of the water for repair at the Port's Pier 70 shipyard. However united we are as a Port, we continue to need to grow in our connection with those away from the shore.

The controversy around height limits that so dominated discussion around the waterfront in 2014 changed the prism through which the Port must view development. With the passage of Proposition B, the community that is actively weighing in on the Port's development is no longer nearby and neighborhood in character, but rather an entire City of civic-minded voters. Moving forward, the Port must be ever mindful of the larger presence our work has in the San Francisco consciousness.

The next big capital planning challenge for the Port is to involve sister City agencies and regulatory partners in examining the Port's 100-year-old seawall to address its structural stability facing both a seismic event and future sea level rise. The long-range improvements to the City's seawall and marginal wharf will require a coordinated planning and funding strategy that will need to be reflected in future updates of the Port's Capital Plan.

Finally, the preliminary success of the Port-BCDC planning study and the Port's desire to reposition its northern waterfront piers for different uses through a public process underscore the need for strong public outreach and comprehensive planning. The Port must always take care to

ensure that there is a strong local and regional public consensus regarding the future of one of the most beautiful public waterfronts in the world.

APPENDIX A – Ten-Year Capital Needs, By Facility

Definitions

Building Type: This is the fundamental structure type, where a ‘simple’ building is a warehouse or garage structure with limited subsystems, a ‘basic’ building is a standard commercial structure with appropriate subsystems, ‘small’ buildings are less than 5,000 square feet (and as such, the method for estimating costs for these structures is simplified), and a ‘pier’ is a pile supported over-water foundation structure (as distinct from a shed building that sit atop a pier).

Backlog: The accumulation of all overdue needed repair work, as of year one of this Plan.

Ten-Year Renewals: Costs for replacing building subsystems that will reach the end of their life between year one and year ten of this plan.

One-Time Costs: Costs that are singular in nature, such as a seismic upgrade, as differentiated from the cyclical costs of replacing building subsystems at the end of their lifetime (e.g., many roofs at the Port are 30-year roofs, and as such, are on a 30-year replacement schedule).

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|---|---------------|----------|------------------|-----------|-----------|
| 000 | Leased Piers | Port Wide | \$0 | \$46,664 | \$0 | \$46,664 |
| 0000 | Equipment | BASIC | \$0 | \$0 | \$10,664 | \$10,664 |
| 0000 | Port-wide Projects | Port Wide | \$0 | \$324,482 | \$208,220 | \$532,702 |
| 1001 | Downtown Ferry Terminal | BASIC | \$760 | \$0 | \$2,621 | \$3,381 |
| 1010 | Pier 1 | Piers | \$0 | \$88 | \$0 | \$88 |
| 1010 | Pier 1 - Office Building | BASIC | \$0 | \$3,481 | \$0 | \$3,481 |
| 1015 | Pier 1 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1015 | Pier 1 1/2 - Bulkhead/Shed Building | BASIC | \$0 | \$467 | \$0 | \$467 |
| 1020 | Pier 2 | Piers | \$4,631 | \$0 | \$2,210 | \$6,841 |
| 1030 | Pier 3 | Piers | \$8,476 | \$0 | \$6,558 | \$15,034 |
| 1030 | Pier 3 - Bulkhead/Shed Building | BASIC | \$0 | \$754 | \$0 | \$754 |
| 1050 | Pier 5 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1055 | Pier 5 1/2 - Bulkhead Building | BASIC | \$0 | \$553 | \$0 | \$553 |
| 1070 | Pier 7 Public Pier | Piers | \$0 | \$0 | \$0 | \$0 |
| 1075 | Pier 7 - The Waterfront Restaurant | BASIC | \$319 | \$113 | \$178 | \$609 |
| 1075 | Pier 7 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1090 | Pier 9 | Piers | \$12,724 | \$0 | \$10,590 | \$23,314 |
| 1090 | Pier 9 Bulkhead/Shed Building | BASIC | \$9,580 | \$7,044 | \$3,780 | \$20,404 |
| 1095 | Pier 9 1/2 | Piers | \$835 | \$0 | \$687 | \$1,522 |
| 1140 | Pier 14 (Public Pier) | Piers | \$0 | \$0 | \$0 | \$0 |
| 1150 | Pier 15 | Piers | \$141 | \$0 | \$0 | \$141 |
| 1150 | Pier 15 - Bulkhead/Shed Building (contains trailer) | SIMPLE | \$3,239 | \$597 | \$4,098 | \$7,934 |
| 1155 | Pier 15/17 - Office on Marginal Wharf | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1155 | Pier 15/17 Valley - demolition | Piers | \$9,527 | \$0 | \$0 | \$9,527 |
| 1170 | Pier 17 | Piers | \$105 | \$0 | \$0 | \$105 |
| 1170 | Pier 17 - Shed Building | SIMPLE | \$3,350 | \$883 | \$3,439 | \$7,672 |
| 1175 | Pier 17 1/2 | Piers | \$1,552 | \$0 | \$510 | \$2,062 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|---|---------------|----------|------------------|----------|-----------|
| 1190 | Pier 19 | Piers | \$4,415 | \$0 | \$6,850 | \$11,265 |
| 1190 | Pier 19 - Bulkhead/Shed Building | SIMPLE | \$1,416 | \$179 | \$2,882 | \$4,477 |
| 1195 | Pier 19 1/2 | Piers | \$5,522 | \$0 | \$3,049 | \$8,571 |
| 1195 | Pier 19 1/2 - Bulkhead/Shed | SIMPLE | \$671 | \$82 | \$1,289 | \$2,043 |
| 1225 | Pier 22 1/2 | Piers | \$2,483 | \$0 | \$1,074 | \$3,557 |
| 1225 | Pier 22 1/2 - Fire Station | BASIC | \$715 | \$0 | \$146 | \$861 |
| 1225 | Pier 22 1/2 - Maintenance / Recreation | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1230 | Pier 23 | Piers | \$6,557 | \$0 | \$10,870 | \$17,427 |
| 1230 | Pier 23 - Bulkhead/Shed Building | SIMPLE | \$666 | \$0 | \$2,956 | \$3,622 |
| 1235 | Pier 23 1/2 | Piers | \$3,068 | \$0 | \$504 | \$3,572 |
| 1235 | Pier 23 1/2 Pier 23 Cafe | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1245 | Pier 24 1/2 | Piers | \$4,723 | \$0 | \$3,701 | \$8,424 |
| 1245 | Pier 24 1/2 - Bulkhead/Shed Building | SIMPLE | \$647 | \$0 | \$824 | \$1,471 |
| 1260 | Pier 26 | Piers | \$16,147 | \$0 | \$16,224 | \$32,371 |
| 1260 | Pier 26 - Bulkhead/Shed | SIMPLE | \$3,141 | \$2,349 | \$3,786 | \$9,276 |
| 1265 | Pier 26 1/2 | Piers | \$3,558 | \$0 | \$2,869 | \$6,427 |
| 1265 | Pier 26.5 - Bulkhead | BASIC | \$2,330 | \$952 | \$0 | \$3,282 |
| 1270 | Pier 27 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1270 | Pier 27 - Office Annex | SMALL | \$588 | \$0 | \$0 | \$588 |
| 1280 | Pier 28 | Piers | \$10,371 | \$0 | \$15,303 | \$25,674 |
| 1280 | Pier 28 - Bulkhead/Shed Building | SIMPLE | \$2,465 | \$405 | \$2,266 | \$5,136 |
| 1285 | Pier 28 1/2 | Piers | \$510 | \$0 | \$387 | \$897 |
| 1285 | Pier 28 1/2 - Hide Restaurant | SMALL | \$216 | \$0 | \$0 | \$216 |
| 1290 | Pier 29 | Piers | \$10,207 | \$0 | \$0 | \$10,207 |
| 1290 | Pier 29 - Bulkhead/Shed Building | SIMPLE | \$0 | \$0 | \$4,564 | \$4,564 |
| 1295 | Pier 29 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1295 | Pier 29 1/2 - Bulkhead Building | SIMPLE | \$1,508 | \$100 | \$1,547 | \$3,155 |
| 1310 | Pier 31 | Piers | \$5,132 | \$0 | \$17,408 | \$22,540 |
| 1310 | Pier 31 - Bulkhead/Shed Building | SIMPLE | \$3,145 | \$1,446 | \$2,801 | \$7,393 |
| 1315 | Pier 31 1/2 | Piers | \$3,834 | \$0 | \$3,152 | \$6,986 |
| 1320 | Pier 30 and 32 | Piers | \$43,903 | \$295 | \$57,582 | \$101,780 |
| 1325 | Pier 32 1/2 Marginal Wharf (Brannan St) | Piers | \$0 | \$0 | \$0 | \$0 |
| 1330 | Pier 33 | Piers | \$6,801 | \$0 | \$11,337 | \$18,138 |
| 1330 | Pier 33 - Bulkhead/Shed Building | SIMPLE | \$2,055 | \$1,951 | \$2,620 | \$6,625 |
| 1335 | Pier 33 1/2 | Piers | \$0 | \$0 | \$495 | \$495 |
| 1335 | Pier 33 1/2 - Bulkhead Building | BASIC | \$114 | \$0 | \$0 | \$114 |
| 1345 | Pier 34 1/2 Marginal Wharf | Piers | \$0 | \$0 | \$0 | \$0 |
| 1350 | Pier 35 - Bulkhead/Shed Building | BASIC | \$5,801 | \$13,836 | \$5,372 | \$25,008 |
| 1350 | Pier 35 Cruise Terminal | Piers | \$42,791 | \$274 | \$10,031 | \$53,095 |
| 1355 | Pier 35 1/2 | Piers | \$0 | \$0 | \$5,402 | \$5,402 |
| 1380 | Pier 38 | Piers | \$19,106 | \$0 | \$16,933 | \$36,039 |
| 1380 | Pier 38 - Bulkhead/Shed Building | SIMPLE | \$411 | \$1,850 | \$3,269 | \$5,531 |
| 1385 | Pier 38 1/2 | Piers | \$656 | \$0 | \$539 | \$1,195 |
| 1390 | Pier 39 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1390 | Pier 39 - Retail Shops | BASIC | \$4,337 | \$4,879 | \$7,699 | \$16,915 |
| 1390 | Pier 39 - Underwater World | BASIC | \$313 | \$854 | \$0 | \$1,167 |
| 1395 | Pier 39 1/2 Marginal Wharf | Piers | \$0 | \$0 | \$0 | \$0 |
| 1400 | Pier 40 | Piers | \$5,487 | \$0 | \$10,887 | \$16,374 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|---|---------------|----------|------------------|----------|----------|
| 1400 | Pier 40 - Shed Building | SIMPLE | \$274 | \$728 | \$1,353 | \$2,356 |
| 1400 | Pier 40 Restaurant & Robert Steck Chandelry | BASIC | \$55 | \$228 | \$235 | \$519 |
| 1405 | Pier 40 1/2 (S Beach Harbor Wharf) | Piers | \$2,899 | \$0 | \$477 | \$3,376 |
| 1405 | Pier 40 1/2 - Java House | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1410 | Pier 41 | Piers | \$0 | \$0 | \$3,376 | \$3,376 |
| 1415 | Pier 41 1/2 | Piers | \$2,195 | \$0 | \$0 | \$2,195 |
| 1415 | Pier 41 1/2 - Blue&Gold Bldg. | BASIC | \$0 | \$1,359 | \$435 | \$1,794 |
| 1430 | Pier 43 | Piers | \$0 | \$0 | \$316 | \$316 |
| 1430 | Pier 43 - Arch | SMALL | \$248 | \$0 | \$0 | \$248 |
| 1435 | Pier 43 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1435 | Pier 43 1/2 - Franciscan Restaurant | BASIC | \$659 | \$267 | \$421 | \$1,347 |
| 1435 | Pier 43 1/2 - Red & White Tours | SMALL | \$0 | \$35 | \$0 | \$35 |
| 1450 | Pier 45 | Piers | \$1,130 | \$2,696 | \$0 | \$3,825 |
| 1450 | Pier 45 - Shed A | SIMPLE | \$732 | \$1,447 | \$2,133 | \$4,312 |
| 1450 | Pier 45 - Shed B | SIMPLE | \$736 | \$1,455 | \$2,145 | \$4,336 |
| 1450 | Pier 45 - Shed C | SIMPLE | \$1,033 | \$1,210 | \$2,184 | \$4,427 |
| 1450 | Pier 45 - Shed D | SIMPLE | \$728 | \$1,252 | \$1,937 | \$3,916 |
| 1461 | Pier 46B China Basin Ferry Terminal | Piers | \$958 | \$0 | \$0 | \$958 |
| 1470 | Pier 47 - Guardinos Storage Bldg | SMALL | \$0 | \$64 | \$0 | \$64 |
| 1470 | Pier 47 - Scoma / Fish Prep Bldg | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1470 | Pier 47 - Scoma Storage Bldg | SMALL | \$0 | \$103 | \$0 | \$103 |
| 1470 | Pier 47 - Scomas Restaurant | BASIC | \$387 | \$1,221 | \$365 | \$1,973 |
| 1470 | Pier 47 - Scomas Storage Shed | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1470 | Pier 47 - Wharf J6, J7, J8 | Piers | \$1,963 | \$0 | \$4,565 | \$6,528 |
| 1470 | Pier 47 WF Albert Seafoods Proc Bldg | SIMPLE | \$143 | \$92 | \$192 | \$427 |
| 1480 | Pier 48 | Piers | \$10,461 | \$0 | \$1,598 | \$12,059 |
| 1480 | Pier 48 - Shed A | SIMPLE | \$2,031 | \$443 | \$0 | \$2,474 |
| 1480 | Pier 48 - Shed B | SIMPLE | \$2,086 | \$455 | \$0 | \$2,542 |
| 1485 | Pier 48 1/2 - Jellys restaurant | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 - Aliotos Restaurant (Wharf J-1) | BASIC | \$0 | \$436 | \$355 | \$791 |
| 1490 | Pier 49 - Fishermans Grotto No. 9 (Wharf J-1) | BASIC | \$0 | \$678 | \$552 | \$1,230 |
| 1490 | Pier 49 - Fishermans Memorial Chapel | SMALL | \$0 | \$166 | \$0 | \$166 |
| 1490 | Pier 49 - Guardinos (Wharf J-1) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 - Sabella & Latorre (Wharf J-1) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 - Tarantinos Restaurant (Wharf J-1) | BASIC | \$0 | \$377 | \$210 | \$587 |
| 1490 | Pier 49 - The Crab Station (Wharf J-1) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 Nicks Lighthouse (Wharf J-1) | SMALL | \$0 | \$185 | \$0 | \$185 |
| 1490 | Wharfs J-1 and J-3 (Pier 49) | Piers | \$0 | \$906 | \$3,485 | \$4,391 |
| 1500 | Pier 50 | Piers | \$24,943 | \$1,973 | \$20,445 | \$47,361 |
| 1500 | Pier 50 - Shed A | SIMPLE | \$2,375 | \$953 | \$2,190 | \$5,518 |
| 1500 | Pier 50 - Shed B | SIMPLE | \$1,233 | \$1,234 | \$2,221 | \$4,688 |
| 1500 | Pier 50 - Shed C | SIMPLE | \$1,847 | \$1,441 | \$2,668 | \$5,957 |
| 1500 | Pier 50 - Shed D | SIMPLE | \$1,515 | \$1,018 | \$3,081 | \$5,615 |
| 1505 | Pier 50 1/2 | Piers | \$0 | \$0 | \$393 | \$393 |
| 1520 | Pier 52 | Piers | \$0 | \$0 | \$4,515 | \$4,515 |
| 1540 | Pier 54 | Piers | \$27,870 | \$0 | \$9,374 | \$37,244 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|--|---------------|---------|------------------|----------|----------|
| 1540 | Pier 54 - Office Bldg | SMALL | \$554 | \$0 | \$0 | \$554 |
| 1540 | Pier 54 - Oil Shed | SMALL | \$132 | \$0 | \$0 | \$132 |
| 1540 | Pier 54 - Shed Building | SIMPLE | \$433 | \$350 | \$725 | \$1,508 |
| 1540 | Pier 54 - Storage Shed | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1600 | Pier 60 - Wharf - wood piles | Piers | \$1,218 | \$0 | \$527 | \$1,745 |
| 1620 | Third Street Bridge House | SMALL | \$0 | \$27 | \$0 | \$27 |
| 1640 | Pier 64 | Piers | \$3,010 | \$0 | \$300 | \$3,310 |
| 1645 | Pier 64 1/2 Kelly Mission Rock Resort Restnt | BASIC | \$0 | \$460 | \$0 | \$460 |
| 1680 | Pier 68 | Piers | \$7,919 | \$43,104 | \$7,855 | \$58,878 |
| 1680 | Pier 70 - Pier 68 - Bathrooms Bldg. #141 | SMALL | \$0 | \$66 | \$0 | \$66 |
| 1680 | Pier 70 - Pier 68 - Beth Street Substation #2, Bldg. #50 | SMALL | \$0 | \$0 | \$9 | \$9 |
| 1680 | Pier 70 - Pier 68 - Beth Street Warehouse Bldg. #30 | SMALL | \$0 | \$0 | \$70 | \$70 |
| 1680 | Pier 70 - Pier 68 - Blast Shed Bldg. #150 | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Boiler/Steam Power House - #103 | SMALL | \$308 | \$0 | \$241 | \$549 |
| 1680 | Pier 70 - Pier 68 - Building #149 | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Cable/Electric Shop - Bldg. #38 | SIMPLE | \$0 | \$0 | \$450 | \$450 |
| 1680 | Pier 70 - Pier 68 - Checkhouse #1, Bldg. #122 | SMALL | \$0 | \$0 | \$197 | \$197 |
| 1680 | Pier 70 - Pier 68 - Checkhouse #2, Bldg. #123 | SMALL | \$0 | \$0 | \$95 | \$95 |
| 1680 | Pier 70 - Pier 68 - Equipment Building #36 | SIMPLE | \$352 | \$48 | \$2,732 | \$3,132 |
| 1680 | Pier 70 - Pier 68 - Machine Shop - Bldg. #105 | SIMPLE | \$538 | \$49 | \$4,403 | \$4,990 |
| 1680 | Pier 70 - Pier 68 - near checkhouse #2, Building #51 | SMALL | \$66 | \$0 | \$0 | \$66 |
| 1680 | Pier 70 - Pier 68 - Office Bldg (#127) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Office Bldg Annex to #101, Bldg. #40 | BASIC | \$0 | \$0 | \$177 | \$177 |
| 1680 | Pier 70 - Pier 68 - Office Building #101 | BASIC | \$7,231 | \$0 | \$5,736 | \$12,967 |
| 1680 | Pier 70 - Pier 68 - Office Building #104 | BASIC | \$4,568 | \$0 | \$5,127 | \$9,695 |
| 1680 | Pier 70 - Pier 68 - Office/Warehouse Bldg - Bldg #111 | BASIC | \$6,397 | \$1,447 | \$11,695 | \$19,539 |
| 1680 | Pier 70 - Pier 68 - Ops. Bldg #102 | BASIC | \$1,087 | \$0 | \$2,067 | \$3,154 |
| 1680 | Pier 70 - Pier 68 - Pipe Rack, Bldg. #120 | SMALL | \$0 | \$0 | \$51 | \$51 |
| 1680 | Pier 70 - Pier 68 - Pipe Storage Bldg #107 | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Sheet Metal/Tools Bldg #109 | SIMPLE | \$1,488 | \$803 | \$2,210 | \$4,500 |
| 1680 | Pier 70 - Pier 68 - Shipwright Building #108 | BASIC | \$6,733 | \$0 | \$11,937 | \$18,670 |
| 1680 | Pier 70 - Pier 68 - Steel Shop Office (bldg #121) | SMALL | \$0 | \$102 | \$0 | \$102 |
| 1680 | Pier 70 - Pier 68 - Substation #4 (bldg #58) | SMALL | \$0 | \$0 | \$157 | \$157 |
| 1680 | Pier 70 - Pier 68 - Substation #6, Bldg. #64 | SMALL | \$331 | \$0 | \$1,124 | \$1,455 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|--|---------------|----------|------------------|----------|-----------|
| 1680 | Pier 70 - Pier 68 - Substation #7 (bldg #68) | SMALL | \$0 | \$0 | \$87 | \$87 |
| 1680 | Pier 70 - Pier 68 - Warehouse & 6-ton crane, Bldg. #49 | SIMPLE | \$0 | \$0 | \$500 | \$500 |
| 1680 | Pier 70 - Pier 68 - Yard Washroom, Bldg. #110 | SMALL | \$0 | \$0 | \$1,000 | \$1,000 |
| 1680 | Pier 70 - Pier 68 - Yard Washroom, Bldg. #119 | SMALL | \$0 | \$0 | \$25 | \$25 |
| 1700 | Pier 70 | Piers | \$55,359 | \$0 | \$49,864 | \$105,223 |
| 1800 | Pier 80 | Piers | \$11,505 | \$1,468 | \$67,804 | \$80,777 |
| 1800 | Pier 80 - Entry Canopy | SIMPLE | \$270 | \$0 | \$325 | \$595 |
| 1800 | Pier 80 - Gear & Maintenance Building | SIMPLE | \$1,227 | \$129 | \$1,147 | \$2,503 |
| 1800 | Pier 80 - Office Bldg #2 | SMALL | \$116 | \$0 | \$0 | \$116 |
| 1800 | Pier 80 - Service Building | SIMPLE | \$1,341 | \$1,408 | \$911 | \$3,660 |
| 1800 | Pier 80 - Shed A | SIMPLE | \$0 | \$1,857 | \$25,275 | \$27,132 |
| 1800 | Pier 80 - Shed D | SIMPLE | \$3,289 | \$1,400 | \$4,970 | \$9,659 |
| 1800 | Pier 80 - Terminal Office | SMALL | \$294 | \$0 | \$0 | \$294 |
| 1800 | Pier 80 Office Bldg #1 | SMALL | \$116 | \$0 | \$0 | \$116 |
| 1840 | Copra Crane | BASIC | \$896 | \$0 | \$0 | \$896 |
| 1900 | Pier 90 | Piers | \$11,737 | \$0 | \$0 | \$11,737 |
| 1900 | Pier 90 - Fire Department Building | BASIC | \$81 | \$29 | \$184 | \$294 |
| 1900 | Pier 90 - Maintenance Bldg | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1900 | Pier 90 - Old Powerhouse | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1900 | Pier 90 - Storage Bldg | SMALL | \$0 | \$39 | \$0 | \$39 |
| 1900 | Pier 90 - Truck Pits | SMALL | \$0 | \$108 | \$0 | \$108 |
| 1920 | Pier 92 | Piers | \$4,483 | \$0 | \$0 | \$4,483 |
| 1940 | Pier 94 - 96 wharf area | Piers | \$5,582 | \$0 | \$8,387 | \$13,969 |
| 1940 | Pier 94 - Wharfside Building | SMALL | \$0 | \$66 | \$0 | \$66 |
| 1960 | Pier 96 - Administration Building | BASIC | \$1,147 | \$633 | \$457 | \$2,236 |
| 1960 | Pier 96 - Entry Canopy | SIMPLE | \$244 | \$0 | \$294 | \$538 |
| 1960 | Pier 96 - Exit Canopy | SIMPLE | \$145 | \$0 | \$174 | \$319 |
| 1960 | Pier 96 - Gatehouse Bldg | SMALL | \$0 | \$240 | \$0 | \$240 |
| 1960 | Pier 96 - Maintenance Building | BASIC | \$1,540 | \$1,123 | \$890 | \$3,554 |
| 1960 | Pier 96 - Office/Restroom | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1960 | Pier 96 - Recycling/LASH Terminal | SIMPLE | \$2,626 | \$4,865 | \$5,483 | \$12,974 |
| 1960 | Pier 96 - Storage | SMALL | \$0 | \$159 | \$0 | \$159 |
| 1960 | Pier 96 - Truck Scales | SMALL | \$0 | \$41 | \$0 | \$41 |
| 1980 | Hérons Head Park | BASIC | \$0 | \$0 | \$226 | \$226 |
| 2000 | Fac. 2000 - Ferry Plaza | Piers | \$633 | \$390 | \$0 | \$1,024 |
| 2500 | Hyde Street Pier | Piers | \$0 | \$0 | \$0 | \$0 |
| 2500 | Hyde Street Pier - Storage Buildings (3) | SMALL | \$0 | \$166 | \$0 | \$166 |
| 2505 | Pier 50 Administration Building | BASIC | \$2,019 | \$546 | \$573 | \$3,138 |
| 2740 | Fac. 200 - World Trade Club Restaurant | BASIC | \$338 | \$1,156 | \$883 | \$2,378 |
| 2750 | Fac. 274-175 - Ferry Building Clock Tower | BASIC | \$0 | \$484 | \$360 | \$844 |
| 2750 | Fac. 274-275 Ferry Building | BASIC | \$0 | \$12,995 | \$8,772 | \$21,767 |
| 2750 | Ferry Building: Fac. 274 - 275 | Piers | \$0 | \$0 | \$0 | \$0 |
| 2770 | Pier 2 - Sinbads | BASIC | \$0 | \$0 | \$0 | \$0 |
| 2780 | Fac. 278 Agriculture Bldg Substructure | Piers | \$5,668 | \$0 | \$3,107 | \$8,775 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|--|---------------|---------|------------------|----------|----------|
| 2780 | Fac. 278 Agriculture Building | BASIC | \$3,729 | \$288 | \$652 | \$4,669 |
| 2800 | Pier 80 Administration Building | BASIC | \$4,874 | \$1,450 | \$2,309 | \$8,633 |
| 3010 | SWL 301 - Andre Boudin Pavilion | SMALL | \$0 | \$0 | \$0 | \$0 |
| 3010 | SWL 301 - Andre Boudin Restaurant | BASIC | \$0 | \$460 | \$0 | \$460 |
| 3020 | Street - Pier 47, Fish Alley, Al Scoma Way | Street | \$417 | \$0 | \$0 | \$417 |
| 3020 | SWL 302 - Alioto Fish Co. | BASIC | \$0 | \$1,735 | \$465 | \$2,200 |
| 3020 | SWL 302 - Castagnola/Storage Bldg | SMALL | \$0 | \$142 | \$0 | \$142 |
| 3020 | SWL 302 - Crab Boat Owners Asso. | BASIC | \$404 | \$0 | \$79 | \$483 |
| 3020 | SWL 302 - Firewood Cafe | BASIC | \$0 | \$409 | \$117 | \$526 |
| 3020 | SWL 302 - Pompeis Grotto | BASIC | \$0 | \$324 | \$121 | \$445 |
| 3020 | SWL 302 - Port Harbor Office | SMALL | \$0 | \$63 | \$0 | \$63 |
| 3020 | SWL 302 - Scomas (Smoke House) | BASIC | \$0 | \$177 | \$141 | \$318 |
| 3020 | SWL 302 - United Shellfish Warehouse | SMALL | \$0 | \$0 | \$0 | \$0 |
| 3020 | SWL 302 Castagnola Rest. | BASIC | \$0 | \$534 | \$435 | \$969 |
| 3020 | SWL 302 Coast Marine Supply Mat. Storage Bldg | SIMPLE | \$0 | \$485 | \$615 | \$1,100 |
| 3020 | SWL 302 Coastal Marine Retail Space | SMALL | \$0 | \$301 | \$0 | \$301 |
| 3020 | SWL 302 D&G Co. d.b.a. Lou Blues | SMALL | \$0 | \$610 | \$0 | \$610 |
| 3020 | SWL 302 Franks Fisherman Supply | BASIC | \$102 | \$431 | \$241 | \$773 |
| 3020 | SWL 302 Substructure (Wharf J-9) | Piers | \$5,833 | \$0 | \$2,055 | \$7,888 |
| 3020 | SWL 302 United Shellfish Processing | SIMPLE | \$0 | \$45 | \$50 | \$95 |
| 3030 | Street - Hyde Alley, Fish Alley | Street | \$309 | \$0 | \$0 | \$309 |
| 3030 | SWL 302 Cal Shell Fish Shed | SMALL | \$0 | \$122 | \$0 | \$122 |
| 3030 | SWL 303 - Alioto Fish Co. | BASIC | \$266 | \$710 | \$216 | \$1,192 |
| 3030 | SWL 303 - Cal Shell Fish | BASIC | \$156 | \$172 | \$144 | \$472 |
| 3030 | SWL 303 - Cioppinos/(Hoppe) | BASIC | \$0 | \$748 | \$336 | \$1,084 |
| 3030 | SWL 303 - Franceschis Restaurant | BASIC | \$0 | \$195 | \$109 | \$304 |
| 3030 | SWL 303 - GP Resources | SMALL | \$34 | \$0 | \$0 | \$34 |
| 3030 | SWL 303 - SP Trantino/Martell Ins | SMALL | \$0 | \$0 | \$0 | \$0 |
| 3030 | SWL 303 - The Bay Company, Hoppe, Arthur N. | BASIC | \$0 | \$439 | \$245 | \$684 |
| 3110 | SWL 311 Pier 39 Garage | SIMPLE | \$0 | \$942 | \$7,121 | \$8,063 |
| 3130 | SWL 313 Embarcadero Triangle Lot Assn. | SIMPLE | \$0 | \$428 | \$3,376 | \$3,804 |
| 3150 | SWL 315 Office Bulding (HHC Investment limited) | BASIC | \$0 | \$8,241 | \$3,889 | \$12,130 |
| 3160 | SWL 316 Houstons Restaurant | BASIC | \$0 | \$1,056 | \$371 | \$1,427 |
| 3170 | SWL 317 Office Building | BASIC | \$0 | \$9,047 | \$4,268 | \$13,315 |
| 3180 | SWL 318 Roundhouse One | BASIC | \$367 | \$923 | \$592 | \$1,882 |
| 3180 | SWL 318 Roundhouse Two | BASIC | \$1,115 | \$181 | \$804 | \$2,100 |
| 3180 | SWL 318 Sandhouse | SMALL | \$0 | \$238 | \$0 | \$238 |
| 3190 | SWL 319 Fog City Diner | BASIC | \$0 | \$163 | \$137 | \$300 |
| 3220 | SWL 322 ABC TV | BASIC | \$0 | \$6,341 | \$4,984 | \$11,325 |
| 3270 | Epic Roasthouse | BASIC | \$0 | \$149 | \$0 | \$149 |
| 3270 | Waterbar Restaurant | BASIC | \$0 | \$149 | \$0 | \$149 |
| 3310 | SWL 331 & 332 Delancey Street Foundation | BASIC | \$0 | \$6,007 | \$4,820 | \$10,827 |
| 3450 | Pier 70 - SWL 345 - Kneass Boatworks, Main Office/boat storage | SIMPLE | \$0 | \$0 | \$1,862 | \$1,862 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|--|---------------|---------|------------------|----------|----------|
| 3450 | Pier 70 - SWL 345 - Kneass, Pier 66 Boatyard Office | SMALL | \$331 | \$0 | \$0 | \$331 |
| 3450 | SWL 345 - SF Boat Works Office/Shop | BASIC | \$206 | \$275 | \$227 | \$708 |
| 3450 | SWL 345 - SF Boat Works Storage/The Ramp | SIMPLE | \$175 | \$24 | \$188 | \$387 |
| 3490 | Pier 70 - SWL 349 - Auto Yard Shop Bldg #19 | SIMPLE | \$211 | \$0 | \$1,243 | \$1,454 |
| 3490 | Pier 70 - SWL 349 - Beth Street Stress Relieving, Bldg. #16 | SIMPLE | \$297 | \$0 | \$1,383 | \$1,680 |
| 3490 | Pier 70 - SWL 349 - Beth Street Warehouse, Bldg. #32 | SIMPLE | \$384 | \$0 | \$1,704 | \$2,088 |
| 3490 | Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #24 | SMALL | \$568 | \$0 | \$790 | \$1,358 |
| 3490 | Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #25 | SMALL | \$0 | \$247 | \$60 | \$307 |
| 3490 | Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #29 | SMALL | \$612 | \$0 | \$938 | \$1,550 |
| 3490 | Pier 70 - SWL 349 - Brass Foundry, Bldg. #115 | SIMPLE | \$577 | \$0 | \$2,404 | \$2,981 |
| 3490 | Pier 70 - SWL 349 - Foundry, Bldg. #116 | SIMPLE | \$577 | \$0 | \$5,184 | \$5,761 |
| 3490 | Pier 70 - SWL 349 - Test Room, Bldg. #23 | SMALL | \$721 | \$0 | \$281 | \$1,002 |
| 3490 | Pier 70 - SWL 349 - UIW Machine Shop, Bldg. #114 | SIMPLE | \$288 | \$0 | \$4,731 | \$5,019 |
| 3490 | Pier 70 - SWL 349 Building #6 (condemned) | SIMPLE | \$1,234 | \$0 | \$7,652 | \$8,886 |
| 3490 | Pier 70 - SWL 349 Equipment Bldg - Bldg #14 | SIMPLE | \$517 | \$0 | \$2,531 | \$3,048 |
| 3490 | Pier 70 - SWL 349 Heavy Machine Shop - Bldg #113 | SIMPLE | \$2,758 | \$0 | \$21,765 | \$24,523 |
| 3490 | Pier 70 - SWL 349 Office Building - Bldg. #11 Noonan | BASIC | \$0 | \$0 | \$531 | \$531 |
| 3490 | Pier 70 - SWL 349 SF Shipyard Training Bldg. 117 | SIMPLE | \$0 | \$0 | \$464 | \$464 |
| 3490 | Pier 70 - SWL 349 Shop Building - Bldg #21 | SIMPLE | \$0 | \$0 | \$4,062 | \$4,062 |
| 3490 | Pier 70 - SWL 349 Traffic Department Bldg. #12 & #15 | BASIC | \$0 | \$0 | \$33,321 | \$33,321 |
| 3490 | Pier 70 - SWL 349 Traffic Dept. Shed - Bldg #66 | SIMPLE | \$734 | \$0 | \$649 | \$1,383 |
| 3490 | Pier 70 - SWL 349 Warehouse - Bldg. 2 | SIMPLE | \$0 | \$0 | \$18,395 | \$18,395 |
| 3520 | SWL 352 - Backlands Redevelopment Street - Hyde N of Jefferson to Hyde St Pier | BASIC | \$2,748 | \$0 | \$0 | \$2,748 |
| 4001 | Street - Jefferson from Leavenworth to Hyde | Street | \$250 | \$0 | \$0 | \$250 |
| 4002 | Street - R.H. Dana Dr. (Leavenworth) N of Jefferso | Street | \$135 | \$0 | \$348 | \$483 |
| 4003 | Street - Jefferson btw Jones and Leavenworth | Street | \$154 | \$0 | \$0 | \$154 |
| 4004 | Street - Taylor Street btw. Jefferson and Embarcadero | Street | \$130 | \$0 | \$0 | \$130 |
| 4006 | Street - Embarcadero from Taylor to | Street | \$319 | \$0 | \$301 | \$620 |
| 4008 | Street - Embarcadero from Taylor to | Street | \$0 | \$586 | \$0 | \$586 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-------------------|---|---------------|------------------|------------------|------------------|--------------------|
| | Powell | | | | | |
| 4017 | Street - Lombard btw Sansome and Embarcadero | Street | \$187 | \$0 | \$0 | \$187 |
| 4020 | Street - Green between Davis and Front | Street | \$175 | \$0 | \$0 | \$175 |
| 4022 | Street - Broadway btw Embarcadero & Vallejo | Street | \$527 | \$0 | \$0 | \$527 |
| 4033 | Street - T. Francois along China Basin | Street | \$525 | \$0 | \$0 | \$525 |
| 4034 | Street - T. Francois btw China Basin and Mission R | Street | \$5,494 | \$0 | \$0 | \$5,494 |
| 4036 | Street - 20th east of Illinois | Street | \$479 | \$0 | \$0 | \$479 |
| 4038 | Street - 24th from Michigan to Maryland | Street | \$667 | \$410 | \$596 | \$1,673 |
| 4040 | Street - Marin east of Michigan | Street | \$175 | \$0 | \$0 | \$175 |
| 4041 | Street - TN, IN, MN btw Tulare and Marin | Street | \$918 | \$0 | \$0 | \$918 |
| 4043 | Street - Amador and extension | Street | \$2,117 | \$442 | \$0 | \$2,558 |
| 5470 | Wharf J-4 | Piers | \$0 | \$0 | \$0 | \$0 |
| 5470H | Joint Operations Center / Hyde Harbor Office | SIMPLE | \$0 | \$0 | \$0 | \$0 |
| 5470H | Wharf J-11 | Piers | \$0 | \$0 | \$0 | \$0 |
| 6020 | Freight Yard - Intermodal Container Transfer Facility | Street | \$4,003 | \$11,738 | \$5,041 | \$20,782 |
| PORT TOTAL | | | \$569,376 | \$570,186 | \$956,320 | \$2,095,883 |

APPENDIX B - Allocation Strategy for Port Capital Funds

The Port's process for allocating its own limited capital funding involves a series of meetings with designated representatives from each of the Port's seven Divisions – the Capital Projects Working Group ("CP Group"). The CP Group developed the Port's evaluation criteria for capital projects, and weighting for each criterion. Annually, the CP Group allocates a total score to each capital project proposed by Port staff.

These first set of criteria address public safety concerns and conformance with the Port's mission, as set out in the Burton Act and Transfer Agreement of 1969, and are scored as follows:

| <u>Review Criterion</u> | <u>Maximum Score</u> |
|--|----------------------|
| Does the project address a code or regulatory issue? | 20 |
| Does the project significantly reduce liability to the Port? | 15 |
| Does the project promote maritime commerce, navigation or fisheries? | 10 |
| Does the project attract people to the waterfront? | 10 |
| Does the project protect natural or cultural resources? | 15 |

The review process also employs two complimentary ways of scoring capital projects that would bring in additional revenue and/or reduce operating costs, the first intended to capture the efficiency of the investment, the second the scale of the financial impact:

| | |
|---|----|
| What is the payback period, if 10 years or less? | 10 |
| What is the total ten-year financial benefit to the Port? | 20 |

Where a project would pay for itself in 10 years, that project was scored by subtracting the payback period, in years, from 11. For example, a project with a payback period of three years would score 8 points in this category.

To determine the score assigned for the ten-year financial benefit, the CP Group took the real benefits, as recorded in dollars, and then considered the distribution of all the values returned for projects at the end of the review process. The results were a rather even distribution, which made appropriate a simple method of scaling, where a project received 1 point for every \$500,000 worth of benefit within the ten-year period. For example, a \$4 million project that would generate \$1 million per year in new revenues would score 12 points in this category $[(\$10 \text{ million} - \$4 \text{ million}) / \$500,000]$.

Finally, Port staff reviewed all projects to determine if they fell into one or more of the four major categories listed below. The CP Group determined that a project belonging to one of these groups was worthy of separate consideration either before or after other projects, depending on the category.

Prioritization Category

- Is the project required to address an emergency, defined as an immediate threat to human health or the environment?
- Is the project legally mandated by a regulatory order or legal judgment?

- Is the project substantially matched by outside funding sources?

De-prioritization Category

- Is the project non-revenue generating and does it have less than 25% in outside matching funds?

The project review process concludes with a proposed programming of Port capital funds over two years based on the above evaluation, which becomes the Port's two-year capital budget. For the remaining years of the ten-year capital plan, expenditures are assumed to be proportional to the categories funded in the two-year budget.

APPENDIX C – Criteria for Formation of Port IFD Project Areas

The Port IFD Guidelines establish the following minimum criteria regarding the formation of IFD project areas on Port property:

1. **Port land.** Consistent with the IFD law, the Port IFD may initially be formed only with Port land.
2. **Annexing non-Port land.** If an owner of non-Port land petitions to add adjacent property to a waterfront district in accordance with the IFD law, the City will consider on a case-by-case basis whether to annex such property and to what extent tax increment generated in the non-Port land but not used for waterfront district infrastructure should be subject to the City IFD Guidelines.
3. **CEQA.** Although the City may initially form the Port IFD to include all of the Port land, neither the Port IFD nor any project-specific project area will be authorized to use property tax increment until the City has completed environmental review of the proposed development project and any proposed public facilities to be financed with property tax increment from the project area.
4. **Priority of improvements.** Waterfront districts must finance improvements that are consistent with the IFD law, the Port's then-applicable Waterfront Land Use Plan, the Public Trust (if constructed on trust property), and the Port's 10-Year Capital Plan.
5. **Economic benefit.** The Infrastructure Financing Plan ("IFP") developed for the Port IFD will include a projection for each project area/waterfront district of the amount of total revenue that the City's General Fund is projected to receive as a result of the proposed development project and the number of jobs and other economic development benefits the waterfront district is projected to produce, similar to the type of analysis that City staff and consultants perform to comply with Chapter 29 of the Administrative Code to determine that projects requiring public funding are fiscally feasible and responsible.
6. **State and City matching contributions.** In those cases where the IFD Law authorizes the allocation of the State's share of property tax increment to a waterfront district in proportion to the City's allocation of tax increment to the waterfront district, the City will allocate to the waterfront district the amount of tax increment that will maximize the amount of the State's tax increment that is available to fund eligible projects in the waterfront district.
7. **Amount of increment allocated.** The waterfront districts will fund eligible waterfront improvements necessary for each proposed development project in an amount up to \$0.65 per property tax dollar, or, where permitted by State law, up to \$0.90 per property tax dollar, until the costs of required infrastructure are fully paid or reimbursed. The allocation should be sufficient to enable the Port to (a) obtain fair market rent for Port leases, and (b) enable proposed development projects to attract private equity. No

increment will be used to pay a developer's return. The Board of Supervisors in its discretion may allocate additional increment to other waterfront projects that require funding. Increment will be disbursed to the project area to fund (a) debt service and debt service coverage for bonds issued under the Mello-Roos Act ("Community Facilities District Bonds" or "CFD Bonds") or IFD bonds, and/or (b) eligible costs on a pay-as-you-go basis.¹⁵

8. **Excess increment.** Tax increment not required to fund eligible project-specific infrastructure will be allocated to the City's General Fund or to improvements to the City's seawall and measures to protect against sea level rise.
9. **Port annual capital program.** If the Port issues Port revenue bonds¹⁶ repaid by tax increment revenue generated in one or more waterfront districts, to further the purposes of Port Commission Resolution No. 12-22, adopting the Port's Policy for Funding Capital Budget Expenditures, the Port will annually invest in its annual Capital Program any tax increment revenue allocated to the waterfront district for the purpose of providing debt service coverage on Port revenue bond debt payable from tax increment.
10. **Funding for infrastructure maintenance.** Tax increment will be allocated to the Port IFD from a waterfront district only when the Port has identified a source of funding for the maintenance of any infrastructure to be financed. This source could be in the form of: (a) private financing mechanisms, such as a homeowners' association assessment; (b) a supplemental special tax (such as a community facilities district formed under the Mello-Roos Act) or assessment district (such as a community benefit district); or (c) the Port's maintenance budget or other allocation of the Port Harbor Fund.

¹⁵ For example, one vehicle for efficiently leveraging tax increment to finance public infrastructure would involve (i) formation of a community facilities district ("CFD") under the Mello-Roos Act and an IFD project area -- the boundaries of which are coterminous with the boundaries of the private development -- prior to construction of the public infrastructure, (ii) issuance of CFD bonds early in the development cycle, i.e., prior to generation of significant tax increment that can be allocated to the IFD, (iii) application of special taxes levied in the CFD to pay debt service as long as tax increment is not available and (iv) use of tax increment, when available, to pay debt service on the bonds, which allows a reduction in the amount of special taxes levied for that purpose.

¹⁶ City staff currently assumes that the preferred method for debt issuance would be a CFD bond repaid with IFD proceeds.

APPENDIX A FOR PROJECT AREA A

(To be Attached.)

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APPENDIX B FOR PROJECT AREA B

(To be Attached.)

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APPENDIX C FOR PROJECT AREA C

(To be Attached.)

APPENDIX D FOR PROJECT AREA D

(To be Attached.)

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APPENDIX E FOR PROJECT AREA E

(To be Attached.)

APPENDIX F FOR PROJECT AREA F

(To be Attached.)

APPENDIX G FOR PROJECT AREA G

(To be Attached.)

Appendix G-1
Sub-Project Area G-1
(Pier 70 - Historic Core)

This Appendix supplements and amends the main body of the Infrastructure Financing Plan (the "IFP") as it relates to Sub-Project Area G-1. In the event of any inconsistency between the main body of this Infrastructure Financing Plan and this Appendix, the provisions of this Appendix shall govern with respect to Sub-Project Area G-1.

The boundaries of the proposed IFD, including the boundaries of Sub-Project Area G-1, are described in the map attached to the main body of the Infrastructure Financing Plan as Exhibit A. The legal description of Sub-Project Area G-1 is also attached to the main body of the Infrastructure Financing Plan as Exhibit A.

Sub-Project Area G-1 is a "Pier 70 district," as defined in Section 53395.8(c)(11) of the IFD Law, and this Appendix constitutes a "Pier 70 enhanced financing plan" as defined in Section 53395.8(c)(12) of the IFD Law. Other initially-capitalized terms used but not defined in this Appendix have the meanings ascribed to them in the IFD Law or the IFP.

A. Base Year; Commencement of Tax Increment Allocation

The "Base Year" for Sub-Project Area G-1 is the fiscal year in which the assessed value of taxable property in Sub-Project Area G-1 was last equalized prior to the effective date of the ordinance adopted to create Sub-Project Area G-1 or a subsequent fiscal year. The Base Year for Sub-Project Area G-1 is FY 2015-2016.

Tax increment may begin to be allocated to the IFD from Sub-Project Area G-1 beginning in the fiscal year following the Base Year: FY 2016-2017.

B. Allocation of Tax Increment

- (1) The annual allocation of tax increment generated in Sub-Project Area G-1 to the IFD for purposes of Section 53396(b) of the IFD Law will be the amount appropriated in each fiscal year by the Board of Supervisors for deposit in the special fund established for Sub-Project Area G-1.
- (2) The Board of Supervisors will appropriate 100 percent of the "Allocated Tax Increment" (as defined below) for allocation to the IFD until the City and County of San Francisco (the "City") acting by and through the San Francisco Port Commission (the "Port") repays all debt (as defined in the IFD Law) payable from Allocated Tax Increment to fund the capital facilities (the "Facilities") authorized by Section 53395.8(d) and listed in Table 1 of this Appendix G-1, including payment on a pay-go of all Facilities costs.

(3) In order for the Facilities to be developed concurrently with the Historic Core buildings, and because there will be some lag time between the construction of the Facilities and availability of Allocated Tax Increment, multiple sources of debt financing will be needed, and some of them will be repaid or payable from Allocated Tax Increment. The Port intends to finance the Facilities through a combination of:

- funds to be advanced by Historic Pier 70, LLC (the “Developer”), the master tenant of certain property in Sub-Project Area G-1, and repaid from Allocated Tax Increment;
- funds to be advanced by the Port to the IFD and repaid from Allocated Tax Increment;
- proceeds from bonds that would be issued by the IFD and/or a community facilities district that would be established by the City to include the property in Sub-Project Area G-1. Repayment of the bonds would be, in any case, secured by and payable Allocated Tax Increment; and
- directly from annual deposits of Allocated Tax Increment.

(4) For purposes of this Appendix G-1, Capitalized Terms are defined as follows:

“Gross Tax Increment” is 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within Sub-Project Area G-1;

“Incremental Assessed Property Value” is, in any year, the difference between the assessed value of the property within Sub-Project Area G-1 for that fiscal year and the assessed value of the property within the Sub-Project Area G-1 in the Base Year, to the extent that the difference is a positive number;

“ERAF Tax Increment” is 25.33% of Gross Tax Increment. This “ERAF share” (as defined in Section 53395.8(c)(8) of the IFD Law) is available to be allocated to the IFD because Sub-Project Area G-1 is a Pier 70 district.

“City Share of Tax Increment” is 64.59% of Gross Tax Increment;

“Allocated Tax increment” is the sum of ERAF Tax Increment and City Share of Tax Increment.

C. Maximum Portion of Tax Increment Revenue of San Francisco and Affected Taxing Agencies to be Committed to Sub-Project Area G-1

100% of the City Share of Tax Increment and ERAF Tax Increment shall be allocated to Sub-Project Area G-1:

- City Share: 64.59% of every dollar of Gross Tax Increment;
- ERAF Tax Increment: 25.33% of every dollar of Gross Tax Increment. Section 53395.8(g)(3)(D) of the IFD Law provides that the portion of incremental property tax revenue of the City to be allocated to the IFD from Sub-Project Area G-1 must be equal to the portion of the incremental tax revenue of the ERAF share proposed to be committed to Sub-Project Area G-1.

The plan will not allocate any portion of tax increment of the local educational agencies to Sub-Project Area G-1.

D. Projection of Tax Increment Revenue to Sub-Project Area G-1

The financing section must include a projection of the amount of tax increment expected to be allocated to the IFD from Sub-Project Area G-1, assuming an allocation period of 45 years beginning on the date on which the City projects that the IFD will have received \$100,000 of tax increment from Sub-Project Area G-1 under the IFD Law.

The projection of Allocated Tax Increment from Sub-Project Area G-1 to be allocated to Sub-Project Area G-1 is attached as Rider #1 to this Appendix.

E. Tax Increment Limit

The financing section must include a limit on the total number of dollars of tax increment that may be allocated to the IFD pursuant to the Infrastructure Financing Plan, subject to amendment of the Infrastructure Financing Plan.

The tax increment limit for Sub-Project Area G-1 is initially established at \$64,000,000. This limit reflects the projected total Allocated Tax Increment of \$49,220,000 plus a contingency factor of 30%.

F. Pier 70 ERAF Allocation Limit

In accordance with Section 53395.8(g)(3)(D)(ii)(II) of the IFD Law, Sub-Project Area G-1 is subject to a limitation on the number of dollars of the ERAF share to be divided and allocated to the IFD from Sub-Project Area G-1 pursuant to this financing plan, which shall be established in consultation with the county tax collector.

The limit on the ERAF Tax Increment to be divided and allocated to the IFD from Sub-Project Area G-1 is initially established at \$18,000,000, which reflects the projected ERAF Tax Increment allocation to Sub-Project Area G-1 plus a contingency factor of 30%.

G. 20% Waterfront Set-Aside Requirement for Waterfront Districts

Pursuant to Section 53395.8(g)(3)(C)(ii) of the IFD Law, 20% of the Allocated Tax (“**Set-Aside**”) must be set aside to be expended solely on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the San Francisco waterfront (“**Authorized Set-Aside Uses**”). The development of Phase 2 of Crane Cove Park involves shoreline restoration and will provide public access to the waterfront; consequently, the costs associated with Phase 2 of Crane Cove Park are an Authorized Set-Aside Use. On a cumulative basis, it is estimated that approximately 64% of the Allocated Tax Increment to the IFD from Sub-Project Area G-1 will be used for Authorized Set-Aside Uses. The IFD Law allows the Set-Aside Requirement applicable to Project Area G (Pier 70) to be met on an Project Area G (Pier 70)-wide basis rather than on a Sub-Project Area basis. As such, the fact that the Port is spending more than 20% of the Allocated Tax Increment from Sub-Project Area G-1 on Authorized Set-Aside Uses would allow the Port, at its discretion, to spend less than 20% of Allocated Tax Increment from other Sub-Project Areas in Project Area G on Authorized Set-Aside Uses.

H. Time Limits

The financing section must include the following time limits:

(A) a date on which the effectiveness of the infrastructure financing plan and all tax increment allocations to Sub-Project Area G-1 will end not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues from Sub-Project Area G-1 under the IFD Law;

(B) a time limit on the IFD’s authority to repay indebtedness with incremental tax revenues received in Sub-Project Area G-1 under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues from Sub-Project Area G-1 under the IFD Law; and

(C) A time limit on the issuance of new ERAF-secured debt (as defined in Section 53395.8(c)(7) of the IFD law) to finance the Facilities, which (with certain exceptions described in the IFD Law) may not exceed 20 fiscal years from the fiscal year in which any Pier 70 district subject to a Pier 70 enhanced financing plan first issues debt.

For Sub-Project Area G-1, the following are the applicable time limits:

Date on which the effectiveness of the infrastructure financing plan with respect to Sub-Project Area G-1 and all tax increment allocations to Sub-Project Area G-1 will end: ***45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1 under the IFD Law.***

Date after which the IFD may no longer repay indebtedness with incremental tax revenues received under the IFD Law from Sub-Project Area G-1: **45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1 under the IFD Law.**

Date after which the IFD may not issue new ERAF-secured debt with respect to Sub-Project Area G-1: **June 30, 2037.** The IFD law allows the IFD to issue ERAF-secured debt after this date in certain circumstances, and this Appendix incorporates those provisions by this reference as if they were fully incorporated herein.

I. Description of Public Improvements and Facilities

The IFD Law requires an infrastructure financing plan to contain the following information with respect to Sub-Project Area G-1.

(1) Public improvements and facilities to be provided by the private sector.

Under the terms of the Lease Disposition and Development Agreement (LDDA) between the Port and the Developer, the Developer is responsible for developing an outdoor plaza/venue and an indoor lobby atrium in Building 113, both of which will be made accessible to the public. The plaza will be a multi-use space available for public plaza uses, special events, loading, and tenant yard uses.

These costs will not be repaid to the Developer from Allocated Tax Increment generated in Sub-Project Area G-1.

(2) Public improvements and facilities to be provided by governmental entities without assistance under the IFD Law.

The Port is currently in the process of designing Crane Cove Park and intends to construct the park in two phases. Phase I, with a budget of \$31.48 million, will consist of: the creation of a beach shoreline to the north, two new pier overlooks, a sediment cap to contain contamination, a new multi-purpose lawn area, children's play area, a sun deck, adaptive reuse of Building 49 for a human powered aquatic center, a dog play area, landscape beds, pathways, site interpretation including artifacts, site furnishings, and ship building slipway 4 and its components including two new cranes. The Port has secured funds for Phase 1 and does not anticipate seeking funding from the IFD for Phase 1.

(3) Facilities to be financed with assistance from Sub-Project Area G-1.

The Facilities that will be funded with Sub-Project Area G-1's Allocated Tax Increment are listed in Table 1. The Facilities are Infrastructure, Public Facilities and Shoreline Protection Facilities as defined in Lease No. L-15814 between the Developer and the Port. These improvements can be grouped into three general categories:

- a) Improvements to adjacent streets and sidewalks that will serve Pier 70. The street and sidewalk improvements need to be completed in the near term to serve the new Pier 70 tenants.
- b) The relocation of electrical systems now in Building 102 that serve the BAE shipyard (located in Project Area G, north of Sub-Project Area G-1) that the Port is responsible to undertake pursuant to the terms of the LDDA.
- c) Phase 2 improvements to Crane Cove Park. Phase 2 will include the adaptive reuse of historic Building 109, shoreline clean-up on the eastern shoreline and a sediment cap, a new pier overlook, new native shoreline landscape areas, pathways, site interpretation and artifacts, and furnishings. These improvements will comply with the Port's Remedial Action Plan for Pier 70, which the Regional Water Quality Control Board approved in 2012. The schedule for Phase 2 will be driven by the availability of funding. It is anticipated that the IFD will provide approximately \$13.9 million of the \$30 million budgeted for the Phase 2 improvements. Given that it is anticipated that the IFD will not generate sufficient funding for all of the Phase 2 improvements, the Port will need to secure other funding to complete Phase 2.

Exhibit G-1a

| Facilities to be funded by IFD | Estimated Cost, 2015 Dollars | Target Completion Schedule |
|---|-------------------------------------|---|
| Street, sidewalk, traffic signal improvements | \$1,271,000 | FY 2016/2017 – FY 2017/2018 |
| Bldg. 102 Electrical Relocation/Improvements | \$3,090,000 | FY 2016/2017 |
| Phase 2 of Crane Cove Park | \$13,899,000 ¹ | No set date – driven by availability of funding |
| Total | \$18,260,000 | |

(4) Public improvements and facilities to be provided jointly by the private sector and governmental entities

There are no improvements or facilities that will be jointly provided by the private and governmental entities.

J. Projected Sources of Financing for the Public Facilities

The financing section must include the projected sources of financing for the Facilities, including debt to be repaid with Allocated Tax Increment, projected revenues from future

¹ This reflects the amount of funding anticipated to be available from Sub-Project Area G-1 for Crane Cove Park. Phase 2 costs are anticipated to total \$30 million, which exceeds the amount of available funding from Sub-Project Area G-1.

leases, sales, or other transfers of any interest in land within Sub-Project Area G-1, and any other legally available sources of funds.

The financing plan is presented in Table 2. As summarized in Exhibit G-1b, it is anticipated that the Facilities will be financed with a combination of bridge financing to be advanced by the Developer (to be repaid by the IFD with Allocated Tax Increment from Sub-Project G-1), bridge financing to be advanced by the Port (to be repaid by the IFD with Allocated Tax Increment from Sub-Project G-1), Allocated Tax Increment from Sub-Project Area G-1 and used on a pay-go basis, and bond proceeds. At this time, it is contemplated that either IFD bonds or CFD bonds will be issued; in both cases, Allocated Tax Increment will be used to pay debt service. The type of bond to be issued will be determined based on market conditions approaching the time of issuance.

Exhibit G-1b

| Anticipated Sources and Uses of Funds | | |
|---|------------------------|------------------------|
| | 2015/16 Dollars | Nominal Dollars |
| Anticipated Sources of Funds | | |
| Developer Loan for Street Improvements | \$746,000 | \$783,000 |
| Port Loan for Bldg.102 and 20 th Street Sidewalk improvements | \$3,110,000 | \$3,203,000 |
| IFD or CFD Bond Proceeds | \$6,559,000 | \$7,832,000 |
| Port Loan for Street Improvements funded by Required Developer Reimbursements | \$504,000 | \$526,000 |
| Allocated Tax Increment | \$23,412,000 | \$49,220,000 |
| Total Sources | \$34,331,000 | \$61,564,000 |
| Uses of Funds (Facilities) | | |
| Phase 2 Crane Cove Park | \$13,899,000 | \$31,490,000 |
| Streetscape Improvements | \$1,271,000 | \$1,329,000 |
| Bldg. 102 Electrical Improvements | \$3,090,000 | \$3,183,000 |
| Repay Developer Loan | \$806,000 | \$887,000 |
| Repay Port Loans | \$3,999,000 | \$4,684,000 |
| Bond Debt Service | \$11,267,000 | \$19,991,000 |
| Total Uses | \$34,331,000 | \$61,564,000 |

Under the terms of the LDDA, the Port may ask the Developer to advance funds to pay for certain public improvements (aka "Other Tasks" or "Potential Port Benefit Tasks"). Approximately \$746,000 of the streetscape improvements to be funded by the IFD are eligible "Other Tasks" and the Port will request the Developer to advance funds for those improvements². The Developer will be repaid with interest from Allocated Tax Increment. This advance is referenced in this IFP Appendix as the "Developer Loan." The Developer Loan will accrue interest at the rate equal to the rate set forth in the most senior construction loan for the improvements to be undertaken by the Developer. The Developer's most recent

² Table 8.

project pro forma estimates this rate at 4.5% per annum. It is anticipated that the Developer Loan will be fully repaid from Allocated Tax Increment by FY 2019-2020.

The Port will be advancing \$3.1 million to fund the Building 102 electrical improvements and construction of a sidewalk on the north side of 20th Street. This advance is referenced in this IFP Appendix as a component of the "Port Loan". The Port Loan will be due and payable in 15 years and will accrue interest at the rate of 4.4%. The Port Loan will be repaid from a combination of annual Allocated Tax Increment and bond proceeds. It is anticipated that the Port Loan will be fully repaid after bond proceeds are available in FY 2021-2022.

Under the terms of the LDDA, the Developer is also obligated to advance funds for all Required ODI Tasks (aka "Required Port Benefit Tasks"). Although the Port is obligated under the LDDA to reimburse the Developer for the advance, any such reimbursement will be reduced by 100% of the outstanding Deferred Port Transaction Costs. It is estimated that approximately \$504,000 of the streetscape improvements to be funded by the IFD are Required Port Benefit Tasks. Given that accrued Deferred Port Transaction Costs currently total approximately \$800,000, the funding of the streetscape improvements will be credited against the owed balance of \$800,000 and the Developer will not be reimbursed for the advance. The dedication of the \$504,000 of funds (which are owed to the Port for transaction costs) is effectively an advance from the Port and is a component of the "Port Loan."

As shown in Table 2, in order to serve the Historic Core Pier 70 development, approximately \$3.8 million of Facilities will need to be constructed in FY 2016-2017 and \$708,000 in FY 2017-2018. While Allocated Tax Increment is anticipated to be allocated to the IFD from Sub-Project Area G-1 starting in FY 2016-2017 as a result of supplemental assessments, deposits through FY 2018-2019 will not be sufficient to pay the scheduled public facility costs in a timely manner. The Developer Loan and the Port Loan will be repaid from Allocated Tax Increment and a portion of the net proceeds of the IFD or CFD bonds. It is anticipated that the bonds will be issued at the beginning of FY 2021-2022, after the assessed value of the taxable property in Sub-Project Area G-1 has reached stabilization. It is estimated that the bonds will yield approximately \$7.8 million of net proceeds, which will be sufficient to retire the outstanding balance on the Port Loan and contribute \$4.7 million towards the development of Phase 2 of Crane Cove Park. 100% of the debt service on the bonds will be paid with Allocated Tax Increment from Sub-Project Area G-1.

The obligation of the IFD to use the Allocated Tax Increment as described in this Appendix constitutes "debt" as defined in the IFD Law. The IFD will include the total amount of such debt in each applicable Statement of Indebtedness for the IFD. The Port will act as the agency of the IFD to implement this Appendix.

K. Accounting Procedures

The Sub-Project Area G-1 will maintain accounting procedures in accordance, and otherwise comply, with Section 6306 of the Public Resources Code for the term of this Appendix.

L. Cost and Revenue Analysis

The financing section must include an analysis of: (A) the costs to the City's General Fund for providing facilities and services to Sub-Project Area G-1 while Sub-Project Area G-1 is being developed and after it is developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City's General Fund as a result of expected development in Sub-Project Area G-1.

(1) Costs to the City's General Fund for providing facilities and services to Sub-Project Area G-1 while it is being developed and after Sub-Project Area G-1 is developed.

Estimates of costs to the City's General Fund for providing facilities and services to Sub-Project Area G-1 while it is being developed and after it is developed are detailed in Attachment 1: "Fiscal and Economic Impact Analysis – Historic Core Pier 70" and summarized in the following Exhibit G-1c. As shown, the annual cost to the City's General Fund to provide services to the project will approximate \$91,000 upon anticipated build-out in FY 2018-2019. Service costs during the entire construction period are estimated at \$76,000. General Fund costs are comprised of costs to provide police, fire, and emergency medical services to the project. The cost of maintaining and operating Crane Cove Park and other spaces/facilities will not be funded by the General Fund. 100% of these costs will be funded by the combination of a CFD maintenance tax and the Developer.

(2) Taxes, fees, charges and other revenues expected to be received by the City's General Fund as a result of expected development in Sub-Project Area G-1.

Taxes, fees, charges and other revenues expected to be received by the City's General Fund as a result of expected development in Sub-Project Area G-1 are detailed in Attachment 1: "Fiscal and Economic Impact Analysis – Historic Core Pier 70" and summarized in the following Exhibit G-1c. As shown, upon stabilization in FY 2018-2019, the Project is anticipated to annually generate from \$264,000 to \$425,000 of revenue to the City's General Fund. The range of revenues reflects differing assumptions about the average level of gross receipts of the businesses to locate within the Project, which impacts the calculation of gross receipts taxes.

As shown in Exhibit G-1c, it is estimated that the Historic Core Pier 70 development will annually generate a net fiscal surplus to the City's General Fund ranging from \$174,000 to \$334,000 per year, expressed in nominal dollars. After discounting the projection for

inflation and the value of time, the present value of the annual General Fund surplus approximates \$142,000 to \$273,000.

Exhibit G-1c

| Estimated General Fund Revenue / Expenditure | Lower Revenue Scenario - Gross Receipts Tax Does Not Apply | | | Higher Revenue Scenario - Gross Receipts Tax Applies to All | | |
|--|---|---------------------------------|---------------------|--|---------------------------------|---------------------|
| | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term |
| Revenues | | | | | | |
| Possessory Interest Tax Not Deposited in IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | 0 | 0 | 0 | \$119,400 | \$193,400 | \$17,343,100 |
| Sales Tax | \$78,300 | \$68,300 | \$6,156,700 | \$78,300 | \$68,300 | \$6,156,700 |
| Utility Users Tax | \$42,700 | \$51,300 | \$4,607,600 | \$42,700 | \$51,300 | \$4,607,600 |
| Prop. Tax In-Lieu of VLF | \$46,900 | \$63,900 | \$5,835,500 | \$46,900 | \$63,900 | \$5,835,500 |
| Business Registration Fee | \$48,900 | \$58,100 | \$5,225,400 | \$21,000 | \$24,900 | \$2,239,500 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Taxes and Fees | \$114,500 | \$22,800 | \$2,144,200 | \$114,500 | \$22,800 | \$2,144,200 |
| Total Revenues | \$331,300 | \$264,400 | \$23,969,400 | \$422,800 | \$424,600 | \$38,326,600 |
| Expenditures | | | | | | |
| Police | \$17,500 | \$20,900 | \$1,881,300 | \$17,500 | \$20,900 | \$1,881,300 |
| Fire and EMS | \$58,100 | \$69,800 | \$6,271,400 | \$58,100 | \$69,800 | \$6,271,400 |
| Total Expenditures | \$75,600 | \$90,700 | \$8,152,700 | \$75,600 | \$90,700 | \$8,152,700 |
| Net General Fund Impact | | | | | | |
| <i>Nominal Dollars</i> | \$256,000 | \$174,000 | \$15,817,000 | \$347,000 | \$334,000 | \$30,174,000 |
| \$2015 (3% discount) | \$234,000 | \$159,000 | \$7,392,000 | \$318,000 | \$306,000 | \$13,929,000 |
| NPV (7% discount) | \$209,000 | \$142,000 | \$5,117,000 | \$283,000 | \$273,000 | \$8,041,000 |

(1) The Assessor is currently determining the magnitude of transfer tax due as a result of the lease. Given that the amount has not yet been established, this analysis does not include any transfer tax revenue.

Appendix G-1

Rider No 1

PROJECTION OF ALLOCATED TAX INCREMENT, PROJECT AREA G-1 (PIER 70 – HISTORIC CORE)

| FY 2015/16 | Base Year - \$0 |
|------------|-----------------|
| FY 2016/17 | \$36,000 |
| FY 2017/18 | \$359,000 |
| FY 2018/19 | \$539,000 |
| FY 2019/20 | \$719,000 |
| FY 2020/21 | \$733,000 |
| FY 2021/22 | \$749,000 |
| FY 2022/23 | \$762,000 |
| FY 2023/24 | \$779,000 |
| FY 2024/25 | \$794,000 |
| FY 2025/26 | \$811,000 |
| FY 2026/27 | \$827,000 |
| FY 2027/28 | \$841,000 |
| FY 2028/29 | \$876,000 |
| FY 2029/30 | \$895,000 |
| FY 2030/31 | \$911,000 |
| FY 2031/32 | \$930,000 |
| FY 2032/33 | \$948,000 |
| FY 2033/34 | \$968,000 |
| FY 2034/35 | \$986,000 |
| FY 2035/36 | \$1,008,000 |
| FY 2036/37 | \$1,027,000 |
| FY 2037/38 | \$1,047,000 |
| FY 2038/39 | \$1,069,000 |
| FY 2039/40 | \$1,089,000 |
| FY 2040/41 | \$1,112,000 |
| FY 2041/42 | \$1,123,000 |

Appendix G-1
Rider No 1 Continued

| | |
|---------------------------|--------------|
| FY 2042/43 | \$1,135,000 |
| FY 2043/44 | \$1,157,000 |
| FY 2044/45 | \$1,179,000 |
| FY 2045/46 | \$1,202,000 |
| FY 2046/47 | \$1,227,000 |
| FY 2047/48 | \$1,253,000 |
| FY 2048/49 | \$1,277,000 |
| FY 2049/50 | \$1,302,000 |
| FY 2050/51 | \$1,328,000 |
| FY 2051/52 | \$1,356,000 |
| FY 2052/53 | \$1,381,000 |
| FY 2053/54 | \$1,409,000 |
| FY 2054/55 | \$1,438,000 |
| FY 2055/56 | \$1,467,000 |
| FY 2056/57 | \$1,496,000 |
| FY 2057/58 | \$1,525,000 |
| FY 2058/59 | \$1,556,000 |
| FY 2059/60 | \$1,587,000 |
| FY 2060/61 | \$1,619,000 |
| FY 2061/62 | \$1,651,000 |
| Cumulative Total, Rounded | \$49,220,000 |

Table 1
Appendix G-1
Improvements to be Funded by IFD
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)

| <u>Location of Improvements</u> | <u>Description of Improvements</u> | <u>2015/16 Cost Est.</u> |
|---|--|---|
| Illinois St., in front of Bldgs. 101 and 40 | East sidewalk - Upgrade curb ramps to meet ADA standards, replace historical fence, remove fence around Bldg. 101, remove asphalt | \$27,517 ¹ |
| 20th and Illinois | Upgrade traffic signal - 20% share of cost | \$70,643 ² |
| 20th St., north side (west of Georgia) | North sidewalk - Patch concrete segments, fix historical fence, remove chain link fence | \$31,165 ¹ |
| 20th St. at Georgia | North sidewalk - Install Ped/ADA path of travel improvements, install crosswalk and ADA-compliant ramps | \$31,937 ¹ |
| 20th, east of Georgia | North sidewalk - Overlay asphalt sidewalk, shoring of Bldg. 103, and remove chain-link fence | \$20,125 ¹ |
| 20th and Louisiana | Intersection - Add ADA-compliant curb ramps, remove SW corner of Bldg. 113 landing, rebuild concrete sidewalk, install bollards on the north side, add crosswalks (west and south), and add stop signs | \$54,477 ¹ |
| Louisiana Street | Add overlay of new asphalt pavement, regrade parking area, install retaining wall, install asphalt sidewalk with cur on eas side, install crosswalk and ada-compliant curb cut, install ped/ADA path of travel, remove and install chank-link fence, modify electreical equipment at NE face of Bldg 113 | \$340,809 ¹ |
| 20th St, south side | South sidewalk - Install ramp and stairs adjacent to weest end of bldg. 113, patch sidewalk btwn Michigan and Bldg 1113 entrance, patch sidewalk btwn bldg 113 and louisiana, install ADA-compliant curb ramps at Bldg. 113 entry and at Michigan, add railing along edge, add crosswalk at west of Bldg 113 | \$97,486 ¹ |
| Michigan Street | Add ped/ADA path of travel on west side, add asphalt overlay, add crosswalk at south end and curb and gutter on east side | \$284,252 ¹ |
| Louisiana, Georgia, Michigan, 20th | Install street lighting | \$312,142 ¹ |
| Building 102 | Remove PCBs and transformers from ODI option parcel, increase power reliability to BAE, purchase & install new transformers & switchgear, remove & dispose of old transformers, install new electric feeder lines east of ODI leasehold | \$3,090,000 ³ |
| Crane Cove Park | Phase 2. Construct public park and removal of bay fill. Work will include adaptive reuse of bldg. 109, shoreline cleanup, sediment cap, new pier overlook, new native shoreline landscape areas, pathways, site interpretaion and artifacts, and furnishings. Improvements will comply with the Port's Remedial Action Plan. | Ph. 2 cost = \$30 million. IFD's funding capacity est. at \$13.9 mil. ⁴ |
| Est. Improvement Costs to be Funded by IFD | | \$18,259,676 |

¹ Based on cost 2014 estimate prepared by CHS Consulting, provided as Table 3. 2015/16 cost estimate reflects 3% inflation adjustment.

² Required mitigation measure of the project. ODI will fund 20% of project to be reimbursed. Balance is being funded by SFMTA.

³ Work is needed for the BAE shipyard. Port has already budgeted this task inits supplemental FY 2015/16 budget.

⁴ Cost estimate prepared by Port staff. It is estimated that IFD will generate sufficient funds for approximately 46% of the costs of Phase 2. Funding for the balance will be secured from other sources.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | | Total 2015/16 Dollars | Total Nominal Dollars | IFD Year ¹ FY 16/17 | Year 1 FY 17/18 | Year 2 FY 18/19 | Year 3 FY 19/20 | Year 4 FY 20/21 | Year 5 FY 21/22 | Year 6 FY 22/23 | Year 7 FY 23/24 | Year 8 FY 24/25 | Year 9 FY 25/26 |
|---|------|-----------------------------|-----------------------------|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Available Property /Possessory Interest Tax Increment Revenue to IFD² | | | | | | | | | | | | | |
| General Fund | 100% | \$16,815,978 | \$35,354,000 | \$26,000 | \$258,000 | \$387,000 | \$516,000 | \$526,000 | \$538,000 | \$547,000 | \$560,000 | \$570,000 | \$583,000 |
| ERAF | 100% | \$6,595,934 | \$13,866,000 | \$10,000 | \$101,000 | \$152,000 | \$203,000 | \$207,000 | \$211,000 | \$215,000 | \$219,000 | \$224,000 | \$228,000 |
| Annual Total | | \$23,411,912 | \$49,220,000 | \$36,000 | \$359,000 | \$539,000 | \$719,000 | \$733,000 | \$749,000 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| IFD Sources of Funds | | | | | | | | | | | | | |
| Annual Tax Increment | | \$23,411,912 | \$49,220,000 | \$36,000 | \$359,000 | \$539,000 | \$719,000 | \$733,000 | \$749,000 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| Developer Loan - Not Required Tasks ³ | | \$746,350 | \$782,777 | \$300,844 | \$481,933 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ³ | | \$3,110,125 | \$3,203,429 | \$3,203,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | | \$504,079 | \$525,776 | \$300,049 | \$225,726 | | | | | | | | |
| Bond Proceeds ³ | | \$6,558,879 | \$7,831,644 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,831,644 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | | \$34,331,344 | \$61,563,625 | \$3,840,322 | \$1,066,659 | \$539,000 | \$719,000 | \$733,000 | \$8,580,644 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| IFD Uses of Funds | | | | | | | | | | | | | |
| Bond Debt Service ³ | | \$11,266,552 | \$19,990,909 | \$0 | \$0 | \$0 | \$0 | \$0 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 |
| Repay Developer Loan ⁴ | | \$806,218 | \$886,720 | \$18,000 | \$179,500 | \$269,500 | \$419,720 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | | \$3,998,898 | \$4,684,291 | \$18,000 | \$179,500 | \$269,500 | \$299,280 | \$733,000 | \$3,185,011 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | | \$13,899,123 | \$31,489,724 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,729,269 | \$95,636 | \$112,636 | \$127,636 | \$144,636 |
| Building 102 Electrical Improvements | | \$3,090,000 | \$3,182,700 | \$3,182,700 | \$0 | | | | | | | | |
| Streetscape Improvements | | \$1,270,553 | \$1,329,281 | \$621,622 | \$707,659 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | | \$34,331,344 | \$61,563,625 | \$3,840,322 | \$1,066,659 | \$539,000 | \$719,000 | \$733,000 | \$8,580,644 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| Net IFD Fund Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cumulative Waterfront Expenditures as a % of | | | | | | | | | | | | | |
| Cumulative IFD Increment Deposits | | | | 0% | 0% | 0% | 0% | 0% | 151% | 124% | 106% | 93% | 83% |

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | Year 10 FY 26/27 | Year 11 FY 27/28 | Year 12 FY 28/29 | Year 13 FY 29/30 | Year 14 FY 30/31 | Year 15 FY 31/32 | Year 16 FY 32/33 | Year 17 FY 33/34 | Year 18 FY 34/35 | Year 19 FY 35/36 | Year 20 FY 36/37 | Year 21 FY 37/38 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| Available Property /Possessory Interest Tax Inc | | | | | | | | | | | | | |
| General Fund | 100% | \$594,000 | \$604,000 | \$618,000 | \$629,000 | \$643,000 | \$654,000 | \$668,000 | \$681,000 | \$695,000 | \$708,000 | \$724,000 | \$738,000 |
| ERAF | 100% | \$233,000 | \$237,000 | \$242,000 | \$247,000 | \$252,000 | \$257,000 | \$262,000 | \$267,000 | \$273,000 | \$278,000 | \$284,000 | \$289,000 |
| Annual Total | | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| IFD Sources of Funds | | | | | | | | | | | | | |
| Annual Tax Increment | | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| Developer Loan - Not Required Tasks ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| IFD Uses of Funds | | | | | | | | | | | | | |
| Bond Debt Service ³ | | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 |
| Repay Developer Loan ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | | \$160,636 | \$174,636 | \$193,636 | \$209,636 | \$228,636 | \$244,636 | \$263,636 | \$281,636 | \$301,636 | \$319,636 | \$341,636 | \$360,636 |
| Building 102 Electrical Improvements | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Streetscape Improvements | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| Net IFD Fund Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits | | 76% | 70% | 65% | 61% | 58% | 56% | 54% | 52% | 51% | 50% | 49% | 48% |

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | Year 22 FY 38/39 | Year 23 FY 39/40 | Year 24 FY 40/41 | Year 25 FY 41/42 | Year 26 FY 42/43 | Year 27 FY 43/44 | Year 28 FY 44/45 | Year 29 FY 45/46 | Year 30 FY 46/47 | Year 31 FY 47/48 | Year 32 FY 48/49 | Year 33 FY 49/50 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| Available Property /Possessory Interest Tax Inc | | | | | | | | | | | | | |
| General Fund | 100% | \$752,000 | \$768,000 | \$782,000 | \$799,000 | \$816,000 | \$831,000 | \$847,000 | \$863,000 | \$881,000 | \$900,000 | \$917,000 | \$935,000 |
| ERAF | 100% | \$295,000 | \$301,000 | \$307,000 | \$313,000 | \$319,000 | \$326,000 | \$332,000 | \$339,000 | \$346,000 | \$353,000 | \$360,000 | \$367,000 |
| Annual Total | | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| IFD Sources of Funds | | | | | | | | | | | | | |
| Annual Tax Increment | | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| Developer Loan - Not Required Tasks ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| IFD Uses of Funds | | | | | | | | | | | | | |
| Bond Debt Service ³ | | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 |
| Repay Developer Loan ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | | \$380,636 | \$402,636 | \$422,636 | \$445,636 | \$468,636 | \$490,636 | \$512,636 | \$535,636 | \$560,636 | \$586,636 | \$610,636 | \$635,636 |
| Building 102 Electrical Improvements | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Streetscape Improvements | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| Net IFD Fund Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits | | 47% | 47% | 46% | 46% | 46% | 45% | 45% | 45% | 45% | 45% | 46% | 46% |

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | Year 34 FY 50/51 | Year 35 FY 51/52 | Year 36 FY 52/53 | Year 37 FY 53/54 | Year 38 FY 54/55 | Year 39 FY 55/56 | Year 40 FY 56/57 | Year 41 FY 57/58 | Year 42 FY 58/59 | Year 43 FY 59/60 | Year 44 FY 60/61 | Year 45 FY 61/62 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| Available Property /Possessory Interest Tax Inc | | | | | | | | | | | | | |
| General Fund | 100% | \$954,000 | \$974,000 | \$992,000 | \$1,012,000 | \$1,033,000 | \$1,054,000 | \$1,075,000 | \$1,095,000 | \$1,118,000 | \$1,140,000 | \$1,163,000 | \$1,186,000 |
| ERAF | 100% | \$374,000 | \$382,000 | \$389,000 | \$397,000 | \$405,000 | \$413,000 | \$421,000 | \$430,000 | \$438,000 | \$447,000 | \$456,000 | \$465,000 |
| Annual Total | | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| IFD Sources of Funds | | | | | | | | | | | | | |
| Annual Tax Increment | | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| Developer Loan - Not Required Tasks ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds ³ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| IFD Uses of Funds | | | | | | | | | | | | | |
| Bond Debt Service ³ | | \$666,364 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Developer Loan ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | | \$661,636 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| Building 102 Electrical Improvements | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Streetscape Improvements | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| Net IFD Fund Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits | | 46% | 48% | 50% | 52% | 54% | 55% | 57% | 59% | 60% | 61% | 63% | 64% |

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 3
Appendix G-1
Cost Estimate for Streetscape Improvements
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Historic Core, Pier 70)
Port Of San Francisco

| ITEMS | QUANTITY | UNIT | PROJECT | | | | TOTAL UNIT COST | AMOUNT |
|---|-----------------------|-------------|-------------------|----------------------|--------------------|----------------------|--------------------|-----------------|
| | | | BASE UNIT COST | DESIGN COST (10%) | MANAGEMENT (5%) | CONTINGENCY (30%) | | |
| Illinois St. East Sidewalk (in front of Bldgs 101 and 40) | | | | | | | | |
| Remove chain-link fence around Bldg 101 | 145 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$2,103 |
| Replace historic fence around Bldg 101 | 145 | linear feet | \$20.00 | \$2.00 | \$1.00 | \$6.00 | \$29.00 | \$4,205 |
| Remove Asphalt | 40 | square feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$580 |
| Upgrade curb ramps at the east side of Illinois at 20th to meet ADA standards | 4 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$17,400 |
| Subtotal | | | | | | | | \$24,288 |
| Estimate Permit Costs | 10% | | | | | | | \$2,429 |
| Total Cost | | | | | | | | \$26,716 |
| 20th St. North Side (West of Georgia) | | | | | | | | |
| Patch concrete segments and clean up debris (20% of total square feet) | 1,120 | square feet | \$11.00 | \$1.10 | \$0.55 | \$3.30 | \$15.95 | \$17,864 |
| Fix historical fence (Bldg 101) | 170 | linear feet | \$30.00 | \$3.00 | \$1.50 | \$9.00 | \$43.50 | \$7,395 |
| Remove chain link fence (Bldg 104) | 155 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$2,248 |
| Subtotal | | | | | | | | \$27,507 |
| Estimate Permit Costs | 10% | | | | | | | \$2,751 |
| Total Cost | | | | | | | | \$30,257 |
| 20th St. at Georgia | | | | | | | | |
| Ped/ADA path of travel improvements leading north to the parking lot with bollards AND truncated domes (no curb and gutters) | 90 | linear feet | \$100.00 | \$10.00 | \$5.00 | \$30.00 | \$145.00 | \$13,050 |
| Install a continental style crosswalk (north) per Sherwood plan dated 3/6/14 | 35 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$914 |
| Install a continental style crosswalk (west) per Sherwood plan dated 3/6/14 | 45 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,175 |
| Install ADA-compliant curb ramps per Sherwood plan | 3 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$13,050 |
| Subtotal | | | | | | | | \$28,188 |
| Estimate Permit Costs | 10% | | | | | | | \$2,819 |
| Total Cost | | | | | | | | \$31,007 |
| 20th St. north Side (east of Georgia) | | | | | | | | |
| Remove chain-link fence | 225 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$3,263 |
| Shoring of Bldg 103 to open sidewalk | 215 | linear feet | N/A | | | | | N/A |
| Overlay asphalt sidewalk and clean up debris (100%) | 2,500 | square feet | \$4.00 | \$0.40 | \$0.20 | \$1.20 | \$5.80 | \$14,500 |
| Subtotal | | | | | | | | \$17,763 |
| Estimate Permit Costs | 10% | | | | | | | \$1,776 |
| Total Cost | | | | | | | | \$19,539 |
| 20th and Louisiana Intersection | | | | | | | | |
| Add ADA-compliant curb ramps per Sherwood plan | 4 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$17,400 |
| Add crosswalk (west) per Sherwood plan | 45 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,175 |
| Install bollards on the north side (spaced 5' OC) to prevent parking | 9 | each | \$400.00 | \$40.00 | \$20.00 | \$120.00 | \$580.00 | \$5,220 |
| Add crosswalk (south) per Sherwood plan | 50 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,305 |
| Partial removal of Bldg 113 landing at the SW corner (approximately 23' from building corner), should align with gap between 1st and 2nd window | 1,725 (25'*23'*3') | cubic feet | \$5.00 | \$0.50 | \$0.25 | \$1.50 | \$7.25 | \$12,506 |
| Rebuild concrete sidewalk at the SW corner | 575 | square feet | \$11.00 | \$1.10 | \$0.55 | \$3.30 | \$15.95 | \$9,171 |
| Add stop signs at 20th and Louisiana | 3 | each | \$300.00 | \$30.00 | \$15.00 | \$90.00 | \$435.00 | \$1,305 |
| Subtotal | | | | | | | | \$48,082 |
| Estimate Permit Costs | 10% | | | | | | | \$4,808 |
| Total Cost | | | | | | | | \$52,890 |

| | | | | | | | | | |
|--|--------|-------------|-------------|------------|----------|------------|-------------|--------------------|--|
| Louisiana St. | | | | | | | | | |
| Regrade parking area | 8,700 | cubic feet | \$3.50 | \$0.35 | \$0.18 | \$1.05 | \$5.08 | \$44,153 | |
| Install retaining wall | 260 | linear feet | \$60.00 | \$6.00 | \$3.00 | \$18.00 | \$87.00 | \$22,620 | |
| Install 10' wide asphalt sidewalk with a 6" curb on the east side only | 3,000 | square feet | \$4.00 | \$0.40 | \$0.20 | \$1.20 | \$5.80 | \$17,400 | |
| Modify electrical equipment at the NE face of Bldg 113 | 1 | each | \$1,000.00 | \$100.00 | \$50.00 | \$300.00 | \$1,450.00 | \$1,450 | |
| Add an overlay new asphalt pavement | 10,000 | square feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$145,000 | |
| Remove chain-link fence | 350 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$5,075 | |
| Install chain-link fence | 300 | linear feet | \$20.00 | \$2.00 | \$1.00 | \$6.00 | \$29.00 | \$8,700 | |
| Install crosswalk at south side of Bldg 14 | 50 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,305 | |
| Install ADA-compliant curb cut at southeast of Bldg 14 | 1 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$4,350 | |
| Install ped/ADA path of travel toward courtyard (bollards and truncated domes) | 350 | linear feet | \$100.00 | \$10.00 | \$5.00 | \$30.00 | \$145.00 | \$50,750 | |
| Subtotal | | | | | | | | \$300,803 | |
| Estimate Permit Costs | 10% | | | | | | | \$30,080 | |
| Total Cost | | | | | | | | \$330,883 | |
| 20th St. South Side | | | | | | | | | |
| Patch concrete sidewalk between Michigan and Bldg 113 entrance (50%) | 1,500 | square feet | \$11.00 | \$1.10 | \$0.55 | \$3.30 | \$15.95 | \$23,925 | |
| Patch asphalt sidewalk between Bldg 113 and Louisiana (100%) | 3,000 | square feet | \$4.00 | \$0.40 | \$0.20 | \$1.20 | \$5.80 | \$17,400 | |
| Install ADA-compliant curb ramps at Bldg 113 entry | 2 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$8,700 | |
| Install a 2-5% ramp adjacent to street at west end of Bldg 113 | 800 | cubic feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$20,880 | |
| Install stairs adjacent to West end of Bldg 113 | 50 | cubic feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,305 | |
| Add railing along edge where drop off exceeds 18" | 60 | linear feet | \$50.00 | \$5.00 | \$2.50 | \$15.00 | \$72.50 | \$4,350 | |
| Add ADA-compliant curb ramps at Michigan | 2 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$8,700 | |
| Add a crosswalk at west of Bldg 113 | 30 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$783 | |
| Subtotal | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$86,043 | |
| Estimate Permit Costs | 10% | | | | | | | \$8,604 | |
| Total Cost | | | | | | | | \$94,647 | |
| Michigan St. | | | | | | | | | |
| Add a ped/ADA path of travel on west side of street | 360 | linear feet | \$100.00 | \$10.00 | \$5.00 | \$30.00 | \$145.00 | \$52,200 | |
| Add asphalt overlay | 12,500 | square feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$181,250 | |
| Add a crosswalk at south end of Michigan | 28 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$731 | |
| Curb and gutter for the east side of Michigan | 360 | linear feet | \$32.00 | \$3.20 | \$1.60 | \$9.60 | \$46.40 | \$16,704 | |
| Subtotal | | | | | | | | \$250,885 | |
| Estimate Permit Costs | 10% | | | | | | | \$25,088 | |
| Total Cost | | | | | | | | \$275,973 | |
| Install Street Lighting (spaced 140' OC) | | | | | | | | | |
| Louisiana | 3 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$43,500 | |
| Georgia | 1 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$14,500 | |
| Michigan | 3 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$43,500 | |
| 20th | 12 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$174,000 | |
| Subtotal | | | | | | | | \$275,500 | |
| Estimate Permit Costs | 10% | | | | | | | \$27,550 | |
| Total Cost | | | | | | | | \$303,050 | |
| Phase 1 Project Improvements Total | | | | | | | | \$1,164,962 | |

PIER 70 INFRASTRUCTURE FINANCING DISTRICT PHASE 2 IMPROVEMENTS

COST ESTIMATES

| ITEMS | QUANTITY | UNIT | PROJECT | | | | | TOTAL UNIT COST | AMOUNT |
|---|----------|----------|----------------|-------------------|-----------------|-------------------|--------------|--------------------|--------|
| | | | BASE UNIT COST | DESIGN COST (10%) | MANAGEMENT (5%) | CONTINGENCY (30%) | | | |
| Illinois St. East Sidewalk (in front of Bldgs 101 and 40) | | | | | | | | | |
| Upgrade traffic signal at 20th/Illinois (new pole, signal head, and controller box), and remove abandoned equipment (poles, conduit, and utility boxes) | 1 | lump sum | \$215,000.00 | \$21,500.00 | \$10,750.00 | \$64,500.00 | \$311,750.00 | \$311,750 | |
| Subtotal | | | | | | | | \$311,750 | |
| Estimate Permit Costs | 10% | | | | | | | \$31,175 | |
| Total Cost | | | | | | | | \$342,925 | |
| Phase 2 Project Improvements Total | | | | | | | | \$342,925 | |
| Pier 70 Infrastructure Financing District Improvements Total | | | | | | | | \$1,507,887 | |

Table 4
Appendix G-1
Assessed Value and Possessory Income Tax Projection - Capitalized Income Approach to Valuation
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 |
|--|----------|----------|----------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Revenue per 3/27/15 pro forma, 2018 | | | | | \$7,995,755 | | | | | | | | | |
| Expenses | | | | | \$2,398,537 | | | | | | | | | |
| Adjusted NOI | | | | | \$5,597,218 | | | | | | | | | |
| Cap Rate | | | | | 7.00% | | | | | | | | | |
| Assessed Value (\$000) | | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 | \$93,686 | \$95,560 |
| Escalation factor | | 0.05 | 0.5 | 0.75 | 1 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Sale of Leasehold | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| AV for projection | | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 | \$93,686 | \$95,560 |

Table 4
Appendix G-1
Assessed Value and Possessory Income Tax Projection - Capitalized Income Approach to Valuation
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 |
|--------------------------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Revenue per 3/27/15 pro forma, | | | | | | | | | | | | | | | | | |
| Expenses | | | | | | | | | | | | | | | | | |
| Adjusted NOI | | | | | | | | | | | | | | | | | |
| Cap Rate | | | | | | | | | | | | | | | | | |
| Assessed Value (\$000) | \$97,471 | \$99,421 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,964 | \$114,203 | \$116,487 | \$118,817 | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 |
| Escalation factor | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Sale of Leasehold | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| AV for projection | \$97,471 | \$99,421 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,964 | \$114,203 | \$116,487 | \$118,817 | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 |

Table 4
Appendix G-1
Assessed Value and Possessory Income Tax Projection - Capitalized Income Approach to Valuation
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

FY 46/47 FY 47/48 FY 48/49 FY 49/50 FY 50/51 FY 51/52 FY 52/53 FY 53/54 FY 54/55 FY 55/56 FY 56/57 FY 57/58 FY 58/59 FY 59/60 FY 60/61 FY 61/62

| Total Revenue per 3/27/15 pro forma | | | | | | | | | | | | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Expenses | | | | | | | | | | | | | | | | |
| Adjusted NOI | | | | | | | | | | | | | | | | |
| Cap Rate | | | | | | | | | | | | | | | | |
| Assessed Value (\$000) | \$136,483 | \$139,213 | \$141,997 | \$144,837 | \$147,734 | \$150,688 | \$153,702 | \$156,776 | \$159,912 | \$163,110 | \$166,372 | \$169,700 | \$173,094 | \$176,555 | \$180,087 | \$183,688 |
| Escalation factor | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Sale of Leasehold | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| AV for projection | \$136,483 | \$139,213 | \$141,997 | \$144,837 | \$147,734 | \$150,688 | \$153,702 | \$156,776 | \$159,912 | \$163,110 | \$166,372 | \$169,700 | \$173,094 | \$176,555 | \$180,087 | \$183,688 |

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | NPV ² | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 |
|--|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Incremental AV on Tax Roll (\$1,000s) ¹ | | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 | \$93,686 |
| Property Tax Increment at 1% 1.00% | \$26,036,766 | \$39,980 | \$399,801 | \$599,702 | \$799,603 | \$815,595 | \$831,907 | \$848,545 | \$865,516 | \$882,826 | \$900,482 | \$918,492 | \$936,862 |
| Property Tax Distributed to IFD | | | | | | | | | | | | | |
| General Fund | 64.59% \$16,815,784 | \$25,800 | \$258,000 | \$387,000 | \$516,000 | \$526,000 | \$538,000 | \$547,000 | \$560,000 | \$570,000 | \$583,000 | \$594,000 | \$604,000 |
| ERAF | 25.33% \$6,596,031 | \$10,100 | \$101,000 | \$152,000 | \$203,000 | \$207,000 | \$211,000 | \$215,000 | \$219,000 | \$224,000 | \$228,000 | \$233,000 | \$237,000 |
| Total | 89.92% \$23,411,815 | \$35,900 | \$359,000 | \$539,000 | \$719,000 | \$733,000 | \$749,000 | \$762,000 | \$779,000 | \$794,000 | \$811,000 | \$827,000 | \$841,000 |

¹Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | NPV ² | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 | FY 39/40 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Incremental AV on Tax Roll (\$1,000s) ¹ | | \$95,560 | \$97,471 | \$99,421 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,964 | \$114,203 | \$116,487 | \$118,817 |
| Property Tax Increment at 1% 1.00% | \$26,036,766 | \$955,599 | \$974,711 | \$994,205 | \$1,014,089 | \$1,034,371 | \$1,055,059 | \$1,076,160 | \$1,097,683 | \$1,119,637 | \$1,142,029 | \$1,164,870 | \$1,188,167 |
| Property Tax Distributed to IFD | | | | | | | | | | | | | |
| General Fund 64.59% | \$16,815,784 | \$618,000 | \$629,000 | \$643,000 | \$654,000 | \$668,000 | \$681,000 | \$695,000 | \$708,000 | \$724,000 | \$738,000 | \$752,000 | \$768,000 |
| ERAF 25.33% | \$6,596,031 | <u>\$242,000</u> | <u>\$247,000</u> | <u>\$252,000</u> | <u>\$257,000</u> | <u>\$262,000</u> | <u>\$267,000</u> | <u>\$273,000</u> | <u>\$278,000</u> | <u>\$284,000</u> | <u>\$289,000</u> | <u>\$295,000</u> | <u>\$301,000</u> |
| Total 89.92% | \$23,411,815 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 | \$1,047,000 | \$1,069,000 |

¹ Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | | NPV ² | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 | FY 51/52 |
|--|---------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Incremental AV on Tax Roll (\$1,000s) ¹ | | | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 | \$136,483 | \$139,213 | \$141,997 | \$144,837 | \$147,734 | \$150,688 |
| Property Tax Increment at 1% 1.00% | | \$26,036,766 | \$1,211,931 | \$1,236,169 | \$1,260,893 | \$1,286,111 | \$1,311,833 | \$1,338,069 | \$1,364,831 | \$1,392,127 | \$1,419,970 | \$1,448,369 | \$1,477,337 | \$1,506,884 |
| Property Tax Distributed to IFD | | | | | | | | | | | | | | |
| General Fund | 64.59% | \$16,815,784 | \$782,000 | \$799,000 | \$816,000 | \$831,000 | \$847,000 | \$863,000 | \$881,000 | \$900,000 | \$917,000 | \$935,000 | \$954,000 | \$974,000 |
| ERAF | 25.33% | \$6,596,031 | <u>\$307,000</u> | <u>\$313,000</u> | <u>\$319,000</u> | <u>\$326,000</u> | <u>\$332,000</u> | <u>\$339,000</u> | <u>\$346,000</u> | <u>\$353,000</u> | <u>\$360,000</u> | <u>\$367,000</u> | <u>\$374,000</u> | <u>\$382,000</u> |
| Total | 89.92% | \$23,411,815 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 | \$1,328,000 | \$1,356,000 |

¹Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | NPV ² | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 | FY 61/62 |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Incremental AV on Tax Roll (\$1,000s) ¹ | | \$153,702 | \$156,776 | \$159,912 | \$163,110 | \$166,372 | \$169,700 | \$173,094 | \$176,555 | \$180,087 | \$183,688 |
| Property Tax Increment at 1% 1.00% | \$26,036,766 | \$1,537,021 | \$1,567,762 | \$1,599,117 | \$1,631,099 | \$1,663,721 | \$1,696,996 | \$1,730,935 | \$1,765,554 | \$1,800,865 | \$1,836,883 |
| Property Tax Distributed to IFD | | | | | | | | | | | |
| General Fund 64.59% | \$16,815,784 | \$992,000 | \$1,012,000 | \$1,033,000 | \$1,054,000 | \$1,075,000 | \$1,095,000 | \$1,118,000 | \$1,140,000 | \$1,163,000 | \$1,186,000 |
| ERAF 25.33% | \$6,596,031 | \$389,000 | \$397,000 | \$405,000 | \$413,000 | \$421,000 | \$430,000 | \$438,000 | \$447,000 | \$456,000 | \$465,000 |
| Total 89.92% | \$23,411,815 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |

¹ Table 4

Table 6
Appendix G-1
Loan Advances to be Repaid by IFD
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Loan Terms | Interest Rate | Term | DCR | Issuance Costs |
|-----------------|--------------------|-------|------|----------------|
| | Port Loan | 4.41% | 15 | |
| Developer Loan | ¹ 4.50% | 15 | | 1% |
| IFD or CFD Bond | 6.50% | 30 | 110% | 10% |

Interest rate shall be rate set forth in the most senior construction loan for the initial improvements. ODI pro forma dated 3/27/15 reflects a construction loan rate of 4.5%.

| | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | Total |
|--|-------------|-----------|----------|----------|----------|-------------|-------------|
| Gross Loan Amounts | | | | | | | |
| Port Loan for Bldg. 102 | \$3,203,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,203,429 |
| Developer Required Reimbursements to Port (Amounts to be credited against outstanding Deferred Port Transaction Costs. Effectively a Port Loan to IFD) | \$300,049 | \$225,726 | \$0 | \$0 | \$0 | \$0 | \$525,776 |
| Developer Loan for "Not Required/Other Tasks" | \$303,883 | \$486,801 | \$0 | \$0 | \$0 | \$0 | \$790,684 |
| IFD or CFD Bonds | | | | \$0 | \$0 | \$8,701,827 | \$8,701,827 |
| Net Loan Proceeds | | | | | | | |
| Port Loan for Bldg. 102 | \$3,203,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,203,429 |
| Developer Required Reimbursements to Port (Effectively a Port Loan to IFD) | \$300,049 | \$225,726 | \$0 | \$0 | \$0 | \$0 | \$525,776 |
| Developer Loan for "Not Required Tasks" | \$300,844 | \$481,933 | \$0 | \$0 | | | \$782,777 |
| IFD or CFD Bonds | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,831,644 | \$7,831,644 |

Table 7
Appendix G-1
Amortization of Developer and Port Loans
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Developer Loan #1 - Other Tasks | | | | | | |
| Beginning Balance | \$303,883 | \$299,558 | \$133,538 | \$0 | \$0 | |
| Payments | \$18,000 | \$179,500 | \$139,547 | \$0 | \$0 | |
| Interest | \$13,675 | \$13,480 | \$6,009 | \$0 | \$0 | |
| Remaining Balance | \$299,558 | \$133,538 | \$0 | \$0 | \$0 | |
| Developer Loan #2 - Other Tasks | | | | | | |
| Beginning Balance | | \$486,801 | \$508,707 | \$401,646 | \$0 | |
| Payments | | \$0 | \$129,953 | \$419,720 | \$0 | |
| Interest | | \$21,906 | \$22,892 | \$18,074 | \$0 | |
| Remaining Balance | | \$508,707 | \$401,646 | \$0 | \$0 | |
| Port Loan #1 - Bldg 102 | | | | | | |
| Beginning Balance | \$3,203,429 | \$3,326,700 | \$3,293,907 | \$3,169,669 | \$3,010,171 | \$2,409,920 |
| Payments | \$18,000 | \$179,500 | \$269,500 | \$299,280 | \$733,000 | \$2,516,197 |
| Interest | \$141,271 | \$146,707 | \$145,261 | \$139,782 | \$132,749 | \$106,277 |
| Remaining Balance | \$3,326,700 | \$3,293,907 | \$3,169,669 | \$3,010,171 | \$2,409,920 | \$0 |
| Port Loan #2 - Req'd Reimbursement , 2016/17 | | | | | | |
| Beginning Balance | \$300,049 | \$313,281 | \$327,097 | \$341,522 | \$356,583 | \$372,308 |
| Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$388,727 |
| Interest | \$13,232 | \$13,816 | \$14,425 | \$15,061 | \$15,725 | \$16,419 |
| Remaining Balance | \$313,281 | \$327,097 | \$341,522 | \$356,583 | \$372,308 | \$0 |
| Port Loan #3 - Req'd Reimbursement , 2017/18 | | | | | | |
| Beginning Balance | | \$225,726 | \$235,681 | \$246,075 | \$256,926 | \$268,257 |
| Payments | | \$0 | \$0 | \$0 | \$0 | \$280,087 |
| Interest | | \$9,955 | \$10,394 | \$10,852 | \$11,330 | \$11,830 |
| Remaining Balance | | \$235,681 | \$246,075 | \$256,926 | \$268,257 | \$0 |

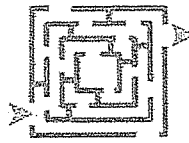
Table 8
Appendix G-1
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

Public Facilities to be Funded by IFD

| | <u>Total Cost</u> | <u>Est.</u> | <u>Party to</u> | <u>Advance</u> | <u>ODI Funding</u> | <u>Estimated Allocation</u> | |
|--|---------------------|-------------|-----------------|----------------|--------------------|-----------------------------|-------------------|
| | | | | | | <u>2015/16</u> | <u>Completion</u> |
| Illinois St., East Sidewalk | \$27,517 | FY 2016/17 | ODI | Required/Other | | \$13,759 | \$13,759 |
| Traffic Signal at 20th /Illinois ² | \$70,643 | FY 2017/18 | ODI | Required | | \$70,643 | |
| 20th St., north side (west of Georgia) | \$31,165 | FY 2016/17 | ODI | Required | | \$31,165 | |
| 20th St. at Georgia | \$31,937 | FY 2016/17 | ODI | Other task | | | \$31,937 |
| 20th St., north side (east of Georgia) | \$20,125 | FY 2016/17 | Port | | | | |
| 20th and Louisiana Intersection | \$54,477 | FY 2016/17 | ODI | Required/Other | | \$27,239 | \$27,239 |
| Louisiana Street | \$340,809 | FY 2016/17 | ODI | Required/Other | | \$170,405 | \$170,405 |
| 20th Street, south side | \$97,486 | FY 2016/17 | ODI | Required/Other | | \$48,743 | \$48,743 |
| Michigan Street | \$284,252 | FY 2017/18 | ODI | Required/Other | | \$142,126 | \$142,126 |
| Street Lighting | \$312,142 | FY 2017/18 | ODI | Other task | | 0 | \$312,142 |
| Bldg. 102 Electrical Improvements | \$3,090,000 | FY 2016/17 | Port | | | \$504,079 | \$746,350 |
| Total facilities, before Crane Cove Park | \$4,360,553 | | | | | | |
| Crane Cove Park Improvements | \$13,899,123 | | | | | | |
| Total Public Facilities to be funded by IFD | \$18,259,676 | | | | | | |

¹ Under the DDA, Orton must advance funds to pay for all Required ODI Tasks (aka Required Port Benefit Tasks). Although Orton will be reimbursed for the Certified Port Benefit Costs, such costs will be reduced by 100% of the outstanding deferred Port Transaction Costs, if any, and the remaining balance of Certified Port Benefit Costs after application of any outstanding Deferred Port Transaction Costs ("Outstanding Port Benefit Cost") will accrue simple interest on a monthly basis at a rate equal to the monthly interest rate set forth in the most senior construction loan for the initial improvements. Port Transaction Costs total \$1 million. Given that Required Port Benefit Tasks total approximately \$504,000, it is assumed that ODI's advance of these funds will be credited against the Port Transaction Cost obligation.

**ATTACHMENT 1:
FISCAL AND ECONOMIC IMPACT ANALYSIS
PIER 70 – HISTORIC CORE**



KEYSER MARSTON ASSOCIATES

FISCAL AND ECONOMIC IMPACT ANALYSIS PIER 70 – HISTORIC CORE

Prepared for
Port of San Francisco

Prepared by:
Keyser Marston Associates, Inc.

November 4, 2015

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY 1

II. INTRODUCTION..... 3

 Project Description 3

III. FINANCIAL BENEFITS 5

 A. Fiscal Benefits to the General Fund of the City of San Francisco 5

 1. Net General Fund Fiscal Impacts..... 5

 2. General Fund Revenues..... 6

 3. General Fund Expenditures 9

 B. Economic Benefits to the City and County of San Francisco10

List of Tables

Table 1 Recurring City General Fund Revenues and Expenditures

Table 2 Development Program and Employment Estimate

Table 2a Assessed Value and Possessory Income Tax Projection – Capitalized Income Approach to Valuation

Table 3 Revenue Assumptions

Table 4a General Fund Revenues Estimate

Table 4b Payroll and Gross Receipts Taxes

Table 4c Other Fund Revenues Estimates

Table 5 Operating Expenditure Assumptions

Table 6 General Fund Expenditures Estimate

Table 7 Economic Benefits

Table 8 Estimated Average Payroll per Employee

Table 9 Construction Period Revenues

I. EXECUTIVE SUMMARY

This report has been prepared to comply with Threshold Criteria 5 of the adopted and amended “Guidelines for the Establishment and Use of an Infrastructure Financing District (IFD) with Project Areas on Land under the Jurisdiction of the San Francisco Port Commission”. Pursuant to the Guidelines, the financing plan for each Port IFD must: 1) demonstrate that the Project will generate a net economic benefit; and 2) project the net fiscal impact to the City’s General Fund over the term of the IFD.¹

The subject Project is the rehabilitation of the 20th Street historic buildings on Pier 70 to be undertaken by Historic Pier 70, LLC, which is a development entity formed by Orton Development, Inc. (ODI). A more detailed description of the Project is provided in Section IIA. The Port and ODI have executed a series of transaction documents, including a Lease Disposition and Development Agreement (LDDA) and Lease No. L-15814 to govern the construction and operation of the property over the 66-year lease term. This analysis reflects the terms of the governing agreements and the operating projections contained in the development pro forma submitted by ODI on March 27, 2015, which is the most recent available pro forma.

This analysis is an update of the fiscal and economic impact estimates contained in the “Fiscal Responsibility and Feasibility” report submitted by the Port for the Pier 70 – Historic Core Project, which was adopted by the Board of Supervisors in 2012.

- 1. Fiscal Benefits to the City of San Francisco.** The rehabilitated buildings are anticipated to generate a significant annual net surplus to the City’s General Fund. On-going revenues to the City directly generated by the Project include new gross receipts taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, utility user taxes, and other taxes. General Fund expenses generated by the Project will be comprised of police, fire, and emergency medical services. It is estimated that the net present value of the surplus over the Infrastructure Financing District (IFD) term to the City’s General Fund will total from \$5.1 million to \$8.0 million, depending on the magnitude of gross receipts tax to be generated by the Project’s tenants. On an annual basis, it is estimated that upon stabilization, the Project will generate an annual net General Fund Surplus of \$142,000 to \$273,000 per year.
- 2. Direct, Indirect, and Induced Economic Benefits to the City.** It is estimated that the Project will create approximately 460 full-time jobs, with an average annual payroll of \$31 million and output of \$72 million. In addition to the direct benefits to be generated by the Project, the new businesses and employees will support other businesses in San Francisco and the region through expenditures on materials, retail goods, and services. Total direct,

¹ Threshold Criteria 6,7, and 8 of the Guidelines, which relate to the share to tax increment allocated to the City and ERAF and ERAF’s excess share of tax increment are addressed in the Infrastructure Financing Plan for Pier 70 – Historic Core.

indirect, and induced impacts are anticipated to be 780 jobs with annual payroll of \$50 million and output of \$106 million. Project construction is expected to generate a total direct, indirect, and induced impact of 705 jobs, \$45 million of payroll, and \$115 million of output during the construction period.

3. **Long-Term Project Operating and Maintenance Costs.** The Project will generate an additional demand for police, fire, and emergency medical services from the City of San Francisco. Fire department costs are estimated to total \$2.9 million and police department costs are estimated to total \$900,000 over the term of the IFD. The Project will not generate any new maintenance costs to be borne by the City. The cost to operate and maintain Crane Cover Park is estimated at \$400,000 per year but 100% of these costs will be funded through a Maintenance Community Facilities District. The cost of maintaining the public plaza within the Historic Core leasehold will be privately funded by the tenant.
4. **Debt Load to be Carried by the City or the Port.** The public investment is \$24 million from the City through its Seismic Safety Loan program, which is funded via a general obligation bond, and \$1.5 million to be provided by the Port for Building 113 seismic improvements and \$3 million to be advanced by the Port for improvements to Building 102 to serve the BAE shipbuilding operation. The Port's contribution will be funded from available cash resources.

II. INTRODUCTION

This report has been prepared to comply with Threshold Criteria 5 of the adopted and amended "Guidelines for the Establishment and Use of an Infrastructure Financing District (IFD) with Project Areas on Land under the Jurisdiction of the San Francisco Port Commission". Pursuant to the Guidelines, the financing plan for each Port IFD must: 1) demonstrate that the Project will generate a net economic benefit; and 2) project the net fiscal impact to the City's General Fund over the term of the IFD.

This report evaluates the anticipated performance of the proposed rehabilitation project of the 20th Street historic buildings on Pier 70 to be undertaken by Orton Development, Inc. (ODI) relative to these two criteria.

The Port and ODI have executed a series of transaction documents, including a Lease Disposition and Development Agreement (LDDA) and Lease No. L-15814 to govern the construction and operation of the property over the 66-year lease term. This analysis reflects the terms of the governing agreements and the operating projections contained in the development pro forma submitted by ODI on March 27, 2015, which is the most recent available pro forma.

Project Description

The Project focuses on the rehabilitation and tenanting of eight historic structures on Pier 70. These buildings are in need of substantial investment. Several are "red-tagged" due to structural problems and unusable in their current state. Two are unreinforced masonry buildings. All need full system replacements to provide new electrical, fire safety, phone, data, water, sewer and gas utilities. The buildings need to be modernized to address current code requirements for structural stability, exiting, accessibility, and life safety. New roofs are required in most cases as well as remediation of asbestos, lead paint and other hazardous building conditions. A recent Port 10 year Capital Plan estimated that returning these buildings to their current use would cost \$109 million. Transferring this obligation to ODI and bringing these buildings back to productive use is the primary public, financial, and fiscal benefit of this project.

As detailed below, the buildings to be rehabilitated by ODI total 267,000 square feet. The Developer will return the buildings to profitable use while maintaining their historic fabric. As proposed, the Project will be occupied by a mix of light industrial, office, health care, and restaurant uses. Building 101 and 104, as former Bethlehem steel and Union Ironworks office buildings, will return to office use with the technological capabilities required for modern businesses. The former powerhouse (Building 102) will become a restaurant. The Union Ironworks Machine shop (Building 113) will be occupied by health care uses. Surrounding warehouses (Buildings 114/115/116 and Building 14) will return to industrial and educational use as food technology and artisanal production centers, mirroring the high-quality "maker" type

businesses currently thriving in the Dogpatch neighborhood. It is assumed that the tenant mix will be similar in nature to that occupying the neighboring American Industrial Center.

Exhibit 1

| Proposed Development Program | | | |
|--|---------------------------|-----------------|----------------|
| Rehabilitation of 20th Street Historic Buildings at Pier 70 | | | |
| Building | Land Use | Gross SF | Net SF |
| Building 101 | Office / Light Industrial | 61,311 | 58,245 |
| Building 102 | Restaurant | 11,266 | 10,703 |
| Building 104 | Office | 45,759 | 43,471 |
| Building 113 | Healthcare | 77,530 | 60,743 |
| Building 114 | Light Industrial | 16,088 | 15,444 |
| Building 115 | Light Industrial | 13,078 | 12,555 |
| Building 116 | Light Industrial | 25,270 | 24,259 |
| Building 14 | Light Industrial | 16,315 | 15,662 |
| Total | | 266,617 | 241,082 |

III. FINANCIAL BENEFITS

A. Fiscal Benefits to the General Fund of the City of San Francisco

1. Net General Fund Fiscal Impacts

While the primary objective of the Project is to rehabilitate the historic buildings and make them a vibrant part of the surrounding community, the Project is also anticipated to generate a significant amount of annual net revenue to the General Fund of the City and County of San Francisco. As summarized below, it is estimated that in the first year of stabilization (FY 2018/19), the Project will generate approximately \$174,000 in a lower revenue scenario and \$304,000 in a higher revenue scenario, to the General Fund. The net present value of the General Fund surplus over the term of the IFD is estimated to range from \$5.1 million to \$8.04 million.

Exhibit 2

| Estimated General Fund Revenue / Expenditure | Lower Revenue Scenario - Gross Receipts Tax Does Not Apply | | | Higher Revenue Scenario - Gross Receipts Tax Applies to All | | |
|--|---|------------------------------------|---------------------|--|------------------------------------|---------------------|
| | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term |
| Revenues | | | | | | |
| Possessory Interest Tax | | | | | | |
| Not Deposited in IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | 0 | 0 | 0 | \$119,400 | \$193,400 | \$17,343,100 |
| Sales Tax | \$78,300 | \$68,300 | \$6,156,700 | \$78,300 | \$68,300 | \$6,156,700 |
| Utility Users Tax | \$42,700 | \$51,300 | \$4,607,600 | \$42,700 | \$51,300 | \$4,607,600 |
| Prop. Tax In-Lieu of VLF | \$46,900 | \$63,900 | \$5,835,500 | \$46,900 | \$63,900 | \$5,835,500 |
| Business Registration Fee | \$48,900 | \$58,100 | \$5,225,400 | \$21,000 | \$24,900 | \$2,239,500 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Taxes and Fees | \$114,500 | \$22,800 | \$2,144,200 | \$114,500 | \$22,800 | \$2,144,200 |
| Total Revenues | \$331,300 | \$264,400 | \$23,969,400 | \$422,800 | \$424,600 | \$38,326,600 |
| Expenditures | | | | | | |
| Police | \$17,500 | \$20,900 | \$1,881,300 | \$17,500 | \$20,900 | \$1,881,300 |
| Fire and EMS | \$58,100 | \$69,800 | \$6,271,400 | \$58,100 | \$69,800 | \$6,271,400 |
| Total Expenditures | \$75,600 | \$90,700 | \$8,152,700 | \$75,600 | \$90,700 | \$8,152,700 |
| Net General Fund Impact | | | | | | |
| <i>Nominal Dollars</i> | \$256,000 | \$174,000 | \$15,817,000 | \$347,000 | \$334,000 | \$30,174,000 |
| <i>\$2015 (3% discount)</i> | \$234,000 | \$159,000 | \$7,392,000 | \$318,000 | \$306,000 | \$13,929,000 |
| <i>NPV (7% discount)</i> | \$209,000 | \$142,000 | \$5,117,000 | \$283,000 | \$273,000 | \$8,041,000 |

*Parking tax; payroll tax; license, permit, and franchise fees; and fines, forfeitures, and penalties.

The greatest of the anticipated General Fund revenue sources is gross receipts taxes, which could potentially account for 45% of expected revenues. Since businesses generating less than

\$1 million of gross receipts are exempt from the tax and the exact nature of future Project businesses is not known, KMA has analyzed a lower revenue scenario in which the Project businesses are exempt from the gross receipts tax and a higher revenue scenario in which all businesses generate sufficient receipts to be subject to the tax.

The net revenues are made up of Project-generated gross receipts taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, utility users taxes, business registration taxes, parking taxes, and other taxes less anticipated Project service costs attributed to Police, Fire and Emergency Medical Services, as further described below.

2. General Fund Revenues

The Project is estimated to generate approximately \$264,000 to \$425,000 of General Fund revenues in the first stabilized year (FY 2018/19). Over the term of the IFD, General Fund revenues are estimated to total \$11 million to \$18 million, expressed in 2015 dollars. Gross receipts taxes (in the higher revenue scenario), followed by sales taxes, property tax in-lieu of motor vehicle license fees, utility users taxes, and business registration fees, are expected to be the leading categories of General Fund revenue to be generated by the Project. One hundred percent (100%) of General Fund property tax revenues will be dedicated to the Project's IFD, and will not be available to the General Fund until FY 2062/63.

- **Gross Receipts Tax Revenues** – In November 2012, San Francisco voters approved Proposition E instituting a gross receipts tax on businesses operating in the City and County and changing business registration fees. The gross receipts tax replaces the City and County's payroll tax, and phases in from 2014 to 2018.

Businesses generating less than \$1 million each year in gross receipts are exempt from the tax. Since exact information on the operations of businesses to occupy Pier 70 is not available at this time, KMA has estimated General Fund revenues under two scenarios. In the lower revenue scenario the Project businesses are exempt from the tax, and in the higher revenue scenario they are not.

The gross receipts tax is a share of total gross receipts. KMA estimates gross receipts of \$76 million at 100% occupancy based on the relationship between gross receipts and employees determined by the Minnesota IMPLAN Group for San Francisco County. The Minnesota IMPLAN Group produces economic flow models that track inputs and outputs within given geographic areas. KMA then adjusts estimated total gross receipts to reflect Project occupancy in each year of the projection, as outlined in Orton Development Inc.'s 20th Street Historic Buildings Pro Forma. Gross receipts are further adjusted by a 75% factor to reflect certain tax exclusions, such as for receipts generated outside San Francisco, and for bio-tech and clean-tech activities in the first years the tax is in place. The gross receipts phase-in rate is then applied, starting at 25% in 2015 and increasing to 100% in 2018. The gross receipts tax is calculated based on an estimated rate of 0.341% of gross receipts. Per the San

Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax, the tax rate varies by business type and by the amount of gross receipts generated. The 0.341% rate is an average of the rates for business types that we believe are representative of those expected to occupy the Project (retail, wholesale, and services; manufacturing / transportation / warehousing, information, biotechnology, clean technology, and food services; private education / health, administrative, and miscellaneous; and financial / insurance, professional, scientific, and technical services). The average is taken at the most conservative tax rate tier, for gross receipts between \$1 million and \$2.5 million.

Gross receipts taxes are estimated to total \$7.9 million throughout the IFD term (expressed in uninflated dollars), with approximately \$193,000 of gross receipts taxes accruing to the General Fund in FY 2018/19.

- **Sales Tax Revenues** – Sales tax revenues will be generated from Project employee expenditures and restaurant sales. Employee expenditures have been estimated based on weekly urban worker spending in the vicinity of office employment centers as reported in ICSC’s 2012 report, “Office-Worker Retail Spending in a Digital Age.” Restaurant sales have been estimated using an assumed sales productivity level of \$500 per square foot of rentable area. Total employee food spending has been adjusted to eliminate overlap with the projection of gross restaurant sales. The City General Fund portion of sales tax is 1% of taxable sales. This is estimated to generate \$68,000 in FY 2018/19.
- **Property Tax In-Lieu of Motor Vehicle License Fees** – The Project is estimated to generate approximately \$64,000 of property taxes in-lieu of motor vehicle license fees for the General Fund in the first year of stabilization. In accordance with SB 1096 and data from the California State Controller’s Office, revenue from the Project is based on the marginal growth of assessed value.
- **Assessed Value, Tax Increment and Possessory Interest** – The property’s assessed value in FY 2015/16 is zero (\$0). Future assessed value has been estimated based on the capitalized value of the Project’s net operating income upon stabilization, as projected in the Developer’s pro forma. This approach to valuation is based on discussions with representatives of the County’s tax assessor’s office. Given that the property is publicly owned, the private tenant will be responsible for paying possessory interest tax on the property. Because the lease term is longer than 35 years, it has been assumed that the leasehold interest will be valued as equivalent to fee interest for purposes of determining the possessory interest tax obligation. Based on this approach, it is estimated that the property’s assessed value will approximate \$80 million in FY 2019/20 and increase thereafter at the Prop. 13 statutory rate of 2% per year. It is assumed that 100% of the General Fund’s and ERAF’s share of annual possessory interest (tax increment) will be allocated to the IFD for the entire term of the IFD. Table 2a.

- **Utility Users Tax Revenues** – The City and County of San Francisco imposes a 7.5% tax on charges for certain utilities services. These include non-residential telephone, electricity, natural gas, steam, and water services, and both residential and non-residential cellular telephone services. For purposes of this analysis, the utility user's tax has been estimated based on City and County of San Francisco budget factors for FY 2015/16. The budget factors have been calculated on a per employee basis for electricity, natural gas, steam, and water taxes, and on a per service population basis for telephone services. It is estimated that utility users taxes will generate \$51,000 in the first year of stabilization.

- **Business Registration Fee Revenues** – Per the San Francisco Business and Tax Regulations Code, Article 12: Business Registration, the fee per business is charged by tier based on the level of gross receipts generated. The number of businesses in the Project is calculated using the number of employees per business at the American Industrial Center, which has a similar tenant mix to that proposed by Orton Development Inc. The American Industrial Center is adjacent to the Project and includes 800,000 square feet of a mix of office and light industrial uses. Dun and Bradstreet data indicate that this complex houses approximately 200 businesses with 1,200 employees, or 6 employees per business. Business registration fees are expected to total \$25,000 to \$58,000 in FY 2018/19.

- **Property Transfer Tax Revenues** – The assessor's office is currently in the process of determining the transfer tax obligation resulting from the execution of the lease. A future sale of the leasehold interest would also generate property transfer tax revenue. Transfer tax revenues have not been included in this analysis given that the obligation has not yet been established.

- **Other Tax Revenues** – The San Francisco City and County General Fund receives a 20% share of the 25% parking tax paid on parking fees per San Francisco Business and Tax Regulations Code Article 9: Tax on Occupancy of Parking in Parking Stations, and 2007's Proposition A. Monthly fees per parking space are estimated at \$100 for 285 parking spaces. Business and Tax Regulations Code Article 12-A: Payroll Expense Tax specifies that the payroll tax is based on business payroll generated in San Francisco and will be phased out by 2018 as the gross receipts tax is phased in. Licenses, permits, and franchise fees, and fines, forfeitures, and penalties are estimated based on an extrapolation of the current per service population amount generated by San Francisco's residents and employment base.

- **Escalation** – Gross receipts, employee spending and restaurant sales, utility user spending, parking fees, payroll, licenses, permits, and franchise fees, and fines, forfeitures, and penalties are estimated to increase at an annual rate of 3% per year. The San Francisco Business and Tax Regulations Code specifies that business registration fees are to be adjusted annually according to the increase in the Consumer Price Index for All Urban Consumers in San Francisco / Oakland / San Jose, and this is estimated to be a 3% annual

increase as well. Assessed property values for the purposes of estimating property taxes in lieu of motor vehicle license fees are based on IFD assessed value projections. Assessed values are limited to a maximum increase of 2% per year under Proposition 13.

- ***Inflation Adjustments and Net Present Value*** – In order to measure the revenue projection on a comparable basis across revenue sources, each annual revenue estimate has been converted to 2015 dollars based on a discount rate of 3% per year. To account for the impact of time, net revenues have also been discounted at a rate of 7%.
- ***Employment and Service Population*** – The number of jobs in the Project is estimated based on an average density of two employees per 1,000 square feet. For purposes of estimating Project service population, the analysis assumes that an employee is equivalent to approximately one third of a resident in terms of revenue and expenditure generation. Employment and service population are calculated on Appendix Table A-2.

3. General Fund Expenditures

In the first stabilized year, the Project is estimated to generate \$70,000 of Fire and EMS costs that will impact the City and County General Fund. The Project is also anticipated to generate Police service costs of \$21,000 per year. The cost of maintaining the Project's open space will be funded by the tenant. The cost to operate and maintain Crane Cove Park is estimated to total \$400,000 per year, but this cost will be funded through the establishment of a Maintenance Community Facilities District, which is funded by private tenants. The General Fund will not be responsible for funding the operation/maintenance of Crane Cove Park or public spaces within the Project.

Fire and EMS, and Police expenditures have been estimated from factors based on the cost and service population analysis contained in Economic & Planning Systems, Inc.'s Findings of Fiscal Responsibility and Feasibility - Pier 70 Waterfront Site and Illinois Street Parcel Report from May 21, 2013.

- ***Fire and EMS Expenditures*** – According to the EPS report, the allocation of costs for the new Public Safety Building in Mission Bay (Station 4) to the Pier 70 Waterfront and Illinois Street parcels is \$2.4 million per year. Based on the service population estimated from the EPS analysis, KMA's analysis uses a factor of \$394 per unit of service population to calculate Fire and EMS costs.
- ***Police Expenditures*** – The factor for Police expenditures is \$118 per unit of service population, based on the cost of one patrol unit needed to serve the Pier 70 Waterfront and Illinois Street parcels in EPS's report.

- **Public Open Space** – The Project's tenant will be responsible for maintaining the Project's open space. Crane Cove Park will be maintained through the establishment of a Maintenance CFD to be funded by private tenants.
- **Employment and Service Population** – As for the Project revenue estimates, the number of jobs is estimated based on two employees per 1,000 square feet, and the service population assumes one employee is equivalent to one third of a resident.

B. Economic Benefits to the City and County of San Francisco

It is estimated that the Project will create approximately 460 direct full-time jobs, with an average annual payroll of \$31 million and output of \$72 million, on an on-going basis once it is complete. In addition to the direct benefits, the new businesses and the employees will support other businesses in San Francisco and the region through expenditures on materials, retail goods, and services. Including these indirect and induced economic impacts, the Project is anticipated to result in a total of 780 jobs, \$50 million of annual payroll, and \$106 million of output city- and county-wide.

The construction of the Project is estimated to create 471 direct jobs, \$32 million of direct payroll, and \$79 million of direct output over the 3-year period during which building takes place. Total direct, indirect, and induced construction period impacts are expected to be approximately 707 jobs, \$45 million of payroll, and \$115 million of output.

Direct jobs are calculated based on project size, occupancy, and a density of 2 employees per 1,000 square feet. Direct payroll combines employment with the average Employment Development Department wages for occupations likely to be represented in the Project. Annual direct output is based on the relationship between jobs and output in San Francisco County according to the Minnesota IMPLAN Group.

Indirect and induced employment impacts are estimated using IMPLAN multipliers for San Francisco County which have been developed by the Minnesota IMPLAN Group. IMPLAN multipliers are applied to estimated direct economic impacts to arrive at the total direct, indirect, and induced impacts to be produced by the Project.

Exhibit 3

| Economic Benefits to the City and County of San Francisco | On-Going | | | Construction Period | | |
|---|------------|---------------|----------------|---------------------|---------------|----------------|
| | Jobs | Payroll (\$M) | Output (\$M) | Jobs | Payroll (\$M) | Output (\$M) |
| Direct | 458 | \$31.4 | \$71.8 | 471 | \$31.6 | \$79.0 |
| Indirect and Induced | 321 | \$19.0 | \$34.7 | 236 | \$13.4 | \$36.4 |
| Total Direct, Indirect, and Induced | 779 | \$50.4 | \$106.5 | 707 | \$45.0 | \$115.4 |

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 |
|--|---------------------|---------------------|------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund Revenues¹ | | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$0 | \$4,300 | \$42,600 | \$63,900 | \$85,200 | \$86,900 | \$88,700 | \$90,500 | \$92,300 | \$94,100 | \$96,000 | \$97,900 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$0 | \$14,700 | \$63,600 | \$68,300 | \$70,300 | \$72,400 | \$74,600 | \$76,800 | \$79,100 | \$81,500 | \$84,000 | \$86,500 |
| Parking Tax | \$735,400 | \$1,602,400 | \$0 | \$4,400 | \$17,200 | \$17,800 | \$18,300 | \$18,800 | \$19,400 | \$20,000 | \$20,600 | \$21,200 | \$21,800 | \$22,500 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$13,700 | \$74,900 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$0 | \$6,900 | \$112,500 | \$193,400 | \$199,200 | \$205,200 | \$211,400 | \$217,700 | \$224,200 | \$231,000 | \$237,900 | \$245,000 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$0 | \$4,300 | \$44,600 | \$58,100 | \$59,900 | \$61,700 | \$63,500 | \$65,400 | \$67,400 | \$69,400 | \$71,500 | \$73,600 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$0 | \$1,900 | \$19,100 | \$24,900 | \$25,700 | \$26,400 | \$27,200 | \$28,000 | \$28,900 | \$29,700 | \$30,600 | \$31,600 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$0 | \$3,600 | \$39,100 | \$51,300 | \$52,800 | \$54,400 | \$56,000 | \$57,700 | \$59,400 | \$61,200 | \$63,000 | \$64,900 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$0 | \$300 | \$17,300 | \$4,300 | \$4,400 | \$4,600 | \$4,700 | \$4,900 | \$5,000 | \$5,200 | \$5,300 | \$5,500 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$0 | \$100 | \$600 | \$700 | \$700 | \$800 | \$800 | \$800 | \$800 | \$900 | \$900 | \$900 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total if Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$0 | \$45,400 | \$285,900 | \$264,400 | \$291,600 | \$299,600 | \$307,700 | \$316,100 | \$324,600 | \$333,500 | \$342,500 | \$351,800 |
| Total if Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$0 | \$49,900 | \$372,900 | \$424,600 | \$456,600 | \$469,500 | \$482,800 | \$496,400 | \$510,300 | \$524,800 | \$539,500 | \$554,800 |
| General Fund Expenditures² | | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$0 | \$1,500 | \$16,000 | \$20,900 | \$21,600 | \$22,200 | \$22,900 | \$23,600 | \$24,300 | \$25,000 | \$25,700 | \$26,500 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$0 | \$4,900 | \$53,200 | \$69,800 | \$71,900 | \$74,000 | \$76,200 | \$78,500 | \$80,900 | \$83,300 | \$85,800 | \$88,400 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$0 | \$6,400 | \$69,200 | \$90,700 | \$93,500 | \$96,200 | \$99,100 | \$102,100 | \$105,200 | \$108,300 | \$111,500 | \$114,900 |
| Net General Fund Impact | | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$0 | \$39,000 | \$216,700 | \$173,700 | \$198,100 | \$203,400 | \$208,600 | \$214,000 | \$219,400 | \$225,200 | \$231,000 | \$236,900 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$0 | \$43,500 | \$303,700 | \$333,900 | \$363,100 | \$373,300 | \$383,700 | \$394,300 | \$405,100 | \$416,500 | \$428,000 | \$439,900 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 |
|--|---------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund Revenues¹ | | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$99,900 | \$101,900 | \$103,900 | \$106,000 | \$108,100 | \$110,300 | \$112,500 | \$114,700 | \$117,000 | \$119,400 | \$121,700 | \$124,200 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$89,100 | \$91,700 | \$94,500 | \$97,300 | \$100,200 | \$103,200 | \$106,300 | \$109,500 | \$112,800 | \$116,200 | \$119,700 | \$123,300 |
| Parking Tax | \$735,400 | \$1,602,400 | \$23,200 | \$23,900 | \$24,600 | \$25,300 | \$26,100 | \$26,900 | \$27,700 | \$28,500 | \$29,300 | \$30,200 | \$31,100 | \$32,100 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$252,400 | \$259,900 | \$267,700 | \$275,800 | \$284,000 | \$292,600 | \$301,300 | \$310,400 | \$319,700 | \$329,300 | \$339,200 | \$349,300 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$75,900 | \$78,100 | \$80,500 | \$82,900 | \$85,400 | \$87,900 | \$90,600 | \$93,300 | \$96,100 | \$99,000 | \$101,900 | \$105,000 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$32,500 | \$33,500 | \$34,500 | \$35,500 | \$36,600 | \$37,700 | \$38,800 | \$40,000 | \$41,200 | \$42,400 | \$43,700 | \$45,000 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$66,900 | \$68,900 | \$71,000 | \$73,100 | \$75,300 | \$77,500 | \$79,900 | \$82,300 | \$84,700 | \$87,300 | \$89,900 | \$92,600 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$5,600 | \$5,800 | \$6,000 | \$6,200 | \$6,300 | \$6,500 | \$6,700 | \$6,900 | \$7,100 | \$7,300 | \$7,600 | \$7,800 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$900 | \$1,000 | \$1,000 | \$1,000 | \$1,100 | \$1,100 | \$1,100 | \$1,200 | \$1,200 | \$1,200 | \$1,300 | \$1,300 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total If Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$361,500 | \$371,300 | \$381,500 | \$391,800 | \$402,500 | \$413,400 | \$424,800 | \$436,400 | \$448,200 | \$460,600 | \$473,200 | \$486,300 |
| Total If Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$570,500 | \$586,600 | \$603,200 | \$620,200 | \$637,700 | \$655,800 | \$674,300 | \$693,500 | \$713,000 | \$733,300 | \$754,200 | \$775,600 |
| General Fund Expenditures² | | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$27,300 | \$28,100 | \$29,000 | \$29,800 | \$30,700 | \$31,700 | \$32,600 | \$33,600 | \$34,600 | \$35,600 | \$36,700 | \$37,800 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$91,000 | \$93,800 | \$96,600 | \$99,500 | \$102,500 | \$105,500 | \$108,700 | \$112,000 | \$115,300 | \$118,800 | \$122,400 | \$126,000 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$118,300 | \$121,900 | \$125,600 | \$129,300 | \$133,200 | \$137,200 | \$141,300 | \$145,600 | \$149,900 | \$154,400 | \$159,100 | \$163,800 |
| Net General Fund Impact | | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$243,200 | \$249,400 | \$255,900 | \$262,500 | \$269,300 | \$276,200 | \$283,500 | \$290,800 | \$298,300 | \$306,200 | \$314,100 | \$322,500 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$452,200 | \$464,700 | \$477,600 | \$490,900 | \$504,500 | \$518,600 | \$533,000 | \$547,900 | \$563,100 | \$578,900 | \$595,100 | \$611,800 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 |
|--|---------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| General Fund Revenues¹ | | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$126,700 | \$129,200 | \$131,800 | \$134,400 | \$137,100 | \$139,800 | \$142,600 | \$145,500 | \$148,400 | \$151,400 | \$154,400 | \$157,500 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$127,000 | \$130,800 | \$134,700 | \$138,800 | \$142,900 | \$147,200 | \$151,600 | \$156,200 | \$160,900 | \$165,700 | \$170,700 | \$175,800 |
| Parking Tax | \$735,400 | \$1,602,400 | \$33,000 | \$34,000 | \$35,000 | \$36,100 | \$37,200 | \$38,300 | \$39,400 | \$40,600 | \$41,800 | \$43,100 | \$44,400 | \$45,700 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$359,800 | \$370,600 | \$381,700 | \$393,200 | \$405,000 | \$417,100 | \$429,600 | \$442,500 | \$455,800 | \$469,500 | \$483,600 | \$498,100 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$108,100 | \$111,400 | \$114,700 | \$118,200 | \$121,700 | \$125,400 | \$129,100 | \$133,000 | \$137,000 | \$141,100 | \$145,300 | \$149,700 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$46,300 | \$47,700 | \$49,200 | \$50,600 | \$52,200 | \$53,700 | \$55,300 | \$57,000 | \$58,700 | \$60,500 | \$62,300 | \$64,200 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$95,400 | \$98,200 | \$101,200 | \$104,200 | \$107,300 | \$110,600 | \$113,900 | \$117,300 | \$120,800 | \$124,400 | \$128,200 | \$132,000 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$8,000 | \$8,300 | \$8,500 | \$8,800 | \$9,000 | \$9,300 | \$9,600 | \$9,900 | \$10,200 | \$10,500 | \$10,800 | \$11,100 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$1,400 | \$1,400 | \$1,400 | \$1,500 | \$1,500 | \$1,600 | \$1,600 | \$1,700 | \$1,700 | \$1,800 | \$1,800 | \$1,900 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total If Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$499,600 | \$513,300 | \$527,300 | \$542,000 | \$556,700 | \$572,200 | \$587,800 | \$604,200 | \$620,800 | \$638,000 | \$655,600 | \$673,700 |
| Total If Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$797,600 | \$820,200 | \$843,500 | \$867,600 | \$892,200 | \$917,600 | \$943,600 | \$970,700 | \$998,300 | \$1,026,900 | \$1,056,200 | \$1,086,300 |
| General Fund Expenditures² | | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$38,900 | \$40,100 | \$41,300 | \$42,600 | \$43,800 | \$45,100 | \$46,500 | \$47,900 | \$49,300 | \$50,800 | \$52,300 | \$53,900 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$129,800 | \$133,700 | \$137,700 | \$141,800 | \$146,100 | \$150,500 | \$155,000 | \$159,600 | \$164,400 | \$169,400 | \$174,400 | \$179,700 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$168,700 | \$173,800 | \$179,000 | \$184,400 | \$189,900 | \$195,600 | \$201,500 | \$207,500 | \$213,700 | \$220,200 | \$226,700 | \$233,600 |
| Net General Fund Impact | | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$330,900 | \$339,500 | \$348,300 | \$357,600 | \$366,800 | \$376,600 | \$386,300 | \$396,700 | \$407,100 | \$417,800 | \$428,900 | \$440,100 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$628,900 | \$646,400 | \$664,500 | \$683,200 | \$702,300 | \$722,000 | \$742,100 | \$763,200 | \$784,600 | \$806,700 | \$829,500 | \$852,700 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 51/52 | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 | FY 61/62 |
|--|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund Revenues¹ | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$160,600 | \$163,800 | \$167,100 | \$170,500 | \$173,900 | \$177,400 | \$180,900 | \$184,500 | \$188,200 | \$192,000 | \$195,800 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$181,000 | \$186,500 | \$192,100 | \$197,800 | \$203,800 | \$209,900 | \$216,200 | \$222,700 | \$229,300 | \$236,200 | \$243,300 |
| Parking Tax | \$735,400 | \$1,602,400 | \$47,100 | \$48,500 | \$49,900 | \$51,400 | \$53,000 | \$54,600 | \$56,200 | \$57,900 | \$59,600 | \$61,400 | \$63,300 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$513,000 | \$528,400 | \$544,300 | \$560,600 | \$577,400 | \$594,700 | \$612,600 | \$630,900 | \$649,900 | \$669,400 | \$689,400 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$154,200 | \$158,800 | \$163,600 | \$168,500 | \$173,500 | \$178,700 | \$184,100 | \$189,600 | \$195,300 | \$201,200 | \$207,200 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$66,100 | \$68,100 | \$70,100 | \$72,200 | \$74,400 | \$76,600 | \$78,900 | \$81,300 | \$83,700 | \$86,200 | \$88,800 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$136,000 | \$140,000 | \$144,200 | \$148,600 | \$153,000 | \$157,600 | \$162,400 | \$167,200 | \$172,200 | \$177,400 | \$182,700 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$11,400 | \$11,800 | \$12,100 | \$12,500 | \$12,900 | \$13,300 | \$13,700 | \$14,100 | \$14,500 | \$14,900 | \$15,400 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$1,900 | \$2,000 | \$2,000 | \$2,100 | \$2,200 | \$2,200 | \$2,300 | \$2,400 | \$2,400 | \$2,500 | \$2,600 |
| | \$0 | \$0 | | | | | | | | | | | |
| Total if Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$692,200 | \$711,400 | \$731,000 | \$751,400 | \$772,300 | \$793,700 | \$815,800 | \$838,400 | \$861,500 | \$885,600 | \$910,300 |
| Total if Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$1,117,100 | \$1,149,100 | \$1,181,800 | \$1,215,700 | \$1,250,600 | \$1,286,300 | \$1,323,200 | \$1,361,000 | \$1,399,800 | \$1,440,000 | \$1,481,300 |
| General Fund Expenditures² | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$55,500 | \$57,200 | \$58,900 | \$60,700 | \$62,500 | \$64,400 | \$66,300 | \$68,300 | \$70,300 | \$72,400 | \$74,600 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$185,100 | \$190,600 | \$196,300 | \$202,200 | \$208,300 | \$214,600 | \$221,000 | \$227,600 | \$234,400 | \$241,500 | \$248,700 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$240,600 | \$247,800 | \$255,200 | \$262,900 | \$270,800 | \$279,000 | \$287,300 | \$295,900 | \$304,700 | \$313,900 | \$323,300 |
| Net General Fund Impact | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$451,600 | \$463,600 | \$475,800 | \$488,500 | \$501,500 | \$514,700 | \$528,500 | \$542,500 | \$556,800 | \$571,700 | \$587,000 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$876,500 | \$901,300 | \$926,600 | \$952,800 | \$979,800 | \$1,007,300 | \$1,035,900 | \$1,065,100 | \$1,095,100 | \$1,126,100 | \$1,158,000 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 2
Development Program and Employment Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

Source: 20th Street Historic Bldgs Proforma 03/27/15 (Orton Development Inc.)

| Project Program | Land Use | Building Size | | Taxable Net SF | | % Occupancy ¹ | | | | Occupied Net Square Feet | | | |
|------------------------------|---------------------------------------|---------------|---------|----------------|---------|--------------------------|----------|----------|----------|--------------------------|-----------------|-----------------|-----------------|
| | | Gross SF | Net SF | % | SF | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 |
| Building 101 | Office / Light Industrial | 61,311 | 58,245 | 100.0% | 58,245 | 0% | 25% | 70% | 95% | 0 | 14,561 | 40,772 | 55,333 |
| Building 102 | Restaurant | 11,266 | 10,703 | 100.0% | 10,703 | 0% | 25% | 95% | 95% | 0 | 2,676 | 10,168 | 10,168 |
| Building 104 | Office - Non Profit | 45,759 | 43,471 | 100.0% | 43,471 | 0% | 0% | 75% | 95% | 0 | 0 | 32,603 | 41,297 |
| Building 113 | Healthcare - Non Profit | 77,530 | 60,743 | 100.0% | 60,743 | 0% | 0% | 75% | 95% | 0 | 0 | 45,557 | 57,706 |
| Building 114 | Light Industrial | 16,088 | 15,444 | 100.0% | 15,444 | 0% | 0% | 75% | 95% | 0 | 0 | 11,583 | 14,672 |
| Building 115 | Light Industrial | 13,078 | 12,555 | 100.0% | 12,555 | 0% | 0% | 75% | 95% | 0 | 0 | 9,416 | 11,927 |
| Building 116 | Light Industrial | 25,270 | 24,259 | 100.0% | 24,259 | 0% | 0% | 75% | 95% | 0 | 0 | 18,194 | 23,046 |
| Building 14 | Light Industrial - Non Profit | 16,315 | 15,662 | 100.0% | 15,662 | 0% | 0% | 75% | 95% | 0 | 0 | 11,747 | 14,879 |
| | | 266,617 | 241,082 | 100.0% | 241,082 | | | | | 0 | 17,237 | 180,040 | 229,028 |
| Piazza / Parking / Site | Parking Spaces (ODI = 75; Port = 210) | | 285 | | | | | | | - | 75 | 210 | 0 |
| Cumulative Employment | | | | | | | | | | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 |
| Employees / Jobs | 2.00 per 1,000 net sf | | | | | | | | | - | 34 | 360 | 458 |
| Service Population | 0.33 per employee | | | | | | | | | - | 11 | 120 | 153 |

¹ Based on ODI proforma; KMA adjusted to match construction completion to fiscal years.

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

Global Escalation Assumptions

| | |
|------------------------------|----|
| Assessed Value Annual Growth | 2% |
| Other Revenues Annual Growth | 3% |

2015 City/County Service Population Estimate for Averages

| | |
|----------------------------------|-----------|
| Resident Population ¹ | 845,602 |
| Employment Base ² | 613,200 |
| Service Population ³ | 1,050,002 |

City and County General Fund

Possessory Interest Tax ⁴ 0% share remaining after IFD

Property Tax in Lieu of VLF ⁵

| | |
|---|-------------------|
| Property Tax Based Revenue 2004-05 ⁶ | \$109,881,177 |
| 2004-05 City of San Francisco Gross Assessed Value ⁶ | \$103,076,295,556 |
| Property Tax in Lieu of VLF per \$1,000 in AV Growth | \$1.07 |

Property Transfer Tax

| | |
|--|--------------|
| Year of Sale ⁷ | 9 |
| Sale Value in Year of Sale ⁷ | \$87,000,000 |
| Tax Rate per \$500 of value ⁸ | \$12.50 |

Sales Tax

| | |
|--|---------|
| Sales Tax Rate ⁹ | 1.00% |
| Employee Spending | |
| Potential Non-Restaurant Weekly Spending ¹⁰ | \$45.52 |
| Weeks at Work per Year ¹¹ | 50 |
| Potential Annual Non-Restaurant Spending | \$2,276 |
| San Francisco Capture ¹¹ | 100% |
| Potential Annual Non-Restaurant Spending per Employee | \$2,276 |
| Potential Restaurant Weekly Spending ¹⁰ | \$26.29 |
| Weeks at Work per Year ¹¹ | 50 |
| Potential Annual Restaurant Spending | \$1,315 |
| San Francisco Capture ¹¹ | 100.00% |
| Employee Spending at Project Restaurant ¹¹ | 80% |
| Potential Annual Non-Project Rest. Spending per Employee | \$263 |
| Taxable Sales by Project Restaurant | |
| Rentable Square Feet | 10,703 |
| Sales per Rentable SF ¹¹ | \$500 |

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

City and County General Fund (continued)

Parking Tax

| | |
|--|-------|
| Revenue per Space per Month ⁷ | \$100 |
| Parking Occupancy Rate ⁷ | 95% |
| San Francisco Parking Tax Rate ¹² | 25% |
| Parking Tax Revenue Allocation to General Fund ¹³ | 20% |

Payroll Expense and Gross Receipts Tax ¹⁴

Eligibility

| | |
|--|--------------------------|
| Project Rentable Square Feet ¹⁵ | 241,082 |
| Project Occupied Rentable Square Feet at 5% Vacancy | 229,028 |
| Average Number of Employees per Business ¹⁶ | 6 |
| Employees per 1,000 Square Feet | 2 |
| Square Foot per Business | 3,000 |
| Occupied Businesses in Project | 76 |
| Estimated Total Project Payroll at 95% Occupancy ¹⁷ | \$31,406,000 |
| Estimated Total Project Payroll at 100% Occupancy ¹⁸ | \$33,058,947 |
| Payroll > \$260,000 per Business for Payroll Tax ¹⁹ | \$411,382 (eligible) |
| Estimated Total Project Gross Receipts at 95% Occupancy ¹⁷ | \$71,789,000 |
| Estimated Total Project Gross Receipts at 100% Occupancy ¹⁸ | \$75,567,368 |
| Gross Receipts > \$1,000,000 per Gross Receipts Tax ²⁰ | \$940,353 (not eligible) |

Payroll Expense Tax

| | |
|---|--------|
| Exemptions and Adjustment for San Francisco-based Payroll ²¹ | 75% |
| 2015 Rate ¹⁹ | 1.125% |
| 2016 Rate ¹⁹ | 0.750% |
| 2017 Rate ¹⁹ | 0.375% |
| 2018 Rate ¹⁹ | 0.000% |

Gross Receipts Tax

| | |
|---|--------|
| Exemptions and Adjustment for San Francisco-based Receipts ²¹ | 75% |
| Retail, Wholesale, and Services Rate for \$1 to \$2.5 M ²⁰ | 0.100% |
| Manufacturing / Transportation / Warehousing, Information, Biotech, Clean Tech, Food Services Rate for \$1 to \$2.5 M ²⁰ | 0.205% |
| Private Education / Health, Admin., Misc. Rate for \$1 to \$2.5 M ²⁰ | 0.550% |
| Finance, Insurance, Profssnl, Scientific, Tech Rate for \$1 to \$2.5 M ²⁰ | 0.460% |
| Estimated Average for Pier 70 Businesses | 0.329% |
| 2015 Phase-In ²⁰ | 25% |
| 2016 Phase-In ²⁰ | 50% |
| 2017 Phase-In ²⁰ | 75% |
| 2018 Phase-In ²⁰ | 100% |

Table 3
 Revenue Assumptions
 Fiscal and Economic Impact Analysis
 Pier 70 - Historic Core
 Port of San Francisco

November 04, 2015

City and County General Fund (continued)

Business Registration Fee

| | |
|---|-------|
| Rate per business earning from \$750,000 to \$1 M ²² | \$700 |
| Rate per business earning from \$1 M to \$2.5 M ²² | \$300 |

Other General Fund Revenues ²³

| | Amount FY | Avg. |
|---------------------------------------|------------------|-------------------------------|
| | 2015/16 | Factor |
| | | Average Basis |
| Utility Users Tax ²⁴ | | |
| Water Users Tax | \$3,740,000 | \$6.10 per employee |
| Gas Electric Steam Users Tax | \$40,620,000 | \$66.24 per employee |
| Telephone Users Tax | \$49,190,000 | \$46.85 per service populatio |
| Access Line Tax | \$45,594,000 | \$43.42 per service populatio |
| Licenses, Permits, and Franchise Fees | \$27,162,891 | \$25.87 per service populatio |
| Fines, Forfeitures | \$4,577,144 | \$4.36 per service populatio |

Other City and County Funds

Sales Tax ²⁵

| | |
|------------------------------------|-------|
| Public Safety Sales Tax | 0.50% |
| SF County Transportation Authority | 0.50% |
| SF County Public Finance Authority | 0.25% |

Parking Tax

| | |
|---|-----|
| SF County Municipal Transportation Agency ¹³ | 80% |
|---|-----|

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

Notes:

- ¹ State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2015.
- ² California Department of Transportation San Francisco County Economic Forecast.
- ³ Resident population plus one-third the San Francisco employment base.
- ⁴ 100% of General Fund property tax will be deposited into the IFD to pay
- ⁵ Per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
- ⁶ Values for City and County of San Francisco. California State Controller's Office.
- ⁷ 20th Street Historic Bldgs Proforma 3/27/15(Orton Development Inc.).
- ⁸ San Francisco Business and Tax Regulations Code, Article 12-C: Real Property Transfer Tax. Rate for buildings valued above \$10 M.
- ⁹ San Francisco Business and Tax Regulations Code, Article 12-D: Uniform Local Sales and Use Tax.
- ¹⁰ Based on employee food and goods and services spending in the vicinity of the office, as reported in the ICSC report, "Office-Worker Retail Spending in a Digital Age" (2012), for urban workers.
- ¹¹ KMA assumption.
- ¹² San Francisco Business and Tax Regulations Code, Article 9: Tax on Occupancy of Parking Space in Parking Stations. Per the City and County of San Francisco Controller's Office, since the 25% parking tax is usually already included in the posted parking rate, this results in 20 percent of the patron's total parking charges being attributed to the parking tax. However, Orton pro forma assumes 25% tax on top of a \$100 per month parking fee.
- ¹³ Proposition A, passed in November 2007, specified that beginning in FY 2008-09, the Parking Tax be allocated between the General Fund (20%) and MTA (80%). City and County of San Francisco Controller's Office.
- ¹⁴ Starting in 2014, the payroll expense tax will be phased out and replaced with the gross receipts tax.
- ¹⁵ Table 2.
- ¹⁶ Based on information for the American Industrial Center, a comparable existing business facility.
- ¹⁷ Table 7.
- ¹⁸ Adjustment to 100% occupancy for payroll and gross receipts calculations, Table 4b.
- ¹⁹ San Francisco Business and Tax Regulations Code, Article 12-A: Payroll Expense Tax Ordinance.
- ²⁰ San Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax Ordinance.
- ²¹ The Payroll Expense and Gross Receipts Tax ordinances apply only to business activities performed in San Francisco. In addition, for a limited number of years the ordinances exclude certain bio-tech and clean-tech activities, as well as certain stock-based compensation. The adjustment factor is applied to the estimates to take into account these provisions.
- ²² San Francisco Business and Tax Regulations Code Article 12: Business Registration Fee.
- ²³ These factors are based on the methodology used in the Infrastructure Financing Plan, Infrastructure Financing District No. 1 (Rincon Hill Area) updated with data from the Adopted 2015/16 budget.
- ²⁴ Per San Francisco Business and Tax Regulations Code Article 10: Utility Users Tax, non-residential users pay telephone, water, gas, electric, and steam users utility taxes; residential and non-residential users pay cellular telephone and access line taxes. It has been assumed for purposes of these estimates that most residential users use cellular rather than land-line telephone service.
- ²⁵ Per the report Pier 70 Waterfront Site and Illinois Street Parcel Development Projects: Findings of Fiscal Responsibility and Feasibility, by Economic Planning Systems in May 2013, and Board of Equalization.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| | | | | | | | | | | | | <i>November 4, 2015</i> | |
|---|----------------------|----------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|------------------|
| Revenue Source | Measure ¹ | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 |
| <i>AV on Tax Roll (\$1,000s)</i> ² | | \$0 | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 |
| <i>Non-AV Revenue Escalation</i> ¹ | 3.0% | 100.0% | 103.0% | 106.1% | 109.3% | 112.6% | 115.9% | 119.4% | 123.0% | 126.7% | 130.5% | 134.4% | 138.4% |
| <i>Employees</i> ³ | | 0 | 34 | 360 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| <i>Restaurant SF</i> ³ | | 0 | 2,676 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| <i>Parking Spaces</i> ³ | | 0 | 75 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| <i>Leasable SF</i> ³ | | 0 | 17,237 | 180,040 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| <i>Service Population</i> ³ | | 0 | 11 | 120 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$0 | \$4,262 | \$42,619 | \$63,929 | \$85,239 | \$86,943 | \$88,683 | \$90,456 | \$92,266 | \$94,111 | \$95,993 | \$97,913 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$0 | \$797 | \$8,693 | \$11,391 | \$11,732 | \$12,084 | \$12,447 | \$12,820 | \$13,205 | \$13,601 | \$14,009 | \$14,429 |
| Employee Restaurant | 1.00% \$263/empl | \$0 | \$92 | \$1,004 | \$1,316 | \$1,355 | \$1,396 | \$1,438 | \$1,481 | \$1,525 | \$1,571 | \$1,618 | \$1,667 |
| Project Restaurant | 1.00% \$500 psf | \$0 | <u>\$13,780</u> | <u>\$53,935</u> | <u>\$55,553</u> | <u>\$57,220</u> | <u>\$58,937</u> | <u>\$60,705</u> | <u>\$62,526</u> | <u>\$64,402</u> | <u>\$66,334</u> | <u>\$68,324</u> | <u>\$70,373</u> |
| | | \$0 | \$14,669 | \$63,632 | \$68,260 | \$70,308 | \$72,417 | \$74,589 | \$76,827 | \$79,132 | \$81,506 | \$83,951 | \$86,470 |
| Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | \$0 | <u>\$88,065</u> | <u>\$344,686</u> | <u>\$355,027</u> | <u>\$365,678</u> | <u>\$376,648</u> | <u>\$387,948</u> | <u>\$399,586</u> | <u>\$411,574</u> | <u>\$423,921</u> | <u>\$436,638</u> | <u>\$449,738</u> |
| General Fund Taxes | 25% 20% to GF | \$0 | \$4,403 | \$17,234 | \$17,751 | \$18,284 | \$18,832 | \$19,397 | \$19,979 | \$20,579 | \$21,196 | \$21,832 | \$22,487 |
| Payroll Tax ⁴ | | \$0 | \$13,694 | \$74,856 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$0 | \$6,861 | \$112,504 | \$193,418 | \$199,220 | \$205,197 | \$211,353 | \$217,694 | \$224,224 | \$230,951 | \$237,880 | \$245,016 |
| Business Registration Fee | | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 0 | 6 | 60 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M | \$700 per business | \$0 | \$4,326 | \$44,558 | \$58,133 | \$59,877 | \$61,673 | \$63,524 | \$65,429 | \$67,392 | \$69,414 | \$71,496 | \$73,641 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$0 | \$1,854 | \$19,096 | \$24,914 | \$25,662 | \$26,431 | \$27,224 | \$28,041 | \$28,882 | \$29,749 | \$30,641 | \$31,561 |
| Utility Users Tax | | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$0 | \$214 | \$2,329 | \$3,052 | \$3,144 | \$3,238 | \$3,335 | \$3,436 | \$3,539 | \$3,645 | \$3,754 | \$3,867 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$0 | \$2,320 | \$25,300 | \$33,152 | \$34,147 | \$35,171 | \$36,227 | \$37,313 | \$38,433 | \$39,586 | \$40,773 | \$41,996 |
| Telephone Users Tax | \$46.85 per svc popn | \$0 | \$547 | \$5,964 | \$7,815 | \$8,050 | \$8,291 | \$8,540 | \$8,796 | \$9,060 | \$9,332 | \$9,612 | \$9,900 |
| Access Line Tax | \$43.42 per svc popn | \$0 | <u>\$507</u> | <u>\$5,528</u> | <u>\$7,244</u> | <u>\$7,461</u> | <u>\$7,685</u> | <u>\$7,916</u> | <u>\$8,153</u> | <u>\$8,398</u> | <u>\$8,650</u> | <u>\$8,909</u> | <u>\$9,176</u> |
| | | \$0 | \$3,587 | \$39,121 | \$51,264 | \$52,802 | \$54,386 | \$56,018 | \$57,698 | \$59,429 | \$61,212 | \$63,048 | \$64,940 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$0 | \$302 | \$3,293 | \$4,316 | \$4,445 | \$4,578 | \$4,716 | \$4,857 | \$5,003 | \$5,153 | \$5,308 | \$5,467 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$0 | \$51 | \$555 | \$727 | \$749 | \$771 | \$795 | \$818 | \$843 | \$868 | \$894 | \$921 |
| Total General Fund Revenue if Avg. Gross Receipts < \$1 M | | \$0 | \$45,295 | \$285,869 | \$264,380 | \$291,703 | \$299,602 | \$307,721 | \$316,065 | \$324,644 | \$333,460 | \$342,522 | \$351,838 |
| Total General Fund Revenue if Avg. Gross Receipts > \$1 M | | \$0 | \$49,684 | \$372,912 | \$424,579 | \$456,708 | \$469,557 | \$482,775 | \$496,371 | \$510,358 | \$524,746 | \$539,547 | \$554,773 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| AV on Tax Roll (\$1,000s) ² | | \$93,686 | \$95,560 | \$97,471 | \$99,420 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,963 | \$114,203 | \$116,487 |
| Non-AV Revenue Escalation ¹ | 3.0% | 142.6% | 146.9% | 151.3% | 155.8% | 160.5% | 165.3% | 170.2% | 175.4% | 180.6% | 186.0% | 191.6% | 197.4% |
| Employees ³ | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ³ | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ³ | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Leasable SF ³ | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Service Population ³ | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$99,871 | \$101,868 | \$103,906 | \$105,984 | \$108,103 | \$110,266 | \$112,471 | \$114,720 | \$117,015 | \$119,355 | \$121,742 | \$124,177 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$14,862 | \$15,308 | \$15,767 | \$16,240 | \$16,728 | \$17,229 | \$17,746 | \$18,279 | \$18,827 | \$19,392 | \$19,974 | \$20,573 |
| Employee Restaurant | 1.00% \$263/empl | \$1,717 | \$1,768 | \$1,821 | \$1,876 | \$1,932 | \$1,990 | \$2,050 | \$2,111 | \$2,175 | \$2,240 | \$2,307 | \$2,376 |
| Project Restaurant | 1.00% \$500 psf | <u>\$72,485</u> | <u>\$74,659</u> | <u>\$76,899</u> | <u>\$79,206</u> | <u>\$81,582</u> | <u>\$84,030</u> | <u>\$86,550</u> | <u>\$89,147</u> | <u>\$91,821</u> | <u>\$94,576</u> | <u>\$97,413</u> | <u>\$100,336</u> |
| | | \$89,064 | \$91,736 | \$94,488 | \$97,322 | \$100,242 | \$103,249 | \$106,347 | \$109,537 | \$112,823 | \$116,208 | \$119,694 | \$123,285 |
| Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | <u>\$463,230</u> | <u>\$477,127</u> | <u>\$491,440</u> | <u>\$506,184</u> | <u>\$521,369</u> | <u>\$537,010</u> | <u>\$553,121</u> | <u>\$569,714</u> | <u>\$586,806</u> | <u>\$604,410</u> | <u>\$622,542</u> | <u>\$641,218</u> |
| General Fund Taxes | 25% 20% to GF | \$23,161 | \$23,856 | \$24,572 | \$25,309 | \$26,068 | \$26,851 | \$27,656 | \$28,486 | \$29,340 | \$30,220 | \$31,127 | \$32,061 |
| Payroll Tax ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$252,366 | \$259,937 | \$267,736 | \$275,768 | \$284,041 | \$292,562 | \$301,339 | \$310,379 | \$319,690 | \$329,281 | \$339,159 | \$349,334 |
| Business Registration Fee | | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M. | \$700 per business | \$75,850 | \$78,126 | \$80,470 | \$82,884 | \$85,370 | \$87,931 | \$90,569 | \$93,287 | \$96,085 | \$98,968 | \$101,937 | \$104,995 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$32,507 | \$33,483 | \$34,487 | \$35,522 | \$36,587 | \$37,685 | \$38,815 | \$39,980 | \$41,179 | \$42,415 | \$43,687 | \$44,998 |
| Utility Users Tax | | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$3,983 | \$4,102 | \$4,225 | \$4,352 | \$4,483 | \$4,617 | \$4,756 | \$4,898 | \$5,045 | \$5,197 | \$5,352 | \$5,513 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$43,256 | \$44,554 | \$45,891 | \$47,267 | \$48,685 | \$50,146 | \$51,650 | \$53,200 | \$54,796 | \$56,440 | \$58,133 | \$59,877 |
| Telephone Users Tax | \$46.85 per svc popn | \$10,197 | \$10,503 | \$10,818 | \$11,143 | \$11,477 | \$11,821 | \$12,176 | \$12,541 | \$12,917 | \$13,305 | \$13,704 | \$14,115 |
| Access Line Tax | \$43.42 per svc popn | <u>\$9,452</u> | <u>\$9,735</u> | <u>\$10,027</u> | <u>\$10,328</u> | <u>\$10,638</u> | <u>\$10,957</u> | <u>\$11,286</u> | <u>\$11,624</u> | <u>\$11,973</u> | <u>\$12,332</u> | <u>\$12,702</u> | <u>\$13,083</u> |
| | | \$66,888 | \$68,895 | \$70,961 | \$73,090 | \$75,283 | \$77,541 | \$79,868 | \$82,264 | \$84,732 | \$87,274 | \$89,892 | \$92,588 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$5,631 | \$5,800 | \$5,974 | \$6,153 | \$6,338 | \$6,528 | \$6,724 | \$6,925 | \$7,133 | \$7,347 | \$7,567 | \$7,794 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$949 | \$977 | \$1,007 | \$1,037 | \$1,068 | \$1,100 | \$1,133 | \$1,167 | \$1,202 | \$1,238 | \$1,275 | \$1,313 |
| Total General Fund Revenue if Avg. Gross Receipts < \$1 M | | \$361,414 | \$371,258 | \$381,377 | \$391,779 | \$402,473 | \$413,466 | \$424,767 | \$436,385 | \$448,330 | \$460,609 | \$473,234 | \$486,214 |
| Total General Fund Revenue if Avg. Gross Receipts > \$1 M | | \$570,437 | \$586,552 | \$603,130 | \$620,185 | \$637,730 | \$655,781 | \$674,352 | \$693,458 | \$713,114 | \$733,338 | \$754,144 | \$775,551 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| AV on Tax Roll (\$1,000s) ² | | \$118,816 | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 | \$136,483 | \$139,212 | \$141,997 | \$144,837 | \$147,733 |
| Non-AV Revenue Escalation ¹ | 3.0% | 203.3% | 209.4% | 215.7% | 222.1% | 228.8% | 235.7% | 242.7% | 250.0% | 257.5% | 265.2% | 273.2% | 281.4% |
| Employees ³ | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ³ | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ³ | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Leasable SF ³ | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Service Population ³ | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$126,660 | \$129,194 | \$131,778 | \$134,413 | \$137,101 | \$139,843 | \$142,640 | \$145,493 | \$148,403 | \$151,371 | \$154,398 | \$157,486 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$21,190 | \$21,826 | \$22,480 | \$23,155 | \$23,850 | \$24,565 | \$25,302 | \$26,061 | \$26,843 | \$27,648 | \$28,478 | \$29,332 |
| Employee Restaurant | 1.00% \$263/empl | \$2,448 | \$2,521 | \$2,597 | \$2,675 | \$2,755 | \$2,837 | \$2,923 | \$3,010 | \$3,101 | \$3,194 | \$3,289 | \$3,388 |
| Project Restaurant | 1.00% \$500 psf | <u>\$103,346</u> | <u>\$106,446</u> | <u>\$109,639</u> | <u>\$112,929</u> | <u>\$116,317</u> | <u>\$119,806</u> | <u>\$123,400</u> | <u>\$127,102</u> | <u>\$130,915</u> | <u>\$134,843</u> | <u>\$138,888</u> | <u>\$143,055</u> |
| | | \$126,983 | \$130,793 | \$134,717 | \$138,758 | \$142,921 | \$147,209 | \$151,625 | \$156,174 | \$160,859 | \$165,685 | \$170,655 | \$175,775 |
| Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | <u>\$660,455</u> | <u>\$680,268</u> | <u>\$700,677</u> | <u>\$721,697</u> | <u>\$743,348</u> | <u>\$765,648</u> | <u>\$788,618</u> | <u>\$812,276</u> | <u>\$836,644</u> | <u>\$861,744</u> | <u>\$887,596</u> | <u>\$914,224</u> |
| General Fund Taxes | 25% 20% to GF | \$33,023 | \$34,013 | \$35,034 | \$36,085 | \$37,167 | \$38,282 | \$39,431 | \$40,614 | \$41,832 | \$43,087 | \$44,380 | \$45,711 |
| Payroll Tax ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$359,814 | \$370,609 | \$381,727 | \$393,179 | \$404,974 | \$417,123 | \$429,637 | \$442,526 | \$455,802 | \$469,476 | \$483,560 | \$498,067 |
| Business Registration Fee | | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M | \$700 per business | \$108,145 | \$111,389 | \$114,731 | \$118,173 | \$121,718 | \$125,369 | \$129,130 | \$133,004 | \$136,994 | \$141,104 | \$145,337 | \$149,697 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$46,348 | \$47,738 | \$49,170 | \$50,645 | \$52,165 | \$53,730 | \$55,342 | \$57,002 | \$58,712 | \$60,473 | \$62,287 | \$64,156 |
| Utility Users Tax | | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$5,678 | \$5,849 | \$6,024 | \$6,205 | \$6,391 | \$6,583 | \$6,780 | \$6,984 | \$7,193 | \$7,409 | \$7,631 | \$7,860 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$61,673 | \$63,523 | \$65,429 | \$67,392 | \$69,414 | \$71,496 | \$73,641 | \$75,850 | \$78,126 | \$80,470 | \$82,884 | \$85,370 |
| Telephone Users Tax | \$46.85 per svc popn | \$14,539 | \$14,975 | \$15,424 | \$15,887 | \$16,363 | \$16,854 | \$17,360 | \$17,881 | \$18,417 | \$18,970 | \$19,539 | \$20,125 |
| Access Line Tax | \$43.42 per svc popn | <u>\$13,476</u> | <u>\$13,880</u> | <u>\$14,296</u> | <u>\$14,725</u> | <u>\$15,167</u> | <u>\$15,622</u> | <u>\$16,091</u> | <u>\$16,574</u> | <u>\$17,071</u> | <u>\$17,583</u> | <u>\$18,110</u> | <u>\$18,654</u> |
| | | \$95,366 | \$98,227 | \$101,174 | \$104,209 | \$107,335 | \$110,555 | \$113,872 | \$117,288 | \$120,807 | \$124,431 | \$128,164 | \$132,009 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$8,028 | \$8,269 | \$8,517 | \$8,773 | \$9,036 | \$9,307 | \$9,586 | \$9,874 | \$10,170 | \$10,475 | \$10,789 | \$11,113 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$1,353 | \$1,393 | \$1,435 | \$1,478 | \$1,523 | \$1,568 | \$1,615 | \$1,664 | \$1,714 | \$1,765 | \$1,818 | \$1,873 |
| Total General Fund Revenue if Avg. Gross Receipts < \$1 M | | \$499,558 | \$513,279 | \$527,385 | \$541,889 | \$556,801 | \$572,134 | \$587,900 | \$604,111 | \$620,779 | \$637,918 | \$655,542 | \$673,664 |
| Total General Fund Revenue if Avg. Gross Receipts > \$1 M | | \$797,576 | \$820,236 | \$843,552 | \$867,540 | \$892,222 | \$917,618 | \$943,748 | \$970,634 | \$998,298 | \$1,026,763 | \$1,056,052 | \$1,086,190 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 51/52 | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 | FY 61/62 |
|---|----------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| AV on Tax Roll (\$1,000s) ² | | \$150,688 | \$153,702 | \$156,776 | \$159,911 | \$163,109 | \$166,372 | \$169,699 | \$173,093 | \$176,555 | \$180,086 | \$183,688 |
| Non-AV Revenue Escalation ¹ | 3.0% | 289.8% | 298.5% | 307.5% | 316.7% | 326.2% | 336.0% | 346.1% | 356.5% | 367.1% | 378.2% | 389.5% |
| Employees ³ | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ³ | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ³ | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Leasable SF ³ | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Service Population ³ | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$160,636 | \$163,849 | \$167,126 | \$170,468 | \$173,878 | \$177,355 | \$180,902 | \$184,520 | \$188,211 | \$191,975 | \$195,814 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$30,212 | \$31,118 | \$32,052 | \$33,013 | \$34,004 | \$35,024 | \$36,075 | \$37,157 | \$38,272 | \$39,420 | \$40,602 |
| Employee Restaurant | 1.00% \$263/empl | \$3,490 | \$3,594 | \$3,702 | \$3,813 | \$3,928 | \$4,046 | \$4,167 | \$4,292 | \$4,421 | \$4,553 | \$4,690 |
| Project Restaurant | 1.00% \$500 psf | <u>\$147,346</u> | <u>\$151,767</u> | <u>\$156,320</u> | <u>\$161,009</u> | <u>\$165,840</u> | <u>\$170,815</u> | <u>\$175,939</u> | <u>\$181,217</u> | <u>\$186,654</u> | <u>\$192,253</u> | <u>\$198,021</u> |
| | | \$181,048 | \$186,479 | \$192,074 | \$197,836 | \$203,771 | \$209,884 | \$216,181 | \$222,666 | \$229,346 | \$236,227 | \$243,313 |
| Parking Tax | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | <u>\$941,651</u> | <u>\$969,900</u> | <u>\$998,997</u> | <u>\$1,028,967</u> | <u>\$1,059,836</u> | <u>\$1,091,631</u> | <u>\$1,124,380</u> | <u>\$1,158,111</u> | <u>\$1,192,855</u> | <u>\$1,228,640</u> | <u>\$1,265,500</u> |
| General Fund Taxes | 25% 20% to GF | \$47,083 | \$48,495 | \$49,950 | \$51,448 | \$52,992 | \$54,582 | \$56,219 | \$57,906 | \$59,643 | \$61,432 | \$63,275 |
| Payroll Tax ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$513,009 | \$528,399 | \$544,251 | \$560,579 | \$577,396 | \$594,718 | \$612,560 | \$630,936 | \$649,865 | \$669,360 | \$689,441 |
| Business Registration Fee | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M | \$700 per business | \$154,188 | \$158,814 | \$163,578 | \$168,486 | \$173,540 | \$178,747 | \$184,109 | \$189,632 | \$195,321 | \$201,181 | \$207,216 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$66,081 | \$68,063 | \$70,105 | \$72,208 | \$74,374 | \$76,606 | \$78,904 | \$81,271 | \$83,709 | \$86,220 | \$88,807 |
| Utility Users Tax | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$8,096 | \$8,339 | \$8,589 | \$8,847 | \$9,112 | \$9,386 | \$9,667 | \$9,957 | \$10,256 | \$10,564 | \$10,880 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$87,931 | \$90,569 | \$93,286 | \$96,085 | \$98,967 | \$101,936 | \$104,995 | \$108,144 | \$111,389 | \$114,730 | \$118,172 |
| Telephone Users Tax | \$46.85 per svc popn | \$20,729 | \$21,351 | \$21,991 | \$22,651 | \$23,330 | \$24,030 | \$24,751 | \$25,494 | \$26,258 | \$27,046 | \$27,858 |
| Access Line Tax | \$43.42 per svc popn | <u>\$19,213</u> | <u>\$19,790</u> | <u>\$20,383</u> | <u>\$20,995</u> | <u>\$21,625</u> | <u>\$22,273</u> | <u>\$22,942</u> | <u>\$23,630</u> | <u>\$24,339</u> | <u>\$25,069</u> | <u>\$25,821</u> |
| | | \$135,969 | \$140,048 | \$144,250 | \$148,577 | \$153,035 | \$157,626 | \$162,354 | \$167,225 | \$172,242 | \$177,409 | \$182,731 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$11,446 | \$11,790 | \$12,144 | \$12,508 | \$12,883 | \$13,270 | \$13,668 | \$14,078 | \$14,500 | \$14,935 | \$15,383 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$1,929 | \$1,987 | \$2,046 | \$2,108 | \$2,171 | \$2,236 | \$2,303 | \$2,372 | \$2,443 | \$2,517 | \$2,592 |
| Total General Fund Revenue if Avg. Gross Receipts < \$1 M | | \$692,299 | \$711,462 | \$731,167 | \$751,431 | \$772,270 | \$793,699 | \$815,736 | \$838,399 | \$861,706 | \$885,675 | \$910,326 |
| Total General Fund Revenue If Avg. Gross Receipts > \$1 M | | \$1,117,201 | \$1,149,111 | \$1,181,945 | \$1,215,732 | \$1,250,500 | \$1,286,276 | \$1,323,091 | \$1,360,974 | \$1,399,958 | \$1,440,075 | \$1,481,358 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

**Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco**

| Payroll / Gross Receipts Tax Calculation | | | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 |
|---|--------------------------------|------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Occupancy ¹ | | | | | | | | | | | | | | | | | | |
| Building 101 | | | 0% | 25% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 102 | | | 0% | 25% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 104 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 113 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 114 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 115 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 116 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 14 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Occupied Square Feet in Taxable Businesses | | | | | | | | | | | | | | | | | | |
| | <i>taxable sf ²</i> | | | | | | | | | | | | | | | | | |
| Building 101 | 58,245 | | 0 | 14,561 | 43,684 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 |
| Building 102 | 10,703 | | 0 | 2,676 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Building 104 | 43,471 | | 0 | 0 | 32,603 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 |
| Building 113 | 60,743 | | 0 | 0 | 45,557 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 |
| Building 114 | 15,444 | | 0 | 0 | 11,583 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 |
| Building 115 | 12,555 | | 0 | 0 | 9,416 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 |
| Building 116 | 24,259 | | 0 | 0 | 18,194 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 |
| Building 14 | 15,662 | | 0 | 0 | 11,747 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 |
| | 241,082 | | 0 | 17,237 | 182,952 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Taxable Occupied sf % of Total | 241,082 total sf | | 0.0% | 7.1% | 75.9% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| Payroll Tax | | | | | | | | | | | | | | | | | | |
| Taxable Payroll (\$1,000s) ³ | \$33,059 | 3.0% escln | \$0 | \$2,435 | \$26,616 | \$34,318 | \$35,348 | \$36,408 | \$37,500 | \$38,625 | \$39,784 | \$40,978 | \$42,207 | \$43,473 | \$44,777 | \$46,121 | \$47,504 | \$48,930 |
| Taxable SF Payroll (\$1,000s) ³ | | 75% | \$0 | \$1,826 | \$19,962 | \$25,739 | \$26,511 | \$27,306 | \$28,125 | \$28,969 | \$29,838 | \$30,733 | \$31,655 | \$32,605 | \$33,583 | \$34,591 | \$35,628 | \$36,697 |
| Payroll Tax Rate | | | 1.125% | 0.750% | 0.375% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Total Tax | | | \$0 | \$13,694 | \$74,856 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | | | | | | | | | | | | | | | | | | |
| Taxable Gr. Receipts (\$1,000s) ³ | \$75,567 | 3.0% escln | \$0 | \$5,565 | \$60,839 | \$78,446 | \$80,799 | \$83,223 | \$85,720 | \$88,291 | \$90,940 | \$93,668 | \$96,478 | \$99,373 | \$102,354 | \$105,425 | \$108,587 | \$111,845 |
| Taxable SF Gr. Receipts (\$1,000s) ³ | | 75% | \$0 | \$4,174 | \$45,629 | \$58,834 | \$60,599 | \$62,417 | \$64,290 | \$66,219 | \$68,205 | \$70,251 | \$72,359 | \$74,530 | \$76,765 | \$79,068 | \$81,440 | \$83,884 |
| Gross Receipts Phase-In Rate ³ | | | 25% | 50% | 75% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Total Tax ³ | | 0.329% | \$0 | \$6,861 | \$112,504 | \$193,418 | \$199,220 | \$205,197 | \$211,353 | \$217,694 | \$224,224 | \$230,951 | \$237,880 | \$245,016 | \$252,366 | \$259,937 | \$267,736 | \$275,768 |

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

**Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco**

| Payroll / Gross Receipts Tax Calculation | | | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 |
|---|--------------------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Occupancy ¹ | | | | | | | | | | | | | | | | | | |
| Building 101 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 102 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 104 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 113 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 114 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 115 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 116 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 14 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Occupied Square Feet in Taxable Businesses | | | | | | | | | | | | | | | | | | |
| | <i>taxable sf ²</i> | | | | | | | | | | | | | | | | | |
| Building 101 | 58,245 | | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 |
| Building 102 | 10,703 | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Building 104 | 43,471 | | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 |
| Building 113 | 60,743 | | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 |
| Building 114 | 15,444 | | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 |
| Building 115 | 12,555 | | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 |
| Building 116 | 24,259 | | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 |
| Building 14 | 15,662 | | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 |
| | 241,082 | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Taxable Occupied sf % of Total | 241,082 total sf | | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| Payroll Tax | | | | | | | | | | | | | | | | | | |
| Taxable Payroll (\$1,000s) ³ | \$33,059 | 3.0% escln | \$50,397 | \$51,909 | \$53,467 | \$55,071 | \$56,723 | \$58,424 | \$60,177 | \$61,982 | \$63,842 | \$65,757 | \$67,730 | \$69,762 | \$71,855 | \$74,010 | \$76,231 | \$78,518 |
| Taxable SF Payroll (\$1,000s) ³ | | 75% | \$37,798 | \$38,932 | \$40,100 | \$41,303 | \$42,542 | \$43,818 | \$45,133 | \$46,487 | \$47,881 | \$49,318 | \$50,797 | \$52,321 | \$53,891 | \$55,508 | \$57,173 | \$58,888 |
| Payroll Tax Rate | | | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Total Tax | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | | | | | | | | | | | | | | | | | | |
| Taxable Gr. Receipts (\$1,000s) ³ | \$75,567 | 3.0% escln | \$115,200 | \$118,656 | \$122,216 | \$125,882 | \$129,659 | \$133,549 | \$137,555 | \$141,682 | \$145,932 | \$150,310 | \$154,820 | \$159,464 | \$164,248 | \$169,175 | \$174,251 | \$179,478 |
| Taxable SF Gr. Receipts (\$1,000s) ³ | | 75% | \$86,400 | \$88,992 | \$91,662 | \$94,412 | \$97,244 | \$100,162 | \$103,166 | \$106,261 | \$109,449 | \$112,733 | \$116,115 | \$119,598 | \$123,186 | \$126,882 | \$130,688 | \$134,609 |
| Gross Receipts Phase-In Rate ³ | | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Total Tax ³ | 0.329% | | \$284,041 | \$292,562 | \$301,339 | \$310,379 | \$319,690 | \$329,281 | \$339,159 | \$349,334 | \$359,814 | \$370,609 | \$381,727 | \$393,179 | \$404,974 | \$417,123 | \$429,637 | \$442,526 |

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Payroll / Gross Receipts Tax Calculation | | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 | FY 51/52 | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 | |
|---|-------------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Occupancy ¹ | | | | | | | | | | | | | | | | |
| Building 101 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Building 102 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Building 104 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Building 113 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Building 114 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Building 115 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Building 116 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Building 14 | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | |
| Occupied Square Feet in | <i>taxable</i> | | | | | | | | | | | | | | | |
| Taxable Businesses | <i>sf. ²</i> | | | | | | | | | | | | | | | |
| Building 101 | 58,245 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | |
| Building 102 | 10,703 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | |
| Building 104 | 43,471 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | |
| Building 113 | 60,743 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | |
| Building 114 | 15,444 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | |
| Building 115 | 12,555 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | |
| Building 116 | 24,259 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | |
| Building 14 | 15,662 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | |
| | 241,082 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | |
| Taxable Occupied sf % of Total | 241,082 total sf | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | |
| Payroll Tax | | | | | | | | | | | | | | | | |
| Taxable Payroll (\$1,000s) ³ | \$33,059 | 3.0% escln | \$80,873 | \$83,299 | \$85,798 | \$88,372 | \$91,023 | \$93,754 | \$96,567 | \$99,464 | \$102,448 | \$105,521 | \$108,687 | \$111,947 | \$115,306 | \$118,765 |
| Taxable SF Payroll (\$1,000s) ³ | | 75% | \$60,655 | \$62,474 | \$64,349 | \$66,279 | \$68,267 | \$70,316 | \$72,425 | \$74,598 | \$76,836 | \$79,141 | \$81,515 | \$83,960 | \$86,479 | \$89,074 |
| Payroll Tax Rate | | | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Total Tax | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | | | | | | | | | | | | | | | | |
| Taxable Gr. Receipts (\$1,000s) ³ | \$75,567 | 3.0% escln | \$184,863 | \$190,408 | \$196,121 | \$202,004 | \$208,065 | \$214,306 | \$220,736 | \$227,358 | \$234,178 | \$241,204 | \$248,440 | \$255,893 | \$263,570 | \$271,477 |
| Taxable SF Gr. Receipts (\$1,000s) ³ | | 75% | \$138,647 | \$142,806 | \$147,091 | \$151,503 | \$156,048 | \$160,730 | \$165,552 | \$170,518 | \$175,634 | \$180,903 | \$186,330 | \$191,920 | \$197,677 | \$203,608 |
| Gross Receipts Phase-In Rate ³ | | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Total Tax ³ | 0.329% | | \$455,802 | \$469,476 | \$483,560 | \$498,067 | \$513,009 | \$528,399 | \$544,251 | \$560,579 | \$577,396 | \$594,718 | \$612,560 | \$630,936 | \$649,865 | \$669,360 |

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

**Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco**

| Revenue Source | Measure ¹ | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 |
|---------------------------------|----------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenue Escalation ¹ | 3.0% | 100.0% | 103.0% | 106.1% | 109.3% | 112.6% | 115.9% | 119.4% | 123.0% | 126.7% | 130.5% | 134.4% | 138.4% |
| Employees ² | | 0 | 34 | 360 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 0 | 2,676 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 0 | 75 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Sales Tax | | | | | | | | | | | | | |
| Taxable Spending (\$1,000s) | | | | | | | | | | | | | |
| Employee Non- Rest. | \$2,276 per empl | \$0 | \$80 | \$869 | \$1,139 | \$1,173 | \$1,208 | \$1,245 | \$1,282 | \$1,320 | \$1,360 | \$1,401 | \$1,443 |
| Employee Restaurant | \$263 per empl | \$0 | \$9 | \$100 | \$132 | \$136 | \$140 | \$144 | \$148 | \$153 | \$157 | \$162 | \$167 |
| Project Restaurant | \$500 per sf | \$0 | \$1,378 | \$5,394 | \$5,555 | \$5,722 | \$5,894 | \$6,070 | \$6,253 | \$6,440 | \$6,633 | \$6,832 | \$7,037 |
| | | \$0 | \$1,467 | \$6,363 | \$6,826 | \$7,031 | \$7,242 | \$7,459 | \$7,683 | \$7,913 | \$8,151 | \$8,395 | \$8,647 |
| Public Safety Sales Tax | 0.50% | \$0 | \$7,335 | \$31,816 | \$34,130 | \$35,154 | \$36,208 | \$37,295 | \$38,414 | \$39,566 | \$40,753 | \$41,975 | \$43,235 |
| SF County Transportation | 0.50% | \$0 | \$7,335 | \$31,816 | \$34,130 | \$35,154 | \$36,208 | \$37,295 | \$38,414 | \$39,566 | \$40,753 | \$41,975 | \$43,235 |
| SF County Public Finance | 0.25% | \$0 | \$3,667 | \$15,908 | \$17,065 | \$17,577 | \$18,104 | \$18,647 | \$19,207 | \$19,783 | \$20,376 | \$20,988 | \$21,617 |
| MTA Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | \$0 | \$88,065 | \$344,686 | \$355,027 | \$365,678 | \$376,648 | \$387,948 | \$399,586 | \$411,574 | \$423,921 | \$436,638 | \$449,738 |
| MTA Taxes | 25% 80% MTA | \$0 | \$17,613 | \$68,937 | \$71,005 | \$73,136 | \$75,330 | \$77,590 | \$79,917 | \$82,315 | \$84,784 | \$87,328 | \$89,948 |

¹ Table 3.

² Table 2.

**Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco**

| Revenue Source | Measure ¹ | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 |
|---------------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenue Escalation ¹ | 3.0% | 142.6% | 146.9% | 151.3% | 155.8% | 160.5% | 165.3% | 170.2% | 175.4% | 180.6% | 186.0% | 191.6% | 197.4% |
| Employees ² | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |

Sales Tax

Taxable Spending (\$1,000s)

| | | | | | | | | | | | | | |
|---------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Employee Non- Rest. | \$2,276 per empl | \$1,486 | \$1,531 | \$1,577 | \$1,624 | \$1,673 | \$1,723 | \$1,775 | \$1,828 | \$1,883 | \$1,939 | \$1,997 | \$2,057 |
| Employee Restaurant | \$263 per empl | \$172 | \$177 | \$182 | \$188 | \$193 | \$199 | \$205 | \$211 | \$217 | \$224 | \$231 | \$238 |
| Project Restaurant | \$500 per sf | <u>\$7,248</u> | <u>\$7,466</u> | <u>\$7,690</u> | <u>\$7,921</u> | <u>\$8,158</u> | <u>\$8,403</u> | <u>\$8,655</u> | <u>\$8,915</u> | <u>\$9,182</u> | <u>\$9,458</u> | <u>\$9,741</u> | <u>\$10,034</u> |
| | | \$8,906 | \$9,174 | \$9,449 | \$9,732 | \$10,024 | \$10,325 | \$10,635 | \$10,954 | \$11,282 | \$11,621 | \$11,969 | \$12,328 |
| Public Safety Sales Tax | 0.50% | \$44,532 | \$45,868 | \$47,244 | \$48,661 | \$50,121 | \$51,625 | \$53,173 | \$54,768 | \$56,412 | \$58,104 | \$59,847 | \$61,642 |
| SF County Transportation | 0.50% | \$44,532 | \$45,868 | \$47,244 | \$48,661 | \$50,121 | \$51,625 | \$53,173 | \$54,768 | \$56,412 | \$58,104 | \$59,847 | \$61,642 |
| SF County Public Finance | 0.25% | \$22,266 | \$22,934 | \$23,622 | \$24,331 | \$25,060 | \$25,812 | \$26,587 | \$27,384 | \$28,206 | \$29,052 | \$29,924 | \$30,821 |

MTA Parking Tax

| | | | | | | | | | | | | | |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Revenues | \$100/sp 95% occ | <u>\$463,230</u> | <u>\$477,127</u> | <u>\$491,440</u> | <u>\$506,184</u> | <u>\$521,369</u> | <u>\$537,010</u> | <u>\$553,121</u> | <u>\$569,714</u> | <u>\$586,806</u> | <u>\$604,410</u> | <u>\$622,542</u> | <u>\$641,218</u> |
| MTA Taxes | 25% 80% MTA | \$92,646 | \$95,425 | \$98,288 | \$101,237 | \$104,274 | \$107,402 | \$110,624 | \$113,943 | \$117,361 | \$120,882 | \$124,508 | \$128,244 |

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 |
|---------------------------------|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue Escalation ¹ | 3.0% | 203.3% | 209.4% | 215.7% | 222.1% | 228.8% | 235.7% | 242.7% | 250.0% | 257.5% | 265.2% | 273.2% | 281.4% |
| Employees ² | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Sales Tax | | | | | | | | | | | | | |
| Taxable Spending (\$1,000s) | | | | | | | | | | | | | |
| Employee Non- Rest. | \$2,276 per empl | \$2,119 | \$2,183 | \$2,248 | \$2,315 | \$2,385 | \$2,457 | \$2,530 | \$2,606 | \$2,684 | \$2,765 | \$2,848 | \$2,933 |
| Employee Restaurant | \$263 per empl | \$245 | \$252 | \$260 | \$267 | \$275 | \$284 | \$292 | \$301 | \$310 | \$319 | \$329 | \$339 |
| Project Restaurant | \$500 per sf | <u>\$10,335</u> | <u>\$10,645</u> | <u>\$10,964</u> | <u>\$11,293</u> | <u>\$11,632</u> | <u>\$11,981</u> | <u>\$12,340</u> | <u>\$12,710</u> | <u>\$13,092</u> | <u>\$13,484</u> | <u>\$13,889</u> | <u>\$14,305</u> |
| | | \$12,698 | \$13,079 | \$13,472 | \$13,876 | \$14,292 | \$14,721 | \$15,162 | \$15,617 | \$16,086 | \$16,568 | \$17,066 | \$17,577 |
| Public Safety Sales Tax | 0.50% | \$63,492 | \$65,396 | \$67,358 | \$69,379 | \$71,460 | \$73,604 | \$75,812 | \$78,087 | \$80,429 | \$82,842 | \$85,328 | \$87,887 |
| SF County Transportation | 0.50% | \$63,492 | \$65,396 | \$67,358 | \$69,379 | \$71,460 | \$73,604 | \$75,812 | \$78,087 | \$80,429 | \$82,842 | \$85,328 | \$87,887 |
| SF County Public Finance | 0.25% | \$31,746 | \$32,698 | \$33,679 | \$34,690 | \$35,730 | \$36,802 | \$37,906 | \$39,043 | \$40,215 | \$41,421 | \$42,664 | \$43,944 |
| MTA Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$.100/sp 95% occ | <u>\$660,455</u> | <u>\$680,268</u> | <u>\$700,677</u> | <u>\$721,697</u> | <u>\$743,348</u> | <u>\$765,648</u> | <u>\$788,618</u> | <u>\$812,276</u> | <u>\$836,644</u> | <u>\$861,744</u> | <u>\$887,596</u> | <u>\$914,224</u> |
| MTA Taxes | 25% 80% MTA | \$132,091 | \$136,054 | \$140,135 | \$144,339 | \$148,670 | \$153,130 | \$157,724 | \$162,455 | \$167,329 | \$172,349 | \$177,519 | \$182,845 |

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 51/52 | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 |
|---------------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenue Escalation ¹ | 3.0% | 289.8% | 298.5% | 307.5% | 316.7% | 326.2% | 336.0% | 346.1% | 356.5% | 367.1% | 378.2% |
| Employees ² | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |

Sales Tax

| Taxable Spending (\$1,000s) | | | | | | | | | | | |
|---------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Employee Non- Rest. | \$2,276 per empl | \$3,021 | \$3,112 | \$3,205 | \$3,301 | \$3,400 | \$3,502 | \$3,607 | \$3,716 | \$3,827 | \$3,942 |
| Employee Restaurant | \$263 per empl | \$349 | \$359 | \$370 | \$381 | \$393 | \$405 | \$417 | \$429 | \$442 | \$455 |
| Project Restaurant | \$500 per sf | <u>\$14,735</u> | <u>\$15,177</u> | <u>\$15,632</u> | <u>\$16,101</u> | <u>\$16,584</u> | <u>\$17,081</u> | <u>\$17,594</u> | <u>\$18,122</u> | <u>\$18,665</u> | <u>\$19,225</u> |
| | | \$18,105 | \$18,648 | \$19,207 | \$19,784 | \$20,377 | \$20,988 | \$21,618 | \$22,267 | \$22,935 | \$23,623 |
| Public Safety Sales Tax | 0.50% | \$90,524 | \$93,240 | \$96,037 | \$98,918 | \$101,886 | \$104,942 | \$108,090 | \$111,333 | \$114,673 | \$118,113 |
| SF County Transportation | 0.50% | \$90,524 | \$93,240 | \$96,037 | \$98,918 | \$101,886 | \$104,942 | \$108,090 | \$111,333 | \$114,673 | \$118,113 |
| SF County Public Finance | 0.25% | \$45,262 | \$46,620 | \$48,018 | \$49,459 | \$50,943 | \$52,471 | \$54,045 | \$55,667 | \$57,337 | \$59,057 |

MTA Parking Tax

| | | | | | | | | | | | |
|----------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Revenues | \$100/sp 95% occ | <u>\$941,651</u> | <u>\$969,900</u> | <u>\$998,997</u> | <u>\$1,028,967</u> | <u>\$1,059,836</u> | <u>\$1,091,631</u> | <u>\$1,124,380</u> | <u>\$1,158,111</u> | <u>\$1,192,855</u> | <u>\$1,228,640</u> |
| MTA Taxes | 25% 80% MTA | \$188,330 | \$193,980 | \$199,799 | \$205,793 | \$211,967 | \$218,326 | \$224,876 | \$231,622 | \$238,571 | \$245,728 |

¹ Table 3.

² Table 2.

**Table 5
Operating Expenditure Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco**

November 4, 2015

Global Escalation Assumption 3%

Pier 70 Waterfront Site and Illinois Street Parcel Population Factors¹

| | | |
|---------------------------|------|--------|
| <i>Population</i> | | 2,559 |
| <i>Employees</i> | | 10,585 |
| <i>Service Population</i> | 0.33 | 6,087 |

General Fund Expenditures

| | | |
|--|--|--|
| Police | \$763,848 | cost of one patrol unit ¹ |
| | 6,087 | service population |
| | <u>\$125.48</u> | cost per service population |
| Fire and EMS | \$2,546,160 | share of Mission Bay Public Safety Building ¹ |
| | 6,087 | service population |
| | <u>\$418.27</u> | cost per service population |
| Public Open Space | The lessee will be responsible for maintaining the project's public plaza. It will not be an obligation of the General Fund. | |
| Crane Cove Park | The total annual cost to maintain the park is estimate to approximate \$400,000 per year. The park's maintenance cost will be funded through a CFD maintenance district. | |
| Public Works - Streets and Sidewalks | The project is not creating any new new public right of way improvements and therefore, it is assumed that the project is not creating any significant new new mainenance costs. | |
| Community Health, Public Protection (non Police and Fire), Human Welfare, and Culture and Recreation | Service costs are typically generated by residential uses, which are not included in the project program | |

¹ Economic & Planning Systems, Inc.; Findings of Fiscal Responsibility and Feasibility - Pier 70 Waterfront Site and Illinois Street Parcel Report May 21, 2013. Expense has been adjusted for inflation.

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Expenditure | Estimating Factor ¹ | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 |
|------------------------------------|--------------------------------|------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Non-AV Revenue Escln. ¹ | 3.0% | 100.0% | 103.0% | 106.1% | 109.3% | 112.6% | 115.9% | 119.4% | 123.0% | 126.7% | 130.5% | 134.4% | 138.4% | 142.6% | 146.9% | 151.3% | 155.8% |
| Service Population ² | | 0 | 11 | 120 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Police ³ | \$125.48 per svc pop | \$0 | \$1,465 | \$15,975 | \$20,933 | \$21,561 | \$22,208 | \$22,874 | \$23,561 | \$24,267 | \$24,995 | \$25,745 | \$26,518 | \$27,313 | \$28,132 | \$28,976 | \$29,846 |
| Fire and EMS ⁴ | \$418.27 per svc pop | \$0 | \$4,883 | \$53,249 | \$69,777 | \$71,871 | \$74,027 | \$76,248 | \$78,535 | \$80,891 | \$83,318 | \$85,817 | \$88,392 | \$91,044 | \$93,775 | \$96,588 | \$99,486 |
| Total Expenditures | | \$0 | \$6,347 | \$69,224 | \$90,711 | \$93,432 | \$96,235 | \$99,122 | \$102,096 | \$105,158 | \$108,313 | \$111,563 | \$114,909 | \$118,357 | \$121,907 | \$125,565 | \$129,332 |

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Expenditure | Estimating Factor ¹ | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 |
|------------------------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Non-AV Revenue Escln. ¹ | 3.0% | 160.5% | 165.3% | 170.2% | 175.4% | 180.6% | 186.0% | 191.6% | 197.4% | 203.3% | 209.4% | 215.7% | 222.1% | 228.8% | 235.7% | 242.7% | 250.0% |
| Service Population ² | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Police ³ | \$125.48 per svc pop | \$30,741 | \$31,663 | \$32,613 | \$33,592 | \$34,599 | \$35,637 | \$36,707 | \$37,808 | \$38,942 | \$40,110 | \$41,313 | \$42,553 | \$43,829 | \$45,144 | \$46,499 | \$47,894 |
| Fire and EMS ⁴ | \$418.27 per svc pop | \$102,470 | \$105,545 | \$108,711 | \$111,972 | \$115,331 | \$118,791 | \$122,355 | \$126,026 | \$129,806 | \$133,701 | \$137,712 | \$141,843 | \$146,098 | \$150,481 | \$154,996 | \$159,646 |
| Total Expenditures | | \$133,212 | \$137,208 | \$141,324 | \$145,564 | \$149,931 | \$154,429 | \$159,062 | \$163,833 | \$168,748 | \$173,811 | \$179,025 | \$184,396 | \$189,928 | \$195,626 | \$201,494 | \$207,539 |

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Expenditure | Estimating Factor¹ | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 | FY 51/52 | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 | FY 61/62 |
|--|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Non-AV Revenue Escln.¹</i> | 3.0% | 257.5% | 265.2% | 273.2% | 281.4% | 289.8% | 298.5% | 307.5% | 316.7% | 326.2% | 336.0% | 346.1% | 356.5% | 367.1% | 378.2% | 389.5% |
| <i>Service Population²</i> | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Police ³ | \$125.48 per svc pop | \$49,330 | \$50,810 | \$52,335 | \$53,905 | \$55,522 | \$57,188 | \$58,903 | \$60,670 | \$62,490 | \$64,365 | \$66,296 | \$68,285 | \$70,333 | \$72,443 | \$74,617 |
| Fire and EMS ⁴ | \$418.27 per svc pop | \$164,435 | \$169,368 | \$174,449 | \$179,682 | \$185,073 | \$190,625 | \$196,344 | \$202,234 | \$208,301 | \$214,550 | \$220,987 | \$227,616 | \$234,445 | \$241,478 | \$248,723 |
| Total Expenditures | | \$213,765 | \$220,178 | \$226,784 | \$233,587 | \$240,595 | \$247,813 | \$255,247 | \$262,904 | \$270,792 | \$278,915 | \$287,283 | \$295,901 | \$304,778 | \$313,922 | \$323,339 |

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

Table 7
Economic Benefits
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

| Project Direct, Indirect, and Induced Economic Benefits for the City and County of San Francisco | Direct Impact | Indirect and Induced Multiplier ¹ | Indirect and Induced Impact | Total Impact |
|--|-----------------------------------|--|-----------------------------|---------------|
| On-Going Economic Impacts | | | | |
| Employment ² | 458 | 1.70158 | 321 | 779 |
| Payroll ³ | \$68,571 avg pay \$31,406,000 | 1.60617 | \$19,037,000 | \$50,443,000 |
| Output ¹ | \$1 M / 6.38 empl \$71,789,000 | 1.48345 | \$34,706,000 | \$106,495,000 |
| Construction Period Economic Impacts | | | | |
| Construction Hard Costs ⁴ | \$78,960,000 | 1.46124 | \$36,420,000 | \$115,380,000 |
| Construction Payroll ⁵ | 40% constr. cost \$31,584,000 | 1.42574 | \$13,446,000 | \$45,030,000 |
| Construction Employment | | | | |
| Total person years ^{3,6} | \$67,000 avg pay 471 | 1.50141 | 236 | 707 |
| Full time equivalent jobs for 3-year period ⁶ | 3 years 157 | 1.50141 | 79 | 236 |

¹ Minnesota IMPLAN Group model - 2012 County Level Data for San Francisco County. Average multiplier for the following industries: manufacturing; wholesaling and retail; warehousing and storage; media and software; information services; architecture, engineering, and design; computer programming and design; science, research, and development; and administrative services. On-going output estimate is based on the IMPLAN multiplier relating jobs to million dollars of output.

² Table 2.

³ Table 8.

⁴ Total hard costs per Orton Development Inc. proforma.

⁵ Estimated ratio of payroll to total construction work.

⁶ A person year of employment is equivalent to full time employment of one person for one year.

Table 8
Estimated Average Payroll per Employee
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

| Potential Occupation | OES Survey Occupation ¹ | Mean Annual Wage ¹ |
|---|--|-------------------------------|
| On-Going Occupied Project ² | | |
| Engineer | Architecture and Engineering | \$106,000 |
| Programmer | Computer and Mathematical | \$108,000 |
| Designer | Arts, Design, Entertainment, Sports, Media | \$74,000 |
| Builder/Manufacturer | Production | \$43,000 |
| Warehousing/Shipping/Receiving | Transportation and Material Moving | \$43,000 |
| Related Support/Administration | Office and Administrative Support | \$48,000 |
| Related Support/Sales | Sales and Related | \$58,000 |
| Average for all On-Going Occupations | | \$68,571 |
| Construction Period | | |
| Construction Worker | Construction and Extraction | \$67,000 |

¹ California Employment Development Department Occupational Employment Statistics Survey, 1st QTR 2015.

² Based on sample list of occupations provided by Orton Development, Inc. in their Response to RFP for Pier 70: 20th Street Historic Buildings.

**Table 9
Construction Period Revenues
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco**

| Construction Period Revenues | | | FY 15/16 | FY 16/17 | FY 16/17 | Total |
|---|---------------------------------|------------------------------|-----------------|-----------------|-----------------|--------------|
| Payroll Tax | | | | | | |
| Taxable San Francisco Payroll | \$31,584,000 total ¹ | 75% SF adj. ² | \$7,896,000 | \$7,896,000 | \$7,896,000 | \$23,688,000 |
| Payroll Tax Rate ² | | | 1.350% | 1.125% | 0.750% | |
| Total Payroll Tax | | | \$106,600 | \$88,800 | \$59,200 | \$254,600 |
| Gross Receipts Tax | | | | | | |
| Taxable San Francisco Gr. Receipts | \$78,960,000 total ¹ | 75% SF adj. ² | \$19,740,000 | \$19,740,000 | \$19,740,000 | \$59,220,000 |
| Gross Receipts Phase-In Rate ² | | | 10% | 25% | 50% | |
| Total Gross Receipts Tax ² | | 0.329% avg rate ² | \$6,500 | \$16,200 | \$32,400 | \$55,100 |
| Sales Taxes | | | | | | |
| Material Costs | \$78,960,000 total ¹ | 60% materials ³ | | | | \$47,376,000 |
| Qualified Subcontractor Amount | | 50% qualified ³ | | | | \$23,688,000 |
| Base 1% Sales Tax | | 1.00% SF share ² | | | | \$237,000 |
| Public Safety Sales Tax | | 0.50% tax rate ² | | | | \$118,000 |
| SF County Transportation | | 0.50% tax rate ² | | | | \$118,000 |
| SF County Public Finance | | 0.25% tax rate ² | | | | \$59,000 |

¹ Table 7.

² Table 3.

³ KMA assumption.

APPENDIX H FOR PROJECT AREA H

(To be Attached.)



**CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR**

**MEMORANDUM OF UNDERSTANDING
(PIER 70 - HISTORIC CORE)**

BY AND AMONG

**THE CONTROLLER OF THE CITY AND COUNTY OF SAN FRANCISCO,
THE TREASURER AND TAX COLLECTOR OF THE CITY AND COUNTY
OF SAN FRANCISCO**

AND

THE SAN FRANCISCO PORT COMMISSION

BEN ROSENFELD, CONTROLLER

JOSE CISNEROS, TREASURER AND TAX COLLECTOR

MONIQUE MOYER, PORT EXECUTIVE DIRECTOR

SAN FRANCISCO PORT COMMISSION

**LESLIE KATZ, PRESIDENT
WILLIE ADAMS, VICE PRESIDENT**

KIMBERLY BRANDON, COMMISSIONER
DOREEN WOO HO, COMMISSIONER

_____, 2015

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MEMORANDUM OF UNDERSTANDING
(Sub-Project Area G-1 (Pier 70 - Historic Core))

This **MEMORANDUM OF UNDERSTANDING** (Sub-Project Area G-1 (Pier 70 - Historic Core) (this "**MOU**") is dated and effective as of the last date set forth below, by and among the City and County of San Francisco (the "**City**") acting by and through the San Francisco Controller (the "**Controller**"), the City acting by and through the San Francisco Treasurer and Tax Collector (the "**Treasurer-Tax Collector**"), and the City acting by and through the San Francisco Port Commission (the "**Port**"). This MOU was approved by the Board of Supervisors (the "**Board**") by Resolution No. ____, effective ____, 20__ (the "**MOU Resolution**").

RECITALS

A. California Government Code Section 53395 *et seq.* (the "**IFD Law**") authorizes the Board to form one or more infrastructure financing districts within its jurisdictional boundaries and to use property tax increment from within a district to finance public infrastructure. On ____, 201X, the Board adopted Ordinance No. ____ (the "**IFD Ordinance**"), by which it established a waterfront district under Section 53395.8 of the IFD Law over all waterfront property under Port jurisdiction, named *City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)* (the "**IFD**"), and designated project areas and sub-project areas within the IFD, including Project Area G (Pier 70) ("**Project Area G**") and Sub-Project Area G-1 (Pier 70 - Historic Core) ("**Sub-Project Area G-1**"). In the IFD Ordinance, The Board also approved an Infrastructure Financing Plan for the IFD (the "**IFP**") and an infrastructure financing plan for Sub-Project Area G-1 that is designated as "**Appendix G-1**" to the IFP.

B. Project Area G consists of approximately 65 acres of uplands, filled lands, and submerged lands known as Pier 70, which is listed in the National Register as the Union Iron Works Historic District. Sub-Project Area G-1 consists of approximately 6 acres in Pier 70 covering seven significant historic buildings commonly referred to as Buildings 101, 102, 104, 113, 114, 115, 116, and 14 located on 20th Street within Pier 70 commonly known as "**Historic Core**." Historic Pier 70, LLC, a California limited liability company ("**Developer**"), has obtained certain project approvals for the rehabilitation and reuse of the historic buildings within the Historic Core (the "**Project**").

C. Among other Project approvals, the Port approved a Lease Development and Disposition Agreement, dated as of September 16, 2014 (the "**LDDA**"), by and between Developer and the City, acting by and through the Port, and the Port and the Board approved Lease No. L-15814 dated as July 29, 2015, between the City, operating by and through the Port, and Developer (the "**Lease**").

D. Appendix G-1 authorizes the IFD to use Tax Increment and to issue debt secured by Tax Increment for the purposes and subject to the limitations described in Appendix G-1. Appendix G-1 also specifies the permitted uses of Tax Increment and Debt. A copy of the IFP with Appendix G-1 is attached to this MOU as **Exhibit A**.

E. Under the terms of the LDDA, Developer is required to advance funds for the costs of certain Required Port Benefit Tasks and certain other Port Benefit Tasks, which, at the request of the Port, Developer elects to perform on behalf of the Port. Port

Benefit Tasks consist of certain capital improvements including improvements to certain streets and sidewalks and relocation of electrical systems as more fully described in the LDDA, on behalf of the Port, to satisfy the Port's obligations to construct or acquire such capital improvements under the LDDA.

F. The Mello-Roos Community Facilities Act of 1982 (California Government Code §§ 53311 - 53368) (the "**Mello-Roos Act**") and the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) (the "**City Special Tax Law**"; collectively with the Mello-Roos Act, the "**CFD Law**") authorize the Board to form one or more community facilities districts within its jurisdictional boundaries and to levy and collect special taxes to finance public facilities. In furtherance of the DDA, the Port expects to ask the City to establish two community facilities districts that would include the territory in the Historic Core using the Mello-Roos Act or the City Special Tax Law: (i) a community facilities district (the "**Facilities CFD**") that would levy special taxes ("**Facilities Special Taxes**") to provide financing for the acquisition and construction of Pier 70 wide Infrastructure, Public Facilities and Shoreline Protection Facilities and (ii) a community facilities district (the "**Services CFD**") that would levy special taxes ("**Services Special Taxes**"; together with Facilities Special Taxes, "**Special Taxes**") to finance ongoing operation and maintenance costs for Pier 70 wide Infrastructure, Public Facilities, and Shoreline Protection Facilities financed by the Facilities CFD (the "**Maintained Facilities**").

G. In the IFD Ordinance, the Board appointed the Port to act as the agent of the IFD with respect to the administration of Tax Increment after it has been allocated in accordance with the City's budget procedures and this MOU. In this role, the Port will be responsible for directing the disbursement of Tax Increment and any proceeds of Debt secured by any such funds to implement the IFP, Appendix G-1, this MOU, the Tax Administration Agreement (defined below), the Pledge Agreement(s) (defined below) and all ordinances and resolutions of the Board adopted by the Board in connection with the formation of the IFP (collectively, the "**IFD Documents**").

H. The City wishes to designate the Port as the agent of the City with respect to the Facilities CFD and the Services CFD and the administration of the Facilities Special Taxes and the Services Special Taxes and any proceeds of Debt secured by any the Facilities Special Taxes. In this role, the Port will be responsible for directing the disbursement of the Facilities Special Taxes and the Services Special Taxes and any proceeds of Debt secured by the Facilities Special Taxes to implement this MOU, the Tax Administration Agreement and all ordinances and resolutions of the Board adopted by the Board in connection with the formation of the Facilities CFD and the Services CFD (the "**CFD Documents**"; together with the IFD Documents, the "**Financing Documents**").

I. In the IFD Ordinance, the Board authorized the Port, as the agent of the IFD with respect to Sub-Project Area G-1, and the City wishes to designate the Port, as the agent of the Facilities CFD, to enter into a Tax Administration Agreement with a third-party trustee (the "**Tax Administration Agreement**") that would govern the receipt, deposit and expenditure of Tax Increment, Facilities Special Taxes and, if determined to be necessary by the Port, Services Special Taxes.

J. In the IFD Ordinance, the Board authorized the Port, as the agent of the IFD with respect to Sub-Project Area G-1, and the City wishes to designate the Port, as

the agent of the Facilities CFD, to enter into one or more acquisition agreements (each, an **“Acquisition Agreement”**) with the Developer and other private parties that would establish the terms and conditions under which the Port and other City agencies would acquire Pier 70 wide Infrastructure, Public Facilities and Shoreline Protection Facilities with proceeds of Debt, Tax Increment and Facilities Special Taxes.

K. In the IFD Ordinance, the Board authorized the Port to enter into one or more pledge agreements (each, a **“Pledge Agreement”**) pursuant to which the Port, as agent of the IFD with respect to Sub-Project Area G-1, would pledge Tax Increment to Debt issued by the Board of Supervisors for and on behalf of the Facilities CFD.

J. This MOU describes procedures to which the Controller and the Port have agreed to implement the IFD, Sub-Project Area G-1, the CFD and the Financing Documents and enable the Port to finance Port Benefit Costs, Qualified Port Costs and Pier 70 Facilities Costs.

AGREEMENT

1. Term.

(a) Commencement. The term of this MOU will begin on the date it is fully executed.

(b) Expiration. The term of this MOU will end automatically on the date of the latest of the following to occur:

i. When all of the Tax Increment has been disbursed in accordance with IFD Law and Appendix G-1.

ii. The date specified in the CFD Documents as the last date on which Special Taxes may be levied within the Facilities CFD and the Services CFD.

iii. When all Debt issued under the Financing Documents has been defeased and the proceeds of such Debt have been expended.

2. Purpose; Cooperation.

(a) Purpose Related to the IFD, Project Area G and Sub-Project Area G-1. The Controller, the Treasurer-Tax Collector and the Port agree that a purpose of this MOU is to implement the IFP and Appendix G-1, which is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws.

(b) Purpose Related to the Facilities CFD and the Services CFD. The Controller, the Treasurer-Tax Collector and the Port agree that a further purpose of this MOU is to implement the Facilities CFD and the Services CFD, as more completely described in this MOU, the LDDA and the Lease, which is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws.

(c) MOU as Complementary Instrument. The City and the Port intend this MOU to complement, and not to conflict with, the Financing Documents, which will prevail over any conflicting provision in this MOU.

(d) Cooperation. The Controller and the Treasurer-Tax Collector agree to aid the Port, and the Controller, the Treasurer-Tax Collector and the Port agree to cooperate with one another, to implement the Financing Documents expeditiously and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the purposes of the Financing Documents are met during the term of this MOU.

(e) Validation. The City agrees to cooperate with the Port to file and prosecute to completion one or more validation actions associated with the formation of the IFD, Project Area G and Sub-Project Area G-1 and the issuance of related Debt.

3. Provisions Relating to the IFD, Project Area G-1 and Sub-Project Area G-1.

(a) Levy and Collection of Tax Increment. The Treasurer-Tax Collector agrees to levy and collect Tax Increment as required under applicable law. The Treasurer-Tax Collector does not expect to incur additional costs related to Appendix G-1 that it will bill to the IFD.

(b) Allocation of Tax Increment. As set forth in this MOU, and subject to limitations under IFD Law and the IFD Documents, the Controller agrees to implement the MOU Resolution, to deposit Tax Increment when received into a segregated fund and to allocate, budget, and appropriate Tax Increment to the IFD for the purpose of (a) financing Port Benefit Costs and Qualified Port Costs; (b) financing Pier 70 Facilities Costs; and (c) achieving other purposes authorized in the IFP and Appendix G-1. The Controller agrees to allocate and pay the Tax Increment allocated in Appendix G-1 to the IFD with respect to Sub-Project Area G-1 at the same time or times as it pays taxes into the funds of the other taxing agencies in the boundaries of the City.

(c) Statement of Indebtedness. The Port, the Controller and the Treasurer-Tax Collector agree that the IFD's obligations to use the funds for the purposes specified in the IFP and that Appendix G-1 is a financial obligation under the IFD Law that the Port, as agent of the IFD with respect to Sub-Project Area G-1, will include in each Statement of Indebtedness. The Treasurer-Tax Collector and the Controller hereby agree that they will not dispute the amount of the debts shown on a Statement of Indebtedness prepared by the Port so long as the debts are consistent with the IFP and Appendix G-1.

(d) Disbursement of Taxes; Port Direction. The Controller agrees to disburse Tax Increment to the IFD with respect to Sub-Project Area G-1 to the extent collected and allocated in Appendix G-1 during each fiscal year as directed by the Port, acting as agent of the IFD with respect to Sub-Project Area G-1.

(e) Cooperation. The Controller agrees to collaborate with the Port upon each request to the City to issue on behalf of Sub-Project Area G-1 Debt secured by Tax Increment to implement the Financing Documents subject to IFD Law. The City also agrees that it will approve a request that the Port makes under IFD Law section 53395.8(h) on behalf of the IFD to use Subordinated Increment to pay debt service on Debt issued under this MOU.

(f) Port Appointment as Agent with Respect to the IFD, Project Area G and Sub-Project Area G-1; Duration.

In the IFD Ordinance, the Board, acting as the legislative body for the IFD under IFD Law, appointed the Port as the agent of the IFD with respect to Sub-Project Area G-1 with the authority to: (1) disburse Tax Increment as provided in Appendix G-1; (2) determine whether and in what amounts the IFD will issue Debt in collaboration with the Office of Public Finance; (3) execute and deliver a Pledge Agreement for Debt issued by the Board of Supervisors for and on behalf of the Facilities CFD; (4) if Debt is issued, direct the indenture trustee's disbursement of the Debt proceeds; (5) incur Qualified Port Costs and Port Benefit Costs; and (6) prepare an annual Statement of Indebtedness on behalf of Sub-Project Area G-1 that lists the following forms of indebtedness: (A) the financial obligation of the IFD with respect to Sub-Project Area G-1 to apply Tax Increment in compliance with the IFP and Appendix G-1; (B) the obligation to reimburse Developer for any Port Benefit Costs; and (C) any Debt. .

In accordance with Charter section B7.320 and the MOU Resolution, the Controller's obligation under this MOU to disburse Tax Increment will continue until the Board passes and the Mayor approves a resolution revoking the Port's agency and terminating the Controller's authority to continue making disbursements as authorized by the IFP Ordinance, but in any event as long as any Debt payable from Tax Increment is outstanding or any obligations to Developer that are payable from Tax Increment have not been satisfied.

To the extent that the term of Sub-Project Area G-1 extends beyond revocation of the Port's agency, the Port's obligations as landowner will continue.

(g) No Unilateral Changes Affecting IFD. The City agrees to the following measures with respect to the IFD:

i. Except to the extent required under the IFD Law or other controlling state or federal law, City will not change the *Guidelines for the Establishment and Use of an Infrastructure Financing District with Project Areas on Land under the Jurisdiction of the San Francisco Port Commission* in any way that would adversely affect the Port's ability to finance Port Benefit Costs, Qualified Port Costs or Pier 70 Facilities Costs. The City will not to initiate any changes to the boundaries of the IFD, Project Area G or Sub-Project Area G-1 without consulting with the Port and providing the Port the opportunity to review and object to the proposed changes.

ii. Except at the request of the Port, City will not initiate any amendments to Appendix G-1 that would adversely affect the timing or amount of Tax Increment or that would adversely affect the Port's ability to finance Port Benefit Costs, Qualified Port Costs or Pier 70 Facilities Costs.

iii. The City agrees not to form any additional land-secured financing districts over any portion of Sub-Project Area G-1 except at the request of the Port.

(h) The Port is hereby authorized to enter into one or more Acquisition Agreements to establish the terms and conditions under which the Port and other City agencies would acquire Pier 70 wide Infrastructure, Public Facilities and Shoreline Protection Facilities with proceeds of Debt and Tax Increment.

4. Provisions Relating to the Facilities CFD.

(a) Cooperation. The City agrees to undertake proceedings for the formation of the Facilities CFD under the CFD Law, to issue Debt and to levy Facilities Special Taxes in the manner, for the purposes, in the circumstances and subject to the limitations in the CFD Documents and the LDDA.

(b) Port as Agent of the Facilities CFD. In the MOU Resolution, the Board approved this MOU and appointed the Port as the agent of the Facilities CFD with the authority to: (1) disburse Facilities Special Taxes as provided in the CFD Documents and the LDDA; (2) determine whether and in what amounts the Facilities CFD will issue Debt in collaboration with the Office of Public Finance; (3) if Debt is issued, direct the indenture trustee's disbursement of the proceeds of such Debt; and (4) on behalf of the Facilities CFD file all reports required by applicable law. The Port's appointment will continue until revoked by a Board resolution. To the extent that the term of the Facilities CFD extends beyond revocation of the Port's agency, the Port's obligations as landowner will continue.

(c) Levy and Collection of Facilities Special Taxes. The Treasurer-Tax Collector agrees to levy and collect Facilities Special Taxes. The Treasurer-Tax Collector will bill the Facilities CFD for its reasonable costs of collecting the Facilities Special Taxes.

(d) Disbursement of Taxes. As set forth in this MOU, and subject to limitations under CFD Law and the Financing Documents, the Controller agrees to implement the MOU Resolution and to allocate, budget, appropriate and disburse to the Facilities CFD, Facilities Special Taxes from the Facilities CFD to finance Port Benefit Costs, Qualified Port Costs and Pier 70 Facilities Costs.

(e) Duration. In accordance with Charter section B7.320 and the MOU Resolution, the Controller's authority under this MOU to disburse funds will continue until the Board passes and the Mayor approves a resolution revoking the Port's agency and terminating the Controller's authority to continue making disbursements as authorized in this MOU, but in any event as long as any Debt payable from Facilities Special Taxes is outstanding or any obligations to Developer that are payable from Facilities Special Taxes have not been satisfied.

(f) Debt. The City agrees to collaborate with the Port upon request to issue on behalf of the Facilities CFD Debt secured by Special Taxes to implement the CFD Documents subject to CFD Law.

(g) No Unilateral Changes Affecting CFD. The City agrees to the following measures with respect to the Facilities CFD:

i. Except to the extent required under the CFD Law or other controlling state or federal law, the City will not change the *Local Goals and Policies for Community Facilities Districts* in any way that would adversely affect the Port's ability to finance Port Benefit Costs, Qualified Port Costs, Pier 70 Facilities Costs.

ii. The City will not initiate any changes to the boundaries of the Facilities CFD without consulting with the Port and providing the Port with the opportunity to review and object to the proposed changes.

iii. Once a Facilities CFD has been established, and except at the request of the Port, City will not initiate any amendments to the CFD Financing Documents that would adversely affect the timing or amount of Facilities Special Taxes or that would adversely affect the Port's ability to finance Port Benefit Costs, Qualified Port Costs and Pier 70 Facilities Costs.

(h) The Port is hereby authorized to enter into one or more Acquisition Agreements to establish the terms and conditions under which the Port and other City agencies would acquire Pier 70 wide Infrastructure, Public Facilities and Shoreline Protection Facilities with proceeds of Debt and Facilities Special Taxes.

5. Provisions Relating to the Services CFD.

(a) Cooperation. The City agrees to undertake proceedings for the formation of the Services CFD under the CFD Law and to levy Services Special Taxes in the manner, for the purposes, in the circumstances and subject to the limitations in the CFD Documents and the LDDA. The parties agree that the Services CFD may provide for the levy of the Services Special Taxes on a perpetual basis.

(b) Port as Agent of the Services CFD. In the MOU Resolution, the Board approved this MOU and appointed the Port as the agent of the Services CFD with the authority to (i) disburse Services Special Taxes as provided in the CFD Documents and the LDDA and (ii) on behalf of the Facilities CFD file all reports required by applicable law. The Port's appointment will continue until revoked by a Board resolution. To the extent that the term of the Services CFD extends beyond revocation of the Port's agency, the Port's obligations as landowner will continue.

(c) Levy and Collection of Services Special Taxes. The Treasurer-Tax Collector agrees to levy and collect Services Special Taxes. The Treasurer-Tax Collector will bill the Services CFD for its reasonable costs of collecting the Services Special Taxes.

(d) Disbursement of Taxes. As set forth in this MOU, and subject to limitations under CFD Law and the Financing Documents, the Controller agrees to implement the MOU Resolution and to allocate, budget, appropriate and disburse to the Services CFD, Services Special Taxes to finance ongoing maintenance and capital repairs of Maintained Facilities.

(e) Duration. In accordance with Charter section B7.320 and the MOU Resolution, the Controller's authority under this MOU to disburse funds will continue until the Board passes and the Mayor approves a resolution revoking the Port's agency and terminating the Controller's authority to continue making disbursements as authorized in this MOU.

(f) No Unilateral Changes Affecting CFD. The City agrees to the following measures with respect to the Services CFD:

iv. Except to the extent required under the CFD Law or other controlling state or federal law, the City will not change the *Local Goals and Policies for Community Facilities Districts* in any way that would adversely affect the Port's ability to finance ongoing maintenance and capital repairs of Maintained Facilities.

v. The City will not initiate any changes to the boundaries of the Services CFD without consulting with the Port and providing the Port with the opportunity to review and object to the proposed changes.

vi. Once a Services CFD has been established, and except at the request of the Port, City will not initiate any amendments to the CFD Financing Documents that would adversely affect the timing or amount of Services Special Taxes or that would adversely affect the Port's ability to finance ongoing maintenance and capital repairs of Maintained Facilities.

6. No General Fund Commitment; Limited Funding Sources.

(a) This MOU is not intended to and does not create any City commitment or obligation to satisfy any portion of Debt from the City's General Fund, nor may this MOU be construed in any manner that would violate the debt limitations under article XVI, section 18 of the State Constitution or under the City's Charter, including section 3.105 of the Charter.

(b) Unless otherwise agreed to by the City, Tax Increment from Sub-Project Area G-1 will be the only IFD sources available to pay debt service on Debt and to finance Qualified Port Costs, Port Benefit Costs and Pier 70 Facilities Costs.

(c) Unless otherwise agreed to by the City, Special Taxes will be the only special taxes available to finance Port Benefit Costs, Qualified Port Costs, Pier 70 Facilities Costs and ongoing maintenance and capital repairs of Maintained Facilities or to pay debt service on Debt.

7. Notices.

(a) Manner of Notice. Any notice, request for consent, or response to a request for consent (any of these documents, a "**notice**") given under this MOU will be effective only if in writing and given by delivering the notice in person or by sending it first-class certified mail with return receipt requested or by overnight courier return receipt requested, with postage prepaid, to the addresses specified below.

(b) Addresses for Notice. Notices must be delivered to the following addresses, or at any other address designated by a party's notice as a new address for notices:

Address for Port: Port of San Francisco
Pier 1
San Francisco, CA 94111
Attn: Monique Moyer, Executive Director
Re: SF/Port MOU
(Pier 70 - Historic Core)

And to: Office of the City Attorney
Pier 1, Port of San Francisco
San Francisco, CA 94102
Attn: Port General Counsel
Re: SF/Port MOU
(Pier 70 - Historic Core)

Address for Controller: Office of the Controller
City and County of San Francisco
City Hall, Room 316
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Ben Rosenfield, Controller
Email: ben.rosenfield@sfgov.org
Telephone: 415-554-7500
Fax No.: 415-554-7466
Re: SF/Port MOU
(Pier 70 - Historic Core)

Address for Treasurer-Tax Collector: Office of the Treasurer and Tax Collector
City and County of San Francisco
City Hall, Room 140
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Ben Rosenfield, Controller
Email: ben.rosenfield@sfgov.org
Telephone: 415-554-_____
Fax No.: 415-554-_____
Re: SF/Port MOU
(Pier 70 - Historic Core)

And to: Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place, Room 232
San Francisco, CA 94102
Attn: Real Estate/Finance
Re: SF/Port MOU
(Pier 70 - Historic Core)

(c) Effective Date. Any notice under this MOU will be deemed to have been given two business days after the date it is mailed if sent by first-class certified mail, one business day after the date it is mailed if sent by overnight courier, or on the date

personal delivery is made or refused. Attempts to provide notice by email, telephone, or facsimile will not bind or be effective against any party.

8. Successors and Assigns; No Third-Party Beneficiary.

This MOU binds the City's and the Port's respective successors and assigns. This MOU is for the exclusive benefit of the City and the Port and not for the benefit of any other person and may not be deemed to have conferred any rights, express or implied, upon any other person.

9. Amendments to MOU.

This MOU may be amended or modified only by a written instrument executed by the Controller, the Treasurer-Tax Collector and the Port. The Mayor, the Controller and the Treasurer-Tax Collector (or any successor City officer as designated by law) may consent on the City's behalf to any change that does not increase or decrease the pledge of Tax Increment or Facilities Special Taxes that is the subject of this MOU or otherwise materially increase the City's liabilities or obligations or materially decrease the availability of Tax Increment, Facilities Special Taxes or Services Special Taxes for the purposes specified in this MOU. In accordance with Charter section B7.340, the Board must approve any other change by resolution approved by the Mayor.

10. Definitions.

The following terms have the following meanings in this MOU.

"**Appendix G-1**" is defined in the Recitals of this MOU.

"**Board**" is defined in the preamble.

"**Building 102 Electrical Work**" means (i) the removal and remediation of all polychlorinated biphenyl and other Hazardous Materials now or hereafter present in the electrical transformers, switches and other equipment located on the basement level and the main level of Building 102, and the removal and replacement of all transformers, all in accordance with applicable Environmental Laws to provide electrical service to users within Building 102 and outside the Historic Core, in particular, any operator of the shipyard within Pier 70; and (ii) and the repair or rehabilitation of the remaining equipment and related transmission lines as may be necessary to comply with all applicable state and local codes and to provide electrical service to users outside the Historic Core.

"**CFD Documents**" is defined in the Recitals of this MOU.

"**CFD Law**" is defined in the Recitals of this MOU.

"**City**" is defined in the preamble.

"**Controller**" is defined in the preamble.

"**Debt**" means any bonds or other forms of indebtedness secured by Tax Increment or Facilities Special Taxes, or both, issued by the IFD or the CFD to implement the Financing Documents.

“**Developer**” is defined in the Recitals of this MOU.

“**Environmental Laws**” is defined in the LDDA.

“**Facilities CFD**” is defined in the Recitals of this MOU.

“**Facilities Special Taxes**” is defined in the Recitals of this MOU.

“**Financing Documents**” is defined in the Recitals of this MOU.

“**Hazardous Material**” is defined in the LDDA.

“**Historic Core**” is defined in the Recitals of this MOU.

“**IFD**” is defined in the Recitals of this MOU.

“**IFD Documents**” is defined in the Recitals of this MOU.

“**IFD Law**” is defined in the Recitals of this MOU.

“**IFP**” is defined in the Recitals of this MOU.

“**Increment**” means the tax increment revenues generated within Sub-Project Area G-1 from and after fiscal year 2016-17.

“**Infrastructure**” means site preparation, including removal of contaminated soils, grading, soil compaction and stabilization, construction and installation of water, sanitary sewer, storm drainage, and utility infrastructure.

“**LDDA**” is defined in the Recitals of this MOU.

“**Lease**” is defined in the Recitals of this MOU.

“**Maintained Facilities**” is defined in the Recitals of this MOU.

“**MOU**” is defined in the preamble.

“**MOU Resolution**” is defined in the preamble.

“**notice**” is defined in Section 9(a).

“**Pier 70**” means, collectively, the Waterfront Site, Buildings 101, 102, 104, 113, 114, 115, 116, and 14 located on 20th Street within the Historic Core, the lease area of the ship repair facility, the vacant parcels fronting Illinois Street [between insert boundary?], Crane Cove Park, and other planned parks and open spaces.

“**Pier 70 Facilities**” means, collectively, Pier 70 wide Infrastructure, Shoreline Protection Facilities and Public Facilities.

“Pier 70 Facilities Costs” means the Port’s costs for Pier 70 Facilities to the extent such costs do not otherwise constitute Qualified Port Costs or Port Benefit Costs.

“Port” is defined in the preamble.

“Port Benefit Costs” means the costs incurred by Developer in performing Port Benefit Tasks and that are authorized to be reimbursed to the extent provided in the LDDA and in compliance with Appendix G-1 and applicable laws.

“Port Benefit Tasks” means (i) activities described in Exhibit W attached to the LDDA that are undertaken by Developer on the Port’s behalf at the request of the Port, (ii) the Building 102 Electrical Work if Developer exercises its rights to perform the Building 102 Electrical Work in accordance with Section 2.2(b)(iv) of the LDDA, and (iii) such other activities that are not listed on Exhibit W attached to the LDDA that are outside the scope of Developer’s obligation to Construct the Project but are undertaken by Developer at the request of the Port.

“Project” is defined in the Recitals of this MOU.

“Project Area G” is defined in the Recitals of this MOU.

“Public Facilities” means streets and walkways, transit facilities, public facilities, shoreline improvements including stone columns, pilings, or other structures to stabilize the seawall or shoreline, and parks and public access areas.

“Qualified Port Costs” means the Port’s costs of public improvements and facilities described in Appendix G-1, including without limitation Port Benefit Tasks not otherwise performed by, and subject to reimbursement by the Port to, Developer.

“Required Port Benefit Tasks” means the Port Benefit Tasks identified as “Required Port Benefit Tasks” on Exhibit W attached to the LDDA.

“Services Special Taxes” is defined in the Recitals of this MOU.

“Shoreline Protection Facilities” means the possible future construction of waterfront improvements to protect Port property in the Pier 70 area from perils associated with climate change, including sea level rise and floods.

“Special Taxes” is defined in the Recitals of this MOU.

“Statement of Indebtedness” means the annual statement of indebtedness required by the IFD Law to be filed with the county tax collector (as defined in the IFD Law) for Sub-Project Area G-1.

“Subordinated Increment” means any Increment received by the IFD for the purpose of paying debt service on the Port IFD Bonds as a result of

subordination by the City of its right to receive Increment as contemplated by IFD Law § 53395.8(h).

“Sub-Project Area G-1” is defined in the Recitals of this MOU.

“Tax Administration Agreement” is defined in the Recitals of this MOU.

“Tax Increment” means, collectively, (i) that portion of the City's share of every dollar of Increment allocated to the IFD with respect to Sub-Project Area G-1 under Appendix G-1 and (ii) the county share of the Educational Revenue Augmentation Fund committed to the IFD with respect to Sub-Project Area G-1.

“Treasurer-Tax Collector” is defined in the preamble.

“Waterfront Site” means approximately 25 acres at the eastern edge of Pier 70 and depicted on the site plan attached as Exhibit A-1 to the Lease.

Executed and effective as of the last date set forth below.

CONTROLLER OF THE CITY AND COUNTY OF SAN FRANCISCO,

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation operating by and through the San Francisco Port Commission

By: _____
BEN ROSENFELD

By: _____
MONIQUE MOYER
Executive Director

Date: _____

Date: _____

TREASURER AND TAX COLLECTOR OF THE CITY AND COUNTY OF SAN FRANCISCO,

REVIEWED:

DENNIS J. HERRERA
City Attorney

By: _____
JOSE CISNEROS

By: _____
Grace Park
Deputy City Attorney

Date: _____

REVIEWED:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

CLERK OF THE BOARD,

By: _____
ANGELA CALVILLO

Date: _____

Authorized by:

Port Resolution No. _____ and
Board of Supervisors Resolution No. _____

Authorized by:

Port Resolution No. _____ &
Board of Supervisors Resolution No. _____

EXHIBIT A
IFP and Appendix G-1



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Case No.: 2013.1168E
 Project Address: 400-600 20th Street, Pier 70 ("20th Street Historic Core")
 Zoning: M-2 (Heavy Industrial) Use District
 40-X and 65-X Height and Bulk District
 Block/Lot: Block 4046, Lot 001; Block 4111, Lots 003 and 004; and a portion of
 Block 4052, Lot 001
 Lot Size: 333,798 square feet total
 Plan Area: Central Waterfront Subarea of the Eastern Neighborhoods Area
 Plan
 Project Sponsors: Phil Williamson, Port of San Francisco, (415) 274-0453
 and
 James Madsen, Orton Development, Inc., (510) 734-7605
 Staff Contact: Andrea Contreras, (415) 575-9044, andrea.contreras@sfgov.org

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION:

The project site is located along northern and southern portions of 20th Street between Illinois and Louisiana Streets within the greater approximately 70-acre Pier 70 area bounded by Mariposa, Illinois, 22nd Streets and San Francisco Bay in San Francisco's Central Waterfront area. The project site includes four parcels (Assessor's Block 4046, Lot 001; Block 4111, Lots 003 and 004; and a portion of Block 4052, Lot

(Continued on next page.)

EXEMPT STATUS:

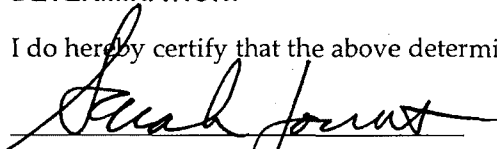
Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

REMARKS:

(See next page.)

DETERMINATION:

I do hereby certify that the above determination has been made pursuant to State and Local requirements.


 SARAH B. JONES
 Environmental Review Officer

May 7, 2014
 Date

cc: Phil Williamson, Project Sponsor; James Madsen, Project Sponsor; Supervisor Cohen, District 10; Rich Sucre, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued):

001) which contain ten Port-owned buildings (Buildings 101, 102, 104, 113, 114, 115, 116, 122, 123 and 14)¹ which are referred to as the “20th Street Historic Core.” The ten buildings on the project site range in size from approximately 400 square feet (sq. ft.) to 95,157 sq. ft.

Beginning in the late 19th century, Pier 70 has been a ship building and repair facility, formerly known as the Union Iron Works (“UIW”) facility, the Bethlehem Steel Shipyard, and the San Francisco Yard. Ships built at Pier 70 served the United States military from the Spanish-American War in the late-1800s through the two World Wars and into the 1970s. The previous uses of the buildings include the following: Main Office/Administration Building (Building 101), Power House (Building 102), UIW Headquarters (Building 104), UIW Machine Shop (Building 113), foundry (Building 114), new foundry and mold room (Building 115 and 116), and warehouse (Building 14). In the 1980s, Bethlehem Steel sold the shipyard to the Port of San Francisco. Since 2004, the project site has been largely vacant with some buildings used for Port maintenance storage.

To the northeast of the project site is a ship repair facility, operated under a lease with the Port by BAE Systems. This facility provides maintenance and repairs to cruise liners, pipeline tankers, military vessels, and bulk carriers and container ships and local vessels. Currently, the secured entrance to BAE Systems is located between Buildings 104 and 105 on the northern side of 20th Street.

The 20th Street Historic Core currently contains approximately 270,000 gross square feet (gsf) of largely vacant industrial and office space. The proposed project would include: 1) historic renovation of the 20th Street Historic Core to satisfy current seismic, structural, and code requirements; 2) remediation of hazardous materials; 3) reuse of the buildings as primarily light industrial and commercial uses; 4) the addition of approximately 69,000 gross square feet (gsf) of new building space, primarily in interior mezzanines; 5) removal of approximately 5,000 gsf of previous additions to Building 104 at the northeast corner, and to Building 113 on the eastern side and western sides; 6) creation of an outdoor publically accessible plaza to be used for events, and 7) roadway, sidewalk, and parking lot improvements as described below under “Parking, Access, Circulation and Loading”. In total, the proposed project would include approximately 334,000 gsf of existing and new building space, as detailed in Tables 1 and 2, below.

¹ The Port of San Francisco often refers to Buildings 113/114 and 115/116 as pairs because they share common walls.

Table 1 - North of 20th Street: Buildings 101, 102, 104, 122 and 123

| Building No./Name | Year Built | Former Use | Existing Use | Existing Sq. Ft. | Proposed Use | Proposed Sq. Ft. |
|---|------------|--|----------------------------|----------------------|--|----------------------|
| Building 101- Bethlehem Steel Office Building | 1917 | Office, Light Industrial, Residential Unit | Vacant | 61,311 sq. ft. total | Office, Light Industrial, Residential Unit | 62,211 sq. ft. total |
| Building 102 - Power House | 1912 | Industrial | Industrial; Partial Vacant | 11,266 sq. ft. | New Restaurant, New Commercial | 13,831 sq. ft. total |
| Building 104 - UIW Headquarters | 1896 | Office, Medical Office, Storage | Vacant | 45,759 sq. ft. total | Office, Medical Office, Storage | 45,237 sq. ft. total |
| Building 122 | 1916 | Mechanical Equipment | Mechanical Equipment | 774 sq. ft. | Mechanical Equipment | 774 sq. ft. |
| Building 123 | 1916 | Industrial | Vacant | 400 sq. ft. | New Commercial | 400 sq. ft. |

Table 2 - South of 20th Street: Buildings 14, 113/114, 115/116

| Building No./Name | Year Built | Former Use | Existing Use | Existing Sq. Ft. | Proposed Use | Proposed Sq. Ft. |
|---|------------|-----------------|--------------|------------------|--|-----------------------|
| Building 14 | 1941 | Warehouse | Storage | 16,315 sq. ft. | Light Industrial | 22,780 sq. ft. |
| Building 113/114- Union Iron Works Machine Shop | 1885/1886 | Industrial | Vacant | 95,157 sq. ft. | Light Industrial, Publicly Accessible Atrium | 127,163 sq. ft. total |
| Building 115/116 | 1916/1917 | Warehouse | Storage | 38,694 sq. ft. | Light Industrial | 61,260 sq. ft. |
| Plaza | N/A | Industrial Yard | Courtyard | 45,000 sq. ft. | Publically Accessible Open Space, Loading | 45,000 sq. ft. |

The proposed historic renovation of the buildings would meet the Secretary of the Interior Standards for Treatment of Historic Buildings (the "Secretary's Standards"), building and other codes, and all other applicable requirements. The Port, in consultation with the Maritime Museum, would oversee the salvage of building contents. Contents not salvaged by the Port would be salvaged or disposed of by Orton

Development, Inc. (ODI). Interior fixtures and historic materials that are part of a building would be salvaged by ODI.

Once rehabilitated, these historic office and industrial buildings would include light industrial, technology, life science, office, commercial, artisan/artist studios and showrooms, and residential and restaurant uses. The proposed project would also include an indoor lobby/atrium in Building 113, and an outdoor courtyard ("Plaza"), both of which would be accessible to the public. Finally, the proposed project would include removal of approximately 5,000 gsf of non-historic building additions to Building 104 at the northeast corner and to Building 113 on the eastern side and western sides.

Parking, Access, Circulation and Loading

The project site is accessible from Illinois and 20th Streets, and is bisected by 20th Street. Limited surface parking (approximately 75 spaces) and loading would be provided on the northern side of Buildings 101, 102, and 104 by reusing an existing parking lot north of Building 102 currently used by BAE Systems. An access ramp or stairs may be provided between Buildings 101 and 102 to provide pedestrian access from 20th Street to the parking areas behind the buildings. As part of the proposed project, the secured entrance of the BAE Systems ship repair facility would be moved approximately 100 feet north of Building 123.

A portion of Michigan Street and the area to the southeast of the intersection of 20th and Illinois Streets currently includes parking uses and self-storage in on-site containers. The existing storage containers would be relocated to the southeast corner of Pier 70. The proposed project would include the use of the area to the west of Michigan Street as a surface parking lot with approximately 215 parking spaces. The existing asphalt would be repaired and improved lighting would be installed.

The proposed project includes repair of 20th Street adjacent to the project site, including sidewalk and other repairs. A publicly accessible atrium in Building 113 would provide the primary pedestrian access to the buildings fronting the plaza. Louisiana Street lies to the east of Building 113, and currently exists as an accessway from 20th Street to the existing Industrial Yard behind Buildings 14, 113/114 and 115/116. As part of the proposed project, Louisiana Street would be widened from 20-foot-wide to 58-foot-wide. The Louisiana Street improvements would provide truck access from 20th Street to the southern portion of the 20th Street Historic Core. The western side of Louisiana Street would provide a truck staging and loading area to serve the proposed project. An existing concrete slab on the western side of Building 113 would be modified to serve as a loading dock. Five new loading docks along the western side of Buildings 113/114 and 115/116 would also be created to provide loading for these buildings.

Project Approval

The proposed project would require a Lease and Lease Disposition and Development Agreement (LDDA). Approval of the Lease and LDDA by the San Francisco Port Commission would constitute the approval action for the purpose of establishing the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.16 of the San Francisco Administrative Code.

REMARKS:

CEQA Guidelines Section 15183 provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the proposed project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects peculiar to the 400-600 20th Street project described above, and incorporates by reference information contained within the *Eastern Neighborhoods Rezoning and Area Plans Final EIR* (hereinafter referred to as, "FEIR") (Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048), which is the underlying EIR for the proposed 400-600 20th Street project. Project-specific studies summarized in this determination were prepared for the proposed project to determine if there would be any additional (i.e., "peculiar") potentially significant impacts attributable to the proposed project.

This determination assesses the proposed project's potential to cause environmental impacts and concludes that the proposed project would not result in new, significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the FEIR. This determination does not identify new or additional information that would alter the conclusions of the FEIR. In addition, this determination identifies mitigation measures contained in the FEIR that would be applicable to the proposed project. Relevant information pertaining to prior environmental review conducted for the FEIR as well as an evaluation of potential environmental effects are provided in the Community Plan Exemption (CPE) Checklist for the proposed project.²

BACKGROUND:

On August 7, 2008, the Planning Commission certified the FEIR for the *Eastern Neighborhoods Rezoning and Area Plans*.³ The FEIR analyzed amendments to the *San Francisco General Plan (General Plan)*, the San Francisco Planning Code (Planning Code), and the Zoning Maps associated with the establishment of the *Eastern Neighborhoods Rezoning and Area Plans*. The FEIR analysis was based upon assumed development and activity that were anticipated to occur under the *Eastern Neighborhoods Rezoning and Area Plans*.

² The CPE Checklist is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, as part of Case File No. 2013.1168E.

³ San Francisco Planning Commission Motion No. 176592, adopted August 7, 2008. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2004.0160E.

On December 9, 2008, the San Francisco Board of Supervisors (Board of Supervisors) adopted ordinances amending the *General Plan*, Planning Code, and Zoning Maps that constituted the “project” analyzed in the *Eastern Neighborhoods Rezoning and Area Plans FEIR*. On December 19, 2009, the Mayor signed the ordinances into law. These legislative amendments created new zoning controls to rezone much of the City’s industrially zoned land. The goals of the Area Plans were to reflect local values, increase housing, maintain some industrial land supply, and improve the quality of all existing areas with future development. Although these legislative amendments resulted in the rezoning throughout the Eastern Neighborhoods, the 400-600 20th Street project site was not rezoned and instead, remained zoned as M-2 (Heavy Industrial), and its height and bulk limits remained 40-X and 65-X. The *Eastern Neighborhoods Rezoning and Area Plans*, as evaluated in the FEIR and as adopted by the Board of Supervisors, accommodates the proposed use, design, and density of the proposed 400-600 20th Street project.

Individual projects implemented under the *Eastern Neighborhoods Rezoning and Area Plans* undergo project-level evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development. If so, additional environmental review would be required. This determination concludes that the proposed project at 400-600 20th Street is consistent with and was encompassed within the analysis in the FEIR for the *Eastern Neighborhoods Rezoning and Area Plans*, and that the FEIR adequately described the impacts of the proposed 400-600 20th Street project and identified the necessary mitigation measures, as adapted for project-specific conditions described in this Certificate of Determination. The proposed project is in conformity with the *General Plan* and the *Eastern Neighborhoods Rezoning and Area Plans*, and complies with the provisions of the Planning Code.^{4,5} Therefore the proposed 400-600 20th Street project is consistent with the certified *Eastern Neighborhoods Rezoning and Area Plans*, its impacts are adequately addressed in the FEIR, and no further CEQA evaluation is necessary. In sum, the *Eastern Neighborhoods Rezoning and Area Plans FEIR* and this Certificate of Exemption for the proposed project comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING:

The project site, which is on the east side of Illinois Street on the northern and southern sides of 20th Street, is on Pier 70 in the Central Waterfront area. The project site is characterized by late 19th- and early 20th-century industrial buildings, active industrial uses, its proximity to San Francisco Bay and presence of Port-related uses, and some commercial and residential uses typical in an urban setting. This includes one-to-two-story industrial buildings and structures, both active and vacant, open lots, and industrial equipment including dry docks, pier structures, and cranes. Existing uses near the project site to the west of Illinois Street include a residential building to the northwest of the project site (820 Illinois Street) and the American Industrial Center northern building between 20th and 22nd Streets. Directly adjacent to the project site to the north and south are various active and vacant Port-related industrial uses and storage areas on Pier 70. To the east of the project site is the San Francisco Bay. The project site, similar to other

⁴ Josh Switzky, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis, 400-600 20th Street, December 5, 2013. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

⁵ Jeff Joslin, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Current Planning Analysis, 400-600 20th Street, March 27, 2014. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

parcels on Pier 70, is zoned M-2. The project site has a height and bulk limit of 40-X and 65-X, and the parcels adjacent to the project site to the west of Illinois are 68-X.

POTENTIAL ENVIRONMENTAL EFFECTS:

The *Eastern Neighborhoods Rezoning and Area Plans FEIR* analyzed the following environmental topics: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods project. Significant and unavoidable impacts were identified for the following topics: land use, cultural and paleontological resources, transportation, noise, air quality, shadow and hazardous materials. The proposed project would not contribute to the land use, cultural resource, noise, air quality, shadow or hazardous materials significant and unavoidable impacts. As for the significant and unavoidable impact related to traffic, the proposed project would make a cumulatively considerable contribution to traffic conditions at the intersection of 20th and Illinois Streets, which is projected to operate poorly in the year 2040. A summary of the project's effects as they relate to historic architectural resources, traffic, geology and soils, and hazardous materials is provided below.

Historic Architectural Resources

In evaluating whether the proposed project would be exempt from environmental review under the California Environmental Quality Act (CEQA), the Planning Department must first determine whether the subject building is a historical resource as defined by CEQA. The Pier 70 Historic Buildings consist of Buildings 14, 101, 102-122, 104-123, 113/114, and 115/116, all of which contribute to the eligible Union Iron Works Historic District. The District's period of significance ranges from 1884 to 1945 and illustrates the evolution of factory design from the opening of the yard in the early 1880s to the end of World War II. The District maintains exceptional integrity in terms of location, design, setting, materials, workmanship, feeling, and association. The entire sixty-five-acre property was previously identified in the San Francisco Planning Department's 2001 Central Waterfront Cultural Resources Survey as an eligible National Register Historic District. The California Office of Historic Preservation (OHP) determined that the shipyard was eligible for the National Register in 2001. On February 7, 2014, the California State Historic Resources Commission nominated the District for listing on the National Register. Therefore, for the purposes of the California Environmental Quality Act (CEQA), Buildings 14, 101, 102-122, 104-123, 113/114, and 115/116 are considered to be individually-eligible historic resources, as well as contributors to the Union Iron Works Historic District.

Planning Department preservation staff completed a Historic Resource Evaluation Response (HREER) that evaluated the proposed project and its consistency with the existing historic resources. The proposed project would rehabilitate Buildings 14, 101, 102/122, 104/123, 113/114, and 115/116, consistent with the applicable Port Building Code and the California Historical Building Code. This would generally require minimal change to the exterior and interior. Building repairs and alterations would address building deficiencies and meet modern usage standards. The proposed rehabilitation would repair historic interiors and exteriors including the architectural elements of the exterior, the roof, and character-defining interior spaces and elements. The exception is a new rear deck on the north side of Building 102, which would be designed in a contemporary architectural style, thus providing for differentiation, yet compatibility, to the historic building. Within the interior, the proposed project would include

infrastructure and seismic upgrades, as well as the preservation, repair and rehabilitation of interior features and spaces. Removal of non-historic structures and materials would also be included. Work would be undertaken in a manner that is sensitive towards the historic character of the structure according to standard historic preservation practices as detailed within the historic report.

The HREER confirmed that the proposed modifications to Buildings 14, 101, 102/122, 104/123, 113/114, and 115/116, would maintain the character-defining features of the historic property and would be consistent with the Secretary of the Interior Standards for Rehabilitation. The HREER concluded that the project work would not cause a significant adverse impact to either the individual historic resource or the eligible Union Iron Works Historic District. Therefore, the proposed project would have no significant impact to on-site or off-site historic resources and would not contribute to the significant and unavoidable impacts identified in the *Eastern Neighborhoods Plan FEIR*.

Traffic

Trip generation rates for the proposed project were calculated based on the methodology in the *San Francisco Transportation Impact Analysis Guidelines for Environmental Review*, dated October 2002. During the weekday afternoon/evening (p.m.) peak hour, the proposed project would generate an estimated 358 new vehicle trips. These new vehicle trips would not degrade the current levels of service (LOS) at nearby intersections such that they would change from LOS D or better to LOS E or LOS F or from LOS E to LOS F. Thus the project would not result in any significant project-related traffic impacts.

However, under cumulative (Year 2040) conditions⁶, the adjacent study intersection of 20th Street and Illinois Street would operate at unacceptable LOS conditions (LOS F) in the critical westbound approach. The intersection of Cesar Chavez Street and Third Street would operate at undesirable LOS conditions (LOS E). During the p.m. peak hour, the intersection of Cesar Chavez and Third Streets would operate at LOS E under 2040 cumulative conditions with or without the proposed project. The proposed project's contributions to this poorly operating intersection would therefore not be considered cumulatively considerable and the proposed project would result in a less-than-significant cumulative traffic impact at the intersection of Cesar Chavez Street and Third Street.

During the p.m. peak hour, the intersection of 20th and Illinois Streets would operate at LOS F under 2040 cumulative conditions with the proposed project. The degradation in cumulative traffic conditions at this intersection is primarily attributed to the estimated amount of area growth and project-generated vehicles in the westbound movements along 20th Street, as these vehicles would be traveling from the project site to their destination during the p.m. peak hour. The proposed project would contribute over five percent of traffic volumes to the westbound worst approach at the intersection of 20th and Illinois Streets under 2040 cumulative conditions; any traffic contribution in the cumulative context that is five percent and above is considered to be a cumulatively considerable contribution to a poorly operating intersection. Therefore, the proposed project's contributions to this poorly operating intersection would be considered cumulatively considerable and the proposed project would contribute considerably to the

⁶ As described in the CPE Checklist, cumulative traffic volumes were developed using outputs from the San Francisco County Transportation Authority's (SFCTA) travel demand forecasting model, which takes into account planned and proposed future development growth and transportation network changes in the study area, as well as background growth in travel demand in the City and region.

previously identified *Eastern Neighborhoods FEIR* significant cumulative traffic impact for the Central Waterfront area.

The *Eastern Neighborhoods FEIR* analyzed the cumulative traffic effects of development resulting from the implementation of the *Eastern Neighborhoods Rezoning and Area Plans* and rezoning of four Plan Areas. The FEIR analyzed the effects of increased traffic on several representative study intersections within the Eastern Neighborhoods that were selected to provide an overall characterization of existing and future traffic conditions within the area. There are several similarities between the FEIR representative study intersections and the intersection of 20th and Illinois Streets, including similar lane geometry and turning movements. In addition, the traffic volumes and the street function associated with the representative study intersections are substantially similar to the traffic volumes and the street function of the 20th Street and Illinois Street intersection, and are representative of the cumulative traffic impacts resulting from the *Eastern Neighborhoods Rezoning and Area Plans*; therefore, the analysis contained within the *Eastern Neighborhoods FEIR* reasonably predicts the significant cumulative impact at 20th and Illinois Streets.

To mitigate the 2040 significant cumulative traffic impact, Eastern Neighborhoods FEIR Mitigation Measure E-1: Traffic Signal Installation, would apply. This includes installation of a new traffic signal at the intersection of 20th and Illinois Streets in order to upgrade the existing signal that currently functions as an all-way stop control. The proposed project's fair share contribution to the 20th and Illinois Streets intersection mitigation measure would reduce the project's contribution to the *Eastern Neighborhoods FEIR* significant cumulative impact for the Central Waterfront area. This would not be a new significant impact as it is within the scope of the analysis contained in the *Eastern Neighborhoods FEIR* on pages 270 to 276.

Geology and Soils

The *Eastern Neighborhoods FEIR* concluded that implementation of the plan would indirectly increase the population that could be exposed to risks related to earthquakes and landslides. Compliance with applicable codes and recommendations made in project-specific geotechnical analyses would not eliminate risks related to geological hazards, but would reduce them to an acceptable level. Therefore, the FEIR concluded that development under the area plan would not result in significant impacts related to geological hazards. No mitigation measures were identified in the FEIR.

Several geotechnical investigations have been prepared for the project site.^{7,8,9} Geotechnical soil borings were excavated to a maximum depth of approximately 66 feet below ground surface (bgs). Based on the soil analysis of the borings, the site subsurface conditions vary. The site contains about 18 feet of fill that consists of loose gravel and stiff clay with sand overlaying approximately 9 feet of hard clay. The fill thickness generally increases from south to north as does the depth of the bedrock. Bedrock is anticipated to be roughly at grade in the vicinity of Building 116 and in the southeastern half of Building

⁷ Geotechnical Investigation for Mariposa Storage/Transport Facilities, San Francisco, California, AGS, Inc., June 1989. This document is on file and available for public review at the Planning Department, 1650 Mission Street, Suite 400.

⁸ Geotechnical Investigation for Pier 70, Building 113, San Francisco, California, Treadwell and Rollo, April 28, 2010. This document is on file and available for public review at the Planning Department, 1650 Mission Street, Suite 400.

⁹ Geotechnical Consultation for Pier 70 Historic Building Renovations, San Francisco, California, Langan Treadwell Rollo, May 28, 2013.

14. Top of bedrock was encountered in borings at depths ranging from 26 feet bgs near the southeastern end of Building 101 to 58 feet bgs near the southeastern end of Building 104. Fill materials were encountered throughout the site, with thicknesses up to 29 feet in the vicinity of the southeastern corner of Building 104. Fill appears to have been placed over varying thicknesses of Bay Mud in the vicinity of Buildings 102 and 104. Groundwater was encountered at about eight to twelve feet bgs.

The geotechnical investigations provided recommendations for foundation options to reduce the risks related to the seismic hazards and site conditions noted above, including: (1) further evaluation of footings founded on competent soil or bedrock using an allowable bearing pressure of 6,000 pounds per square foot, with a one third increase for total loads for Building 113 using micropiles; and (2) where new foundations are required to support improvements, footings bearing in bedrock would be the preferable option; where footings would need to extend too deep to make their construction practical, micropiles should be used. Additionally, micropiles may be used to support seismic elements and resist uplift loads. Micropiles can be designed to provide both compression and tension support in the stiff soil or bedrock below the fill and Bay Mud. The project sponsor has agreed to implement these measures, subject to building permit requirements.

The geotechnical investigation concluded that the site is suitable for support of the proposed project. The proposed project would be required to incorporate these and any future recommendations into the final building design through the building permit review process. Through this process, San Francisco Port Department (Port Building Department) would review the geotechnical investigation to determine the adequacy of necessary engineering and design features to ensure compliance with all Building Code provisions regarding structure safety. Past geological and geotechnical investigation would be available for use by the Port Building Department during its review of building permits for the project site. Also, DBI could require that additional site-specific soils report(s) be prepared in conjunction with permit applications, as needed. For the above reasons, the proposed project would not result in significant impacts related to geology and soils that were not identified in the *Eastern Neighborhoods FEIR*.

Hazards and Hazardous Materials

The *Eastern Neighborhoods FEIR* determined that the rezoning of currently zoned industrial (PDR) land to residential, commercial, or open space uses in the Eastern Neighborhoods would result in the incremental replacement of some of the existing non-conforming business with development of these other land uses. Development may involve demolition or renovation of existing structures that may contain hazardous building materials, such as transformers and fluorescent light ballasts that contain polychlorinated biphenyls (PCBs) or di (2 ethylhexyl) phthalate (DEHP) and fluorescent lights containing mercury vapors, that were commonly used in older buildings and which could present a public health risk if disturbed during an accident or during demolition or renovation. The *Eastern Neighborhoods FEIR* identified a mitigation measure to reduce this impact to less than significant.

The proposed project includes the removal of transformers and could involve removal of fluorescent light ballasts, and fluorescent lights. Therefore, Eastern Neighborhoods FEIR Mitigation Measure L-1, Hazardous Building Materials would apply to the proposed project.

In addition, the project site was formerly used for a variety of industrial uses, including manufacture, maintenance, and repair of destroyers and submarine ships from World War I into the 1970s. These may have used, generated, stored, or disposed of hazardous materials. Due to its location in an area of known bay fill and historic land use, the project is subject to Article 22A of the San Francisco Health Code, also known as the Maher Ordinance, which is administered and overseen by the Department of Public Health (DPH). The

Maheer Ordinance applies to projects that will disturb 50 cubic yards or more and requires the project sponsor to retain the services of a qualified professional to prepare a Site History Report that meets the requirements of Health Code Section 22.A.6. If it is determined that the project will trigger applicability of the Maheer Ordinance, the extent to which work completed to date fulfills the requirements of the ordinance will be evaluated in consultation with DPH.

Eastern Neighborhoods FEIR Mitigation Measures

The *Eastern Neighborhoods Rezoning and Area Plans* FEIR identified mitigation measures for the following topics: Land Use (A-1), Transportation (E-1 through E-11), Noise (F-1 through F-6), Air Quality (G-1 through G-4), Archeology (J-1 through J-3), Historical Resources (K-1 through K-3), and Hazardous Materials (L-1).

As analyzed and discussed in the CPE Checklist, the following mitigation measures identified in the FEIR do not apply to the proposed project. Land Use Mitigation Measure A-1 is not applicable to the proposed project because the measure was rejected as infeasible and because the project site is not located in Western SoMa, where this measure applies.

Traffic Mitigation Measures E-2 through E-4 are not applicable because the proposed project would not result in traffic impacts that could be mitigated through the use of Intelligent Traffic Management or Enhanced Funding. Transit Mitigation Measures E-5 through E-11 do not apply to the proposed project because the proposed project does not result in any transit impacts, such as delays to transit, or substantial increases in transit ridership.

Noise Mitigation Measures F-1 and F-2 do not apply because the proposed project would not involve pile driving or other particularly noisy construction methods. In addition, all construction activities for the proposed project (approximately 24 months) would be subject to and would comply with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code).

Portions of Air Quality Mitigation Measure G-1 regarding dust control are not applicable to the proposed project because the project would comply with the Construction Dust Control Ordinance, which was adopted by the City after the FEIR was certified. However, because the project site is partially within the Air Pollution Exposure Zone and would require construction activities resulting in diesel particulate and toxic air contaminant emissions, the remainder of Air Quality Mitigation Measure G-1 that deals with maintenance and operation of construction equipment is applicable, as described further below. Air Quality Mitigation Measure G-3 does not apply to the proposed project because the proposed project would not result in new development requiring service by at least 100 trucks per day or 40 refrigerated trucks per day. Similarly, Air Quality Mitigation Measure G-4 would not apply because the proposed project would not generate more than 10,000 vehicle trips or 400 truck trips per day, or include a new stationary source that would emit toxic air contaminants as part of everyday operations.

Archeology Mitigation Measures J-1 and J-3 would not apply because no previous archeological studies have been conducted for the project site, and the site is not located within the Mission Dolores Archeological District.

Historical Resources Mitigation Measure K-1 does not apply because applicable historic resources surveys in the project area have been completed and adopted by the Historical Preservation Commission. Mitigation Measure K-2 does not apply to the proposed project because it is not located in the South End

Historic District. Historical Resources Mitigation Measure K-3 does not apply because the project site is not located within the Dogpatch Historic District.

As discussed in the CPE Checklist, *Eastern Neighborhoods Rezoning and Area Plans FEIR* Mitigation Measures E-1, F-3, F-4, F-5, G-1, J-2 and L-1 were determined to apply to the proposed project for the following reasons. The proposed project would contribute to a significant cumulative traffic impact in the Eastern Neighborhoods study area at an unsignalized intersection that would require signalization as described in Traffic Mitigation Measure E-1. Noise Mitigation Measures F-3, F-4 and F-5 would apply because the proposed project introduces a noise-sensitive land use and noise-generating uses into the environment. Air Quality Mitigation Measure G-1 applies because the project site is partially located within the Air Pollution Exposure Zone and would use diesel equipment during construction in close proximity to existing residential uses on Illinois Street. Archeology Mitigation Measure J-2 applies because no previous archeological studies have been prepared for the project site. Finally, as described above, Hazardous Materials Mitigation Measure L-1 applies to the proposed project since it involves renovation of existing structures that may contain hazardous building materials, including the removal of fluorescent lights and fluorescent light ballasts. Please see the attached Mitigation Monitoring and Reporting Program (MMRP) for the complete text of the applicable mitigation measures.

The proposed 400-600 20th Street project is in conformance with the height, use, and density for the site described in the FEIR and would represent a small part of the growth that was forecast for the Central Waterfront area in the FEIR. The proposed project would not result in any new significant impacts that were not previously analyzed in the FEIR or result in substantially more severe impacts than those identified in the FEIR. With implementation of these mitigation measures, the proposed project would not result in significant impacts beyond those analyzed in the FEIR.¹⁰ In addition, and in accordance with the *Eastern Neighborhoods Rezoning and Area Plans FEIR*, the project sponsor has agreed to implement various improvement measures addressing traffic congestion and construction activities.¹¹

Public Notice and Comment

A “Notification of Project Receiving Environmental Review” was mailed on December 6, 2013 to adjacent occupants and owners of properties within 300 feet of the project site and neighboring Port tenants in the area bounded by Mariposa, Illinois, 22nd Streets and the San Francisco Bay. One only comment was received. A staff member of the SFMTA called to inform the Department that any previous jurisdiction held by SFMTA at Pier 70 had reverted to the Port of San Francisco. This comment was not related to any potential environmental effects of the proposed project.

Conclusion

The *Eastern Neighborhoods Rezoning and Area Plans FEIR* incorporated and adequately addressed all potential impacts of the proposed 400-600 20th Street project. As described above, the proposed 400-600 20th Street project would not have any project-specific significant adverse effects that are peculiar to the proposed project or its site that were not examined in the FEIR, and no new or additional information has come to light that would alter the conclusions of the FEIR. Thus, the proposed project would not have any new significant effects on the environment not previously identified in the FEIR, nor would any environmental impacts be substantially greater than described in the FEIR. Therefore, in addition to being

¹⁰ Please refer to the CPE Checklist for a complete discussion.
¹¹ The full text of these improvement measures is included in the MMRP.

exempt from environmental review under Section 15183 of the CEQA Guidelines, the proposed project is also exempt under Section 21083.3 of the California Public Resources Code.

**MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)**

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|--|--|--|---|
| MITIGATION MEASURES FROM THE EASTERN NEIGHBORHOODS AREA PLAN EIR | | | | |
| <i>Archeological Resources Mitigation Measure</i> | | | | |
| <p>M-CP-1 - Properties with No Previous Studies (Mitigation Measure J-2 in the Eastern Neighborhoods FEIR). Based on the reasonable potential that archeological resources may be present within the project site, the following requirement shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of <i>construction</i> can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p> <p><i>Archeological monitoring program (AMP).</i> The archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to | <p>Project sponsor; Planning Department archeologist or qualified archeological consultant; Environmental Review Officer (ERO)</p> | <p>Prior to issuance of any permit for soil-disturbing activities.</p> | <p>Project sponsor; archeologist; ERO.</p> | <p>Considered complete upon Department archeologist's and/or ERO's approval of FARR or other documentation.</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|-----------------------------------|----------|----------------------------------|-----------------------|
| <p>archaeological resources and to their depositional context;</p> <ul style="list-style-type: none"> The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource; The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with the archeological consultant, determined that project construction activities could have no effects on significant archeological deposits; The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis; If an intact archeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, present the findings of this assessment to the ERO. <p><i>Consultation with Descendant Communities:</i> On discovery of an archeological site associated with descendant Native Americans or the Overseas Chinese an appropriate representative of the descendant group and the ERO shall be contacted. The representative of the</p> | | | | |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|-----------------------------------|----------|----------------------------------|-----------------------|
| <p>descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.</p> <p>If the ERO in consultation with the archeological consultant determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) An archeological data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p> <p>If an archeological data recovery program is required by the ERO, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The project archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> | | | | |

**MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)**

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|-----------------------------------|----------|----------------------------------|-----------------------|
| <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> ▪ <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. ▪ <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. ▪ <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. ▪ <i>Interpretive Program.</i> Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. ▪ <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. ▪ <i>Final Report.</i> Description of proposed report format and distribution of results. ▪ <i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. <p><i>Human Remains, Associated or Unassociated Funerary Objects.</i> The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal Laws, including immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the</p> | | | | |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|---|-----------------------------------|--------------------------------------|----------------------------|
| <p>human remains and associated or unassociated funerary objects.</p> <p><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.</p> <p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p> | | | | |
| Transportation Mitigation Measure | | | | |
| <p>Project Mitigation Measure 2 – Traffic Signal Installation (Mitigation Measure E-1 in the <i>Eastern Neighborhoods FEIR</i>). To mitigate the significant cumulative traffic impact at the intersection of 20th and Illinois Streets, an upgraded traffic signal would need to be installed at this intersection. With this new signal, the average vehicle delay would decrease, and the intersection would operate at LOS B. There are a number of proposed developments in the immediate vicinity of this intersection, most noticeably other development at Pier 70, that would contribute to growth in future traffic volumes and increased delays. Installation of a traffic signal at the intersection of 20th and Illinois Streets could be linked to these and other proposed</p> | <p>San Francisco Municipal Transportation Agency (SFMTA); project sponsor; Port of San Francisco.</p> | <p>To be determined by SFMTA.</p> | <p>SFMTA; Port of San Francisco.</p> | <p>Upon signalization.</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|---|---|---|--|
| <p>development projects.</p> <p>The project sponsor shall pay its fair share contribution to mitigate the significant cumulative traffic impact at the intersection of 20th and Illinois Streets, which is approximately 9 percent of the cost of the traffic signal at this intersection. The amount and schedule for payment of the proposed project's fair share contribution to the mitigation shall be determined by SFMTA.</p> | | | | |
| Noise Mitigation Measures | | | | |
| <p>Project Mitigation Measure 3 – Interior Noise Levels (Mitigation Measure F-3 in the <i>Eastern Neighborhoods FEIR</i>). For new development including noise-sensitive uses located along streets with noise levels above 60 dBA (Ldn), as shown in Figure 18 of the <i>Eastern Neighborhoods FEIR</i>, where such development is not already subject to the California Noise Insulation Standards in Title 24 of the California Code of Regulations, the project sponsor shall conduct a detailed analysis of noise reduction requirements. Such analysis shall be conducted by person(s) qualified in acoustical analysis and/or engineering. Noise insulation features identified and recommended by the analysis shall be included in the design, as specified in the San Francisco General Plan Land Use Compatibility Guidelines for Community Noise to reduce potential interior noise levels to the maximum extent feasible.</p> | Project sponsor; project contractor(s). | Design measures to be incorporated into project design; prior to issuance of a building permit. | Planning Department; Port of San Francisco. | Considered complete upon approval of final construction drawing set. |
| <p>Project Mitigation Measure 4 – Siting of Noise-Sensitive Uses (Mitigation Measure F-4 in the <i>Eastern Neighborhoods FEIR</i>). To reduce potential conflicts between existing noise-generating uses and new sensitive receptors, for new development including noise-sensitive uses, the Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-generating uses within 900 feet of, and that have a direct line-of-sight to, the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to the first project approval action. The analysis shall be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met, and that there are no</p> | Project sponsor; project contractor(s). | Design measures to be incorporated into project design; prior to issuance of a building permit. | Planning Department; Port of San Francisco | Considered complete upon approval of final construction drawing set. |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|---|---|---|--|
| particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels in the vicinity. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action, in order to demonstrate that acceptable interior noise levels consistent with those in the Title 24 standards can be attained. | | | | |
| <p>Project Mitigation Measure 5 – Siting of Noise-Generating Uses (Mitigation Measure F-5 in the <i>Eastern Neighborhoods FEIR</i>). To reduce potential conflicts between existing sensitive receptors and new noise-generating uses, for new development including commercial, industrial or other uses that would be expected to generate noise levels in excess of ambient noise, either short-term, at nighttime, or as a 24-hour average, in the proposed project site vicinity, the Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-sensitive uses within 900 feet of, and that have a direct line-of-sight to, the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to the first project approval action. The analysis shall be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that the proposed use would comply with the use compatibility requirements in the general plan and Police Code section 2909, would not adversely affect nearby noise-sensitive uses, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels that would be generated by the proposed use. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action.</p> | Project sponsor; project contractor(s). | Design measures to be incorporated into project design; prior to issuance of a building permit. | Planning Department; Port of San Francisco. | Considered complete upon approval of final construction drawing set. |
| <i>Air Quality Mitigation Measures</i> | | | | |
| <p>Project Mitigation Measure 6 – Construction Emissions Minimization (Based on Mitigation Measure G-1 in the <i>Eastern Neighborhoods FEIR</i>).</p> <p>A. <i>Construction Emissions Minimization Plan.</i> Prior to issuance of a construction permit, the project sponsor shall submit a</p> | Project sponsor; project contractor(s). | Prior to issuance of a permit specified in Section 106A.3.2.6 of the San Francisco Building Code. | Project sponsor/contractor(s) and the ERO. | Considered complete upon findings by ERO that plan is complete. |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|-----------------------------------|----------|----------------------------------|-----------------------|
| <p>Construction Emissions Minimization Plan (Plan) to the Environmental Review Officer (ERO) for review and approval by an Environmental Planning Air Quality Specialist. The Plan shall detail project compliance with the following requirements:</p> <p>1.All off-road equipment greater than 25 hp and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:</p> <p>a) Where access to alternative sources of power are available, portable diesel engines shall be prohibited;</p> <p>b) All off-road equipment shall have:</p> <p>i. Engines that meet or exceed either USEPA or ARB Tier 2 off-road emission standards, <i>and</i></p> <p>ii. Engines that are retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy (VDECS).¹</p> <p>c) Exceptions:</p> <p>i. Exceptions to A(1)(a) <i>may</i> be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that an alternative source of power is limited or infeasible at the project site and that the requirements of this exception provision apply. Under this circumstance, the sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation.</p> <p>ii. Exceptions to A(1)(b)(ii) <i>may</i> be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that a particular piece of off-road equipment with an ARB Level 3 VDECS is: (1) technically not feasible, (2) would not produce desired emissions reductions due to expected operating modes, (3) installing the control device would create a safety hazard or impaired visibility for the operator, or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with an ARB Level 3</p> | | | | |

¹ Equipment with engines meeting Tier 4 Interim or Tier 4 Final emission standards automatically meet this requirement, therefore a VDECS would not be required.

MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed | | | | | | | | | | | | |
|---|-----------------------------------|--------------------------|----------------------------------|-----------------------|--------|-------------------|---|--------|-------------------|---|--------|-------------------|--|--|--|--|
| <p>VDECS and the sponsor has submitted documentation to the ERO that the requirements of this exception provision apply. If granted an exception to A(1)(b)(ii), the project sponsor must comply with the requirements of A(1)(c)(iii).</p> <p>iii. If an exception is granted pursuant to A(1)(c)(ii), the project sponsor shall provide the next cleanest piece of off-road equipment as provided by the step down schedules in Table A1 below.</p> <p align="center">TABLE A1 OFF-ROAD EQUIPMENT COMPLIANCE STEP DOWN SCHEDULE*</p> <table border="1" data-bbox="237 716 844 1049"> <thead> <tr> <th>Compliance Alternative</th> <th>Engine Emission Standard</th> <th>Emissions Control</th> </tr> </thead> <tbody> <tr> <td align="center">1</td> <td align="center">Tier 2</td> <td align="center">ARB Level 2 VDECS</td> </tr> <tr> <td align="center">2</td> <td align="center">Tier 2</td> <td align="center">ARB Level 1 VDECS</td> </tr> <tr> <td align="center">3</td> <td align="center">Tier 2</td> <td align="center">Alternative Fuel*</td> </tr> </tbody> </table> <p>*How to use the table. If the requirements of (A)(1)(b) cannot be met, then the project sponsor would need to meet Compliance Alternative 1. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 2, then Compliance Alternative 3 would need to be met. **Alternative fuels are not a VDECS</p> <p>2.The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than two minutes, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing</p> | Compliance Alternative | Engine Emission Standard | Emissions Control | 1 | Tier 2 | ARB Level 2 VDECS | 2 | Tier 2 | ARB Level 1 VDECS | 3 | Tier 2 | Alternative Fuel* | | | | |
| Compliance Alternative | Engine Emission Standard | Emissions Control | | | | | | | | | | | | | | |
| 1 | Tier 2 | ARB Level 2 VDECS | | | | | | | | | | | | | | |
| 2 | Tier 2 | ARB Level 1 VDECS | | | | | | | | | | | | | | |
| 3 | Tier 2 | Alternative Fuel* | | | | | | | | | | | | | | |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|--|---|--|---|
| <p>areas and at the construction site to remind operators of the two minute idling limit.</p> <p>3.The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.</p> <p>4.The Plan shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used.</p> <p>5.The Plan shall be kept on-site and available for review by any persons requesting it and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the Plan and a way to request a copy of the Plan. The project sponsor shall provide copies of Plan to members of the public as requested.</p> <p><i>B. Reporting.</i> Quarterly reports shall be submitted to the ERO indicating the construction phase and off-road equipment information used during each phase including the information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> <p>1.Within six months of the completion of construction activities, the project sponsor shall submit to the ERO a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using</p> | <p>Project sponsor; contractor(s).</p> | <p>Quarterly</p> <p>Within 6 months of completion of construction activities.</p> | <p>Project sponsor; contractor(s); ERO.</p> <p>Submit a final report of construction activities.</p> | <p>Considered complete on findings by ERO that Plan is being/was implemented.</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|-----------------------------------|---|--|--|
| <p>alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> <p>C. <i>Certification Statement and On-site Requirements.</i> Prior to the commencement of construction activities, the project sponsor must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p> | Project sponsor; contractor(s). | Prior to construction activities requiring the use of off-road equipment. | Project sponsor; contractor(s); ERO. | Considered complete upon submittal of certification statement. |
| Hazardous Materials Mitigation Measure | | | | |
| <p>Project Mitigation Measure 7 – Hazardous Building Materials (Mitigation Measure L-1 in the <i>Eastern Neighborhoods FEIR</i>). The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.</p> | ODI; Port of San Francisco | Prior to any demolition or construction activities. | Project sponsor. | Upon completion of proper disposal. |
| IMPROVEMENT MEASURES SPECIFIC TO 400-600 20th Street, Pier 70 (“20th Street Historic Core”) | | | | |
| Transportation Improvement Measures | | | | |
| <p>Project Improvement Measure 1 – Develop Additional Pedestrian and Roadway Treatments. As an improvement measure to reduce any potential conflicts between pedestrians and freight/delivery vehicles maneuvering in and out of loading zones and within the courtyard area, the project sponsor should provide additional pedestrian treatments to assure safe passage of pedestrians throughout the project site and reduce and/or eliminate any vehicle-pedestrian conflicts. The project sponsor should provide:</p> <ul style="list-style-type: none"> • High-visibility crosswalks (e.g., continental, transverse, and/or ladder marking pattern) at the intersection of 20th Street and Georgia Street. Installation of crosswalks will provide enhanced pedestrian circulation and connectivity between buildings north | Project sponsor. | Design measures to be incorporated into project design; prior to issuance of a building permit. | Port of San Francisco; Planning Department; SFMTA. | Considered complete upon installation and implementation of pedestrian improvements. |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|-----------------------------------|---|--|--|
| <p>and south of 20th Street;</p> <ul style="list-style-type: none"> • Installation of ADA-accessible ramps at all proposed crosswalk locations and at a safe distance from any on-street loading zone; • Installation of STOP signs along the northbound Michigan Street approach and northbound Louisiana Street approach; • Additional signage and notifications within the courtyard area to better guide pedestrians attempting to access various buildings from the courtyard area and to maintain a safe distance from any parked or moving vehicles within the courtyard area. Special pavement markings may be installed to delineate the pedestrian walkway within the courtyard area. • Additional signage along the loading dock areas to inform non-authorized personnel that traversing these areas is strictly prohibited and proper signage should guide non-authorized personnel to the nearest appropriate path of travel. <p>All pedestrian treatments should be constructed in accordance with the California Manual on Uniform Traffic Control Devices (MUTCD). Such pedestrian treatments may require approvals by the Port of San Francisco, San Francisco Planning Department, Department of Public Works, and SFMTA's Livable Streets Subdivision, as appropriate.</p> | | | | |
| <p>Project Improvement Measure 2 – Designate Safe, Accessible, and Convenient Bicycle Parking. The proposed locations for bicycle parking within the project site have not been finalized and are subject to change. However, as an improvement measure to provide safe, accessible, and convenient bicycle parking for patrons (employees and visitors) and to reduce any potential conflicts with moving vehicles, the project sponsor should locate bicycle parking in an appropriate distance from nearby roadways or loading zones, install bicycle parking in locations that are highly visible for bicyclists, and design bicycle parking that allows for ease of access in and out of these bicycle parking areas. The project sponsor should encourage future building tenants to provide</p> | Project sponsor. | Design measures to be incorporated into project design; prior to issuance of a building permit. | Port of San Francisco; Planning Department; Department of Public Works (DPW); SFMTA. | Considered complete upon installation and implementation of bicycle parking. |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|--|--|-----------------------------------|--|
| adequate space for Class 1 bicycle parking and to provide bicycle parking that is covered, secured and accessible for employees. The project sponsor should install Class 2 bicycle spaces along sidewalks and/or open space with adequate spacing and/or install bicycle corrals to provide an adequate number of bicycle parking spaces within a concentrated area that is at a safe, convenient distance from moving vehicles. Appropriate signage should also be installed to notify bicyclists of these on-site bicycle parking areas. | | | | |
| Project Improvement Measure 3 – Designate Loading Dock Manager. During the average and peak loading hour, not all freight/delivery vehicles may be accommodated in the off-street loading spaces within the project site. As a consequence, loading and unloading vehicles may need to wait, use on-street loading facilities or possibly double park. As an improvement measure to alleviate potential adverse effects to loading activities within the project site, the project sponsor should require each building tenant to designate a loading dock manager(s) to schedule and/or direct loading vehicles, as appropriate. | Project sponsor; building tenant(s). | Ongoing during building operations. | Port of San Francisco. | Ongoing during building operations. |
| Project Improvement Measure 4 – Require Traffic Controllers/Flaggers for Larger Deliveries. During deliveries that require oversized vehicles that require the use of on-site loading dock facilities, or for any deliveries that would occur in the presence of high volumes of pedestrian or bicycle traffic, the project sponsor should require tenants to use flaggers to guide vehicles through and/or around the loading zones as well as guide vehicles along public roadways (e.g., 20th, Michigan, Georgia, and Louisiana Streets). Such efforts would minimize potential conflicts with other users of the roadway, including other vehicles, pedestrians, and bicyclists circulating within the project site. | Project sponsor; building tenant(s). | Ongoing during building operations for oversized delivery vehicles or during higher volumes of pedestrian or bicycle activity in the project area. | Port of San Francisco. | Ongoing during building operations. |
| Project Improvement Measure 5 – Limit Peak Hour Truck Movements. Any project construction traffic occurring between 7:00 a.m. and 9:00 a.m. or between 3:30 p.m. and 6:00 p.m. would coincide with peak hour traffic and could temporarily impede traffic and transit flow, although it would not be considered a significant impact. Limiting truck movements to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by SFMTA) would further minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods. | Project sponsor; project contractor(s) | Ongoing during construction. | Port of San Francisco. | Upon completion of project construction. |
| Project Improvement Measure 6 – Develop Construction Management Plan. The project sponsor, the Port of San Francisco, and | Project sponsor; project | Prior to construction activity. | Port of San Francisco; SFMTA; San | Upon completion of |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|--|---|--|--|
| <p>their construction contractor(s) will meet with the Sustainable Streets Division of the SFMTA, the Fire Department, Muni, and the Planning Department to determine feasible measures to reduce traffic congestion, including potential transit disruption, and pedestrian circulation impacts during construction of the project. The project sponsor will coordinate with construction contractors for any concurrent nearby projects (e.g., along Illinois Street, between 18th and 19th Streets, and other parts of Pier 70) that are planned for construction or which later become known.</p> | contractor(s). | | Francisco Fire Department; Planning Department; Project sponsor. | project construction. |
| <p>Project Improvement Measure 7 – Encourage Transit Access for Construction Workers. As an improvement measure to minimize parking demand and vehicle trips associated with construction workers, the construction contractor could include methods to encourage transit use to the project site by construction workers in the Construction Management Plan.</p> | Project sponsor; project contractor(s). | Prior to construction activity. | Project sponsor. | Upon completion of project construction. |
| <p>Project Improvement Measure 8 – Provide Project Construction Updates. As an improvement measure to minimize construction effects on nearby businesses, the project sponsor could provide regularly-updated information (typically in the form of community meetings, website, news articles, on-site posting, etc.) regarding project construction and schedule, as well as contact information for specific construction inquiries or concerns.</p> | Project sponsor. | Prior to and during construction. | Project sponsor. | Upon completion of project construction. |
| <p>Project Improvement Measure 9 – Transportation Management Plan</p> <p><i>Metrics/Monitoring/Evaluation</i></p> <ul style="list-style-type: none"> Orton Development, Inc. (ODI) or the Port will provide a TMP coordinator for the site to ensure the following TMP is implemented. ODI will require sub-tenant compliance with TMP to make sure employers on site are offering commuter check benefits to employees, per City requirements. | <p>ODI; Port.</p> <p>ODI; tenant(s).</p> | <p>Upon building occupancy</p> <p>Ongoing during project operations</p> | <p>Project sponsor; Port.</p> <p>Project sponsor; Port.</p> | <p>Ongoing</p> <p>Ongoing</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|-----------------------------------|-----------------------------------|--|--|
| <ul style="list-style-type: none"> • ODI will work with SFMTA and/or the Planning Department to establish quantitative mode share or non-automobile share targets for all trip purposes for workers and visitors to the site. | ODI | Prior to building occupancy | ODI; TMP Coordinator. | Complete upon establishment of mode share targets. |
| <ul style="list-style-type: none"> • ODI will send out an annual travel behavior survey to employers and will share its report and collected responses with the City. | ODI; tenant(s). | Annually | ODI; SFMTA; Planning Department; TMP Coordinator. | Ongoing during project operations. |
| <ul style="list-style-type: none"> • In Port-operated lots that serve the project, parking operators will collect data on traffic and parking occupancy during peak commute and peak events annually and report to the Planning Department and/or SFMTA. | Port of San Francisco | Annually | ODI; TMP Coordinator; SFMTA; Planning Department. | Ongoing during project operations. |
| <p><i>Transit and Ride Sharing Incentives</i></p> | | | | |
| <ul style="list-style-type: none"> • ODI and the Port will require sub-tenants to adopt a transit-oriented program that promotes transit and ride sharing options before occupancy. | ODI; Port; tenants(s). | Before building occupancy | Port; TMP Coordinator; SFMTA; Planning Department. | Upon program adoption. |
| <ul style="list-style-type: none"> • ODI will encourage tenant employees to commute to work on Muni, Caltrain, and BART. ODI will require tenants to provide 1 partially- or fully-subsidized Muni Fast Pass or similar reasonable financial contribution to a transit Muni Fast Pass/Clipper Card for each employee in addition to the sub-tenant/employer compliance with the City's Commuter Benefits ordinance. | ODI; Port; tenants(s). | Ongoing during project operations | ODI; Port; TMP Coordinator. | Ongoing during project operations. |
| <ul style="list-style-type: none"> • ODI will require that all future tenants register for San Francisco's free Emergency Ride Home program. | ODI; tenant(s). | Ongoing during project operations | ODI; Port; TMP Coordinator. | Ongoing during project operations. |
| <ul style="list-style-type: none"> • ODI will provide transit-planning tools (maps and Wayfinding information) in public spaces and common areas in coordination with site-wide wayfinding and historic interpretation. | ODI; tenant(s). | Upon building occupancy. | ODI; Port; TMP Coordinator. | Ongoing during project operations. |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|---|---|---|--|
| <p><i>Bicycling Incentives</i></p> <ul style="list-style-type: none"> • ODI will provide secure Class I and/or Class II bicycle parking in a manner that meets the planning code requirements. For this project, ODI will provide a minimum of 33 Class 1 bicycle parking spaces and 30 Class 2 bicycle parking spaces as required in SF Planning Code, Sections 155.2 and 155.3. • The location of the bicycle parking is expected to be in the project courtyard and in areas north of Buildings 101, 102, and 104. The exact locations are being determined and will be submitted for Port schematic review. As required by Planning Code 155.1(e)(4), "All plans will indicate the "location, dimensions, and type of bicycle parking facilities to be provided, including the model or design of racks to be installed and the dimensions of all aisle, hallways, or routes used to access the parking." • The Port and ODI agree to coordinate with SFMTA and SF Bike Share representatives to discuss the potential of installing a Pier 70 20th Street Historic Buildings SF Bike Share Station. • ODI will provide tire inflation and quick repair stations. • ODI will provide on-site bicycles for subtenants and employers to use that are not open to the public. • ODI will sponsor and promote on-site bicycle education and bicycle safety classes bi-annually. <p><i>Car Sharing, Carpool, and Vanpool Incentives</i></p> <ul style="list-style-type: none"> • The Port operated parking lot at 20th and Illinois will provide premium parking locations for carshare vehicles to meet the requirements of San Francisco Planning Code Ordinance 286- | <p align="center">ODI</p> <p align="center">ODI</p> <p align="center">ODI.</p> <p align="center">ODI</p> <p align="center">ODI</p> <p align="center">ODI</p> <p align="center">Port</p> | <p>Design measures to be incorporated into project design; prior to issuance of a building permit.</p> <p>Design measures to be incorporated into project design; prior to issuance of a building permit.</p> <p>Upon building occupancy; revisit two years after initial consultation regarding viability.</p> <p>Ongoing during building operations.</p> <p>Upon building occupancy.</p> <p>Bi-annually</p> <p>Design measures to be incorporated into project design; prior to issuance of a</p> | <p>ODI; Port.</p> <p>ODI; Port.</p> <p>Port; ODI; SFMTA; SF Bike Share Staff; TMP Coordinator.</p> <p>TMP Coordinator</p> <p>TMP Coordinator</p> <p>TMP Coordinator</p> <p>Port</p> | <p>Upon completion of construction.</p> <p>Upon completion of construction.</p> <p>After second consultation.</p> <p>Upon completion of project construction.</p> <p>Upon provision of bicycles.</p> <p>Ongoing during project operations.</p> <p>Upon allocation of parking spaces for carshare</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|-----------------------------------|---|----------------------------------|------------------------------------|
| <p>10, which states that projects that provide more than 10 spaces for non-residential uses must dedicate 5% of these spaces, rounded down to the nearest whole number, to short-term, transient use by vehicles from certified car sharing organizations per Section 166, which include vanpool, rideshare, taxis, or other co-operative auto programs.</p> | | building permit. | | vehicles. |
| <ul style="list-style-type: none"> Once tenants are identified, ODI will work to encourage car share memberships and user discounts for on-site businesses. | ODI; tenant(s). | Upon building occupancy. | TMP Coordinator | Ongoing during project operations. |
| <ul style="list-style-type: none"> ODI and the Port will provide premium-parking locations for visiting carpool and vanpool at the Port operated lot located at 20th/Illinois Streets, in the western portion of the project site west of Michigan Street. | ODI; tenant(s); Port | Upon building occupancy. | TMP Coordinator | Ongoing during project operations. |
| <ul style="list-style-type: none"> ODI and the Port will provide premium passenger loading zone locations in the form of marked curbs. | ODI; Port of San Francisco. | Design measures to be incorporated into project design; prior to issuance of a building permit. | Port | Upon design of marked curbs. |
| <ul style="list-style-type: none"> ODI will require tenants to utilize, when possible, car share programs such as Ride Share Match through 511.org. | ODI; tenant(s). | Upon building occupancy. | TMP Coordinator | Ongoing during project operations. |
| <p><i>Parking Management</i></p> | ODI | | Port; TMP Coordinator | Upon unbundling. |
| <ul style="list-style-type: none"> Parking will be unbundled from the leasing of commercial/office spaces. | | Design measures to be incorporated into project design; prior to issuance of a building permit. | | |
| <ul style="list-style-type: none"> ODI and Port will charge market rates for all parking. | ODI; Port. | Ongoing during building operations. | Port; TMP Coordinator. | Upon pricing at market rate. |
| <ul style="list-style-type: none"> ODI will coordinate with the Port of San Francisco to designate appropriate loading and unloading passenger zones as well as | ODI; Port. | Design measures to be incorporated into | Port | Upon design of color curbs. |

MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|---|--|--|---|
| <p>short-term parking zones to reduce congestion along 20th Street, Louisiana Street and Michigan Street. The Port will review and approve the final plan. The Port will approve the color curbs for this project.</p> <p><i>Walking & Pedestrian Safety</i></p> <ul style="list-style-type: none"> • ODI will encourage future tenant employees to walk to work by providing wayfinding signage and clear and accessible information to walking maps. • ODI will study dumpster and compost container locations and consider service and small truck delivery routes to reduce effects on pedestrian flow. • ODI will coordinate with the Port to provide safe paths of travel for pedestrians along 20th, Georgia, Michigan, and Illinois Streets. The Port will review and approve the final plan. • Primary pedestrian path of travel to Buildings 114/115/116 and Building 14 will be through the Atrium in Building 113 that will be publicly accessible. • ODI will include in its subleases rules on loading and truck use of the plaza to minimize effects on pedestrians while supporting industrial tenant needs for truck loading and unloading. <p><i>Emergency vehicles</i></p> <ul style="list-style-type: none"> • ODI will continue to coordinate with the Port Fire Marshal to meet turn-around requirements and coordinate emergency vehicle access with traffic and pedestrian flow. | <p>ODI; Port; tenant(s).</p> <p>ODI; Port.</p> <p>ODI; Port.</p> <p>ODI</p> <p>ODI; tenant(s).</p> <p>ODI; San Francisco Fire Department.</p> | <p>project design; prior to issuance of a building permit.</p> <p>Design measures to be incorporated into project design; prior to issuance of a building permit.</p> <p>Design measures to be incorporated into project design; prior to issuance of a building permit.</p> <p>Prior to issuance of building permit.</p> <p>Design measures to be incorporated into project design.</p> <p>Prior to occupancy.</p> <p>Design measures to be incorporated into project design; prior to issuance of a building permit.</p> | <p>TMP Coordinator</p> <p>TMP Coordinator</p> <p>Port</p> <p>ODI; Port.</p> <p>TMP Coordinator</p> <p>Port; TMP Coordinator; ODI; San Francisco Fire Department.</p> | <p>Upon implementation of improvements.</p> <p>Upon consideration of optimal locations.</p> <p>Upon implementation of improvements.</p> <p>Upon implementation of improvements.</p> <p>Prior to building occupancy.</p> <p>Prior to building occupancy.</p> |



SAN FRANCISCO PLANNING DEPARTMENT

COMMUNITY PLAN EXEMPTION CHECKLIST

Case No.: 2013.1168E
Project Address: 400-600 20th Street, Pier 70 ("20th Street Historic Core")
Zoning: M-2 (Heavy Industrial) Use District
 40-X and 65-X Height and Bulk District
Block/Lot: Block 4046, Lot 001; Block 4111, Lots 003 and 004; and a portion of
 Block 4052, Lot 001
Lot Size: 333,798 square feet total
Plan Area: Central Waterfront Subarea of the Eastern Neighborhoods Area
 Plan
Project Sponsors: Phil Williamson, Port of San Francisco, (415) 274-0453
 and
 James Madsen, Orton Development, Inc., (510) 734-7605
Staff Contact: Andrea Contreras, (415) 575-9044, andrea.contreras@sfgov.org

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PROJECT DESCRIPTION:

The project site is located along northern and southern portions of 20th Street between Illinois and Louisiana Streets within the greater approximately 70-acre Pier 70 area bounded by Mariposa, Illinois, 22nd Streets and San Francisco Bay in San Francisco's Central Waterfront area. The project site includes four parcels (Assessor's Block 4046, Lot 001; Block 4111, Lots 003 and 004; and a portion of Block 4052, Lot 001) which contain ten Port-owned buildings (Buildings 101, 102, 104, 113, 114, 115, 116, 122, 123 and 14)¹ which are referred to as the "20th Street Historic Core." The ten buildings on the project site range in size from approximately 400 square feet (sq. ft.) to 95,157 sq. ft.

Beginning in the late 19th century, Pier 70 has been a ship building and repair facility, formerly known as the Union Iron Works ("UIW") facility, the Bethlehem Steel Shipyard, and the San Francisco Yard. Ships built at Pier 70 served the United States military from the Spanish-American War in the late-1800s through the two World Wars and into the 1970s. The previous uses of the buildings include the following: Main Office/Administration Building (Building 101), Power House (Building 102), UIW Headquarters (Building 104), UIW Machine Shop (Building 113), foundry (Building 114), new foundry and mold room (Building 115 and 116), and warehouse (Building 14). In the 1980s, Bethlehem Steel sold the shipyard to the Port of San Francisco. Since 2004, the project site has been largely vacant with some buildings used for Port maintenance storage.

To the northeast of the project site is a ship repair facility, operated under a lease with the Port by BAE Systems. This facility provides maintenance and repairs to cruise liners, pipeline tankers, military vessels, and bulk carriers and container ships and local vessels. Currently, the secured entrance to BAE Systems is located between Buildings 104 and 105 on the northern side of 20th Street.

¹ The Port of San Francisco often refers to Buildings 113/114 and 115/116 as pairs because they share common walls.

The 20th Street Historic Core currently contains approximately 270,000 gross square feet (gsf) of largely vacant industrial and office space. The proposed project would include: 1) historic renovation of the 20th Street Historic Core to satisfy current seismic, structural, and code requirements; 2) remediation of hazardous materials; 3) reuse of the buildings; 4) the addition of approximately 69,000 gross square feet (gsf) of new building space, primarily in interior mezzanines; 5) removal of approximately 5,000 gsf of previous additions to Building 104 at the northeast corner, and to Building 113 on the eastern side and western sides; 6) creation of an outdoor publicly accessible plaza to be used for events; and 7) roadway, sidewalk, and parking lot improvements as described below under "Parking, Access, Circulation and Loading". In total, the proposed project would include approximately 334,000 gsf of building space, as detailed in Tables 1 and 2, below.

Table 1 - North of 20th Street: Buildings 101, 102, 104, 122 and 123

| Building No./Name | Year Built | Former Use | Existing Use | Existing Sq. Ft. | Proposed Use | Proposed Sq. Ft. |
|---|-------------------|--|----------------------------------|-------------------------|--|-------------------------|
| Building 101- Bethlehem Steel Office Building | 1917 | Office, Light Industrial, Residential Unit | Vacant | 61,311 sq. ft. total | Office, Light Industrial, Residential Unit | 62,211 sq. ft. total |
| Building 102 – Power House | 1912 | Industrial | Industrial; Partial Vacant | 11,266 sq. ft. | New Restaurant, New Commercial | 13,831 sq. ft. total |
| Building 104 – UIW Headquarters | 1896 | Office, Medical Office, Storage | Vacant | 45,759 sq. ft. total | Office, Medical Office, Storage | 45,237 sq. ft. total |
| Building 122 | 1916 | Mechanical Equipment | Mechanical Equipment | 774 sq. ft. | Mechanical Equipment | 774 sq. ft. |
| Building 123 | 1916 | Industrial | Vacant | 400 sq. ft. | New Commercial | 400 sq. ft. |

Table 2 - South of 20th Street: Buildings 14, 113/114, 115/116

| Building No./Name | Year Built | Former Use | Existing Use | Existing Sq. Ft. | Proposed Use | Proposed Sq. Ft. |
|---|------------|-----------------|--------------|------------------|--|-----------------------|
| Building 14 | 1941 | Warehouse | Storage | 16,315 sq. ft. | Light Industrial | 22,780 sq. ft. |
| Building 113/114- Union Iron Works Machine Shop | 1885/1886 | Industrial | Vacant | 95,157 sq. ft. | Light Industrial, Publicly Accessible Atrium | 127,163 sq. ft. total |
| Building 115/116 | 1916/1917 | Warehouse | Storage | 38,694 sq. ft. | Light Industrial | 61,260 sq. ft. |
| Plaza | N/A | Industrial Yard | Courtyard | 45,000 sq. ft. | Publically Accessible Open Space, Loading | 45,000 sq. ft. |

The proposed historic renovation of the buildings would meet the Secretary of the Interior Standards for Treatment of Historic Buildings (the “Secretary’s Standards”), building and other codes, and all other applicable requirements. The Port, in consultation with the Maritime Museum, would oversee the salvage of building contents. Contents not salvaged by the Port would be salvaged or disposed of by Orton Development, Inc. (ODI). Interior fixtures and historic materials that are part of a building would be salvaged by ODI.

Once rehabilitated, these historic office and industrial buildings would include light industrial, technology, life science, office, commercial, artisan/artist studios and showrooms, and residential and restaurant uses. The proposed project would also include an indoor lobby atrium in Building 113, and an outdoor courtyard (“Plaza”), both of which would be accessible to the public. Finally, the proposed project would include removal of approximately 5,000 gsf of non-historic building additions to Building 104 at the northeast corner and to Building 113 on the eastern side and western sides.

Parking, Access, Circulation and Loading

The project site is accessible from Illinois and 20th Streets, and is bisected by 20th Street. Limited surface parking (approximately 75 spaces) and loading would be provided on the northern side of Buildings 101, 102, and 104 by reusing an existing parking lot north of Building 102 currently used by BAE Systems. An access ramp or stairs may be provided between Buildings 101 and 102 to provide pedestrian access from 20th Street to the parking areas behind the buildings. As part of the proposed project, the secured entrance of the BAE Systems ship repair facility would be moved approximately 100 feet north of Building 123.

A portion of Michigan Street and the area to the southeast of the intersection of 20th and Illinois Streets currently includes parking uses and self-storage in on-site containers. The existing storage containers would be relocated to the southeast corner of Pier 70. The proposed project would include the use of the

area to the west of Michigan Street as a surface parking lot with approximately 215 parking spaces. The existing asphalt would be repaired and improved lighting would be installed.

The proposed project includes repair of 20th Street adjacent to the project site, including sidewalk and other repairs. A publicly accessible atrium in Building 113 would provide the primary pedestrian access to the buildings fronting the plaza. Louisiana Street lies to the east of Building 113, and currently exists as an accessway from 20th Street to the existing Industrial Yard behind Buildings 14, 113/114 and 115/116. As part of the proposed project, Louisiana Street would be widened from 20-foot-wide to 58-foot-wide. The Louisiana Street improvements would provide truck access from 20th Street to the southern portion of the 20th Street Historic Core. The western side of Louisiana Street would provide a truck staging and loading area to serve the proposed project. An existing concrete slab on the western side of Building 113 would be modified to serve as a loading dock. Five new loading docks along the western side of Buildings 113/114 and 115/116 would also be created to provide loading for these buildings.

The proposed 400-600 20th Street project would require the following approvals:

Actions by the Port Commission

- Approval of a Lease agreement and Lease Disposition and Development Agreement (LDDA) between the Port of San Francisco and Orton Development, Inc. The Lease and LDDA authorization would constitute the approval action for the purpose of establishing the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.16 of the San Francisco Administrative Code.
- Adoption of the MMRP.

Actions by City Departments

- Approval of encroachment and building permits. (*Port of San Francisco*)
- Approval of a Stormwater Control Plan that demonstrates compliance with the Port's Stormwater Design Guidelines. (*Port of San Francisco and San Francisco Public Utilities Commission*)

EVALUATION OF ENVIRONMENTAL EFFECTS:

This Community Plan Exemption (CPE) Checklist examines the potential environmental impacts that would result from implementation of the proposed project and indicates whether such impacts are addressed in the applicable programmatic FEIR (PEIR)² for the *Eastern Neighborhoods Rezoning and Area Plans (Eastern Neighborhoods FEIR)*. Items checked "Project-Specific Significant Impact Not Identified in PEIR" identify topics for which the proposed project would result in a significant impact that is peculiar to the project, i.e., the impact is not identified as significant in the PEIR. Any impacts not identified in the PEIR are addressed in the CPE Checklist below.

² In this CPE Checklist, the acronyms FEIR and PEIR both refer to the *Eastern Neighborhoods Rezoning and Area Plans FEIR* and are used interchangeably.

Items checked "Significant Unavoidable Impact Identified in PEIR" identify topics for which a significant impact is identified in the PEIR. In such cases, the analysis considers whether the proposed project would result in impacts that would contribute to the impact identified in the PEIR. Mitigation measures identified in the PEIR are discussed under each topic area, and mitigation measures that are applicable to the proposed project are identified under each topic area and on pages 56 to 63.

For any topic that was found to result in less-than-significant (LTS) impacts in the PEIR and for the proposed project, or would have no impacts, the topic is marked "No Significant Impact (Project or PEIR)" and is discussed in the CPE Checklist below.

| Topics: | Project-Specific Significant Impact Not Identified in PEIR | Significant Unavoidable Impact Identified in PEIR | Mitigation Identified in PEIR | PEIR Mitigation Applies to Project | PEIR Mitigation Does Not Apply to Project | No Significant Impact (Project or PEIR) |
|---|--|---|-------------------------------|------------------------------------|---|---|
| 1. LAND USE AND LAND USE PLANNING—Would the project: | | | | | | |
| a) Physically divide an established community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Have a substantial impact upon the existing character of the vicinity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that rezoning and establishment of new community plans constitute a regulatory program, not a physical development project; therefore, the rezoning and community plans analyzed in the FEIR would not create any new physical barriers in the Eastern Neighborhoods. The *Eastern Neighborhoods FEIR* also determined that the rezoning would not conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.

The *Eastern Neighborhoods Rezoning and Area Plans (Area Plan)* rezoned much of the city's industrially zoned land. The goals of the Area Plan were to reflect local values, increase housing, maintain some industrial land supply, and improve the quality of all existing areas with future development. A major issue discussed in the Area Plan process was the degree to which existing industrially zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR (Production, Distribution, and Repair) employment and businesses.

The *Eastern Neighborhoods FEIR* evaluated three land use alternatives. Option A retained the largest amount of existing land that accommodated PDR uses and converted the least amount of industrially zoned land to residential use. Option C converted the most existing land accommodating PDR uses to residential and mixed uses. Option B fell between Options A and C.

While all three options were determined to result in a decline in PDR employment, the loss of PDR jobs was determined to be greatest under Option C. The alternative ultimately selected – the 'Preferred

Project' – represented a combination of Options B and C. Because the amount of PDR space to be lost with future development under all three options could not be precisely gauged, the FEIR determined that the Preferred Project would result in a significant and unavoidable impact on land use due to the cumulative loss of PDR use in the Plan Area. This impact was addressed in a Statement of Overriding Considerations with CEQA Findings and adopted as part of the *Eastern Neighborhoods Rezoning and Area Plans* approval on January 19, 2009.

The project site is in the Central Waterfront Plan Subarea of the San Francisco General Plan and is in the Heavy Industrial (M-2) Zoning District. This district is the least restricted in terms of permissible land uses and is primarily located along the eastern edge of the San Francisco, separated from residential and commercial areas. The heavier industries are permitted, with fewer requirements as to screening and enclosure than in Light Industrial M-1 Districts, but many of these uses are permitted only as conditional uses or at a considerable distance from Residential Districts. Most of the land zoned M-2 is controlled by the Port of San Francisco. The proposed historic renovation, reuse, and improvement of the 20th Street Historic Core is consistent with the zoning controls and uses permitted within the M-2 District.

The proposed project would not create any new physical barriers in the Eastern Neighborhoods. The proposed project would include historic renovation and reuse of the 20th Street Historic Core and improvement of roadways, sidewalks, and parking lots within the project site. Consequently, the proposed project would not physically disrupt or divide the project area or individual neighborhoods or subareas.

Records show that the existing buildings on the project site were constructed between 1885-1941, and have been used for a variety of industrial uses, including manufacture, maintenance, and repair of destroyers and submarine ships from World War I into the 1970s. Operations at the site have also included administration and engineering offices, metal foundries, warehouses, machine shops and powerhouses containing boilers and transformers. The most recent land use on the project site included powerhouse energy distribution for the adjacent BAE Systems ship repair, and warehousing/storage.^{3,4} The proposed project would result in the renovation and reuse of the site, including up to approximately 212,400 sf of light industrial use. Thus, the proposed project would reintroduce PDR use to the Area Plan.

As noted above, the *Eastern Neighborhoods FEIR* determined that the cumulative loss of PDR use in the Plan Area would result in a significant and unavoidable land use impact. However, the FEIR also determined that the land use regulations that apply throughout most of the Area Plan, including the project area, would not substantially change, and that implementation of the Eastern Neighborhoods Area Plan would not result in significant land use changes in these areas. The proposed project would not result in a cumulatively considerable contribution to the significant and unavoidable cumulative land use impact related to the loss of PDR use under the Eastern Neighborhoods Area Plan because the proposed project would not remove an existing PDR use and would include up to 212,399 sf of PDR and/or light industrial uses on the project site. While Land Use Mitigation Measure A-1 was identified to address the land use impact as it related to the Western South of Market (SoMa) area, this measure was determined to

³ Tetra Tech, Inc. "Phase I Environmental Site Assessment- Pier 70 Mixed Use Opportunity Area, Corner of Illinois Street and 20th Street", August 1998.

⁴ Ecology and Environment, Inc., "Phase I Brownfields Environmental Site Assessment Report - Pier 70 Maritime Use Area", March 2001.

be infeasible and is not applicable to the proposed project because the project site is not located in Western SoMa.

For the above reasons, the proposed project would not result in significant impacts on land use that were not identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 2. AESTHETICS—Would the project: | | | | | | |
| a) Have a substantial adverse effect on a scenic vista? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and other features of the built or natural environment which contribute to a scenic public setting? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Substantially degrade the existing visual character or quality of the site and its surroundings? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area or which would substantially impact other people or properties? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that implementation of the design policies of the area plans would not substantially degrade the visual character or quality of the area, have a substantial adverse effect on a scenic vista, substantially damage scenic resources that contribute to a scenic public setting, or create a new source of substantial light or glare which would adversely affect day or nighttime views in the area or which would substantially impact other people or properties. No mitigation measures were identified in the FEIR.

Public Resources Code Section 21099(d), effective January 1, 2014, provides that, “aesthetics and parking impacts of a residential, mixed-use residential, or employment center project on an infill site located within a transit priority area shall not be considered significant impacts on the environment.” Accordingly, aesthetics and parking are no longer to be considered in determining if a project has the potential to result in significant environmental effects for projects that meet all of the following three criteria:

- a) The project is in a transit priority area;
- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus this checklist does not consider aesthetics in determining the significance of project impacts under CEQA.⁵

| Topics: | Project-Specific Significant Impact Not Identified in PEIR | Significant Unavoidable Impact Identified in PEIR | Mitigation Identified in PEIR | PEIR Mitigation Applies to Project | PEIR Mitigation Does Not Apply to Project | No Significant Impact (Project or PEIR) |
|---|--|---|-------------------------------|------------------------------------|---|---|
| 3. POPULATION AND HOUSING— Would the project: | | | | | | |
| a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that the anticipated increase in population and density resulting from implementation of the area plans would not result in significant adverse physical effects on the environment. No mitigation measures were identified in the FEIR.

The proposed project would not involve the displacement of people. No housing would be removed; therefore the construction of replacement housing would not be necessary. In addition, the proposed project would not add any new infrastructure that would indirectly induce population growth.

The *Eastern Neighborhoods FEIR* concluded that an increase in population in the Plan Area is expected to occur as a secondary effect of the proposed rezoning and that any population increase would not, in itself, result in adverse physical effects, but would serve to advance some key City policy objectives, such as providing housing in appropriate locations next to Downtown and other employment generators and furthering the City’s Transit First policies. It was anticipated that the rezoning would result in an increase in both housing development and population in all of the Area Plan neighborhoods. The proposed project would not induce substantial population growth and any increase in population would be within the scope of the *Eastern Neighborhoods FEIR* analysis. For the above reasons, the proposed project would not result in significant impacts on population and housing that were not identified in the *Eastern Neighborhoods FEIR*.

⁵ Transit-Oriented Infill Project Eligibility Checklist for 400-600 20th Street, Pier 70 (“20th Street Historic Core”), February 3, 2014. This document is on file and available for public review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|---|---|--|--------------------------------------|---|--|--|
| 4. CULTURAL AND PALEONTOLOGICAL RESOURCES—Would the project: | | | | | | |
| a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5, including those resources listed in Article 10 or Article 11 of the San Francisco <i>Planning Code</i> ? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Disturb any human remains, including those interred outside of formal cemeteries? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Historic Architectural Resources

Pursuant to CEQA Guidelines Sections 15064.5(a)(1) and 15064.5(a)(2), historic resources are buildings or structures that are listed, or eligible for listing, in the California Register of Historical Resources, or identified in a local register of historic resources, such as Articles 10 and 11 of the San Francisco Planning Code. The *Eastern Neighborhoods FEIR* anticipated that program implementation may result in demolition of buildings identified as historical resources, and found this impact to be significant and unavoidable.⁶ Mitigation measures identified in the *Eastern Neighborhoods FEIR*, discussed below, would not reduce these impacts to less-than-significant levels. This impact was addressed in a Statement of Overriding Considerations with Findings and adopted as part of the *Eastern Neighborhoods Plan* approval on January 19, 2009.

Mitigation measures were identified in the FEIR to address significant impacts to historical resources in the Eastern Neighborhoods Plan Area. However, these Historical Resource Mitigation Measures from the FEIR do not apply to the proposed project. Mitigation Measure K-1 would not apply because applicable historic resources surveys in the project area have been completed and adopted by the Historical Preservation Commission. Mitigation Measure K-2 would not apply to the proposed project because it is not located in the South End Historic District. Historical Resources Mitigation Measure K-3 would not apply because the project site is not within the Dogpatch Historic District.⁷

⁶ San Francisco Planning Department, *Eastern Neighborhoods Rezoning and Area Plans FEIR*, certified August 7, 2008, pp. 456-474.

⁷ San Francisco Planning Department, *Eastern Neighborhoods Rezoning and Area Plans FEIR*, certified August 7, 2008, p. 518-522.

Pursuant to Article 10 of the Planning Code and as shown on Zoning Map PD08, the project site is not in an existing local historic district, although the project site includes buildings that contribute to a potential historic district (United Iron Works Historic District) as described below. Pursuant to Article 11 of the Planning Code and as shown on Zoning Map PD08, the project site is not in an existing conservation district.

The Pier 70 Historic Buildings consist of Buildings 14, 101, 102-122, 104-123, 113/114, and 115/116, all of which contribute to the eligible Union Iron Works Historic District, which has been nominated for listing in the National Register of Historic Places (National Register) by the California State Historic Resources Commission. The ten buildings range in size from approximately 400 square feet (sq. ft.) to 95,157 sq. ft. Previous uses of the subject buildings include: Main Office/Administration Building (Building 101), Compressor House (Building 102), UIW Headquarters (Building 104), UIW Machine Shop (Building 113), foundry (Building 114), new foundry and mold room (Building 115 and 116), and warehouse (Building 14). In the 1980s, Bethlehem Steel sold the shipyard to the Port of San Francisco. Since 2004, the project site has been partially vacant with some buildings used for Port maintenance storage and Shipyard electrical equipment.

The eligible Union Iron Works Historic District (District) is a sixty-five-acre property owned by Port of San Francisco, located on the east side of Illinois Street between 18th and 22nd Streets along San Francisco Bay in San Francisco's Central Waterfront area. The District is associated with the first steel hull shipyard on the West Coast, as well as ongoing ship construction and repair activities that played a significant role in the creation of the United States steel hull ship building industry. The shipyard also directly supported naval operations during all major wars between the Spanish-American War and World War II. The District includes significant examples of industrial architecture from all periods of construction and expansion at the shipyard, including notable architect and engineer designed buildings. The District illustrates the evolution of factory design from the opening of the yard in the early 1880s to the end of World War II. The District has a period of significance ranging from 1884 to 1945.

The District is comprised of forty-four (44) contributing and ten (10) non-contributing resources, including buildings, wharves, piers, slipways, cranes, segments of a railroad network, and landscape elements. The buildings represent a range of industrial architecture, including heavy brick masonry buildings in the American round-arched style; Renaissance Revival-style brick buildings; steel framed, sheet metal clad buildings featuring industrial roof forms, such as saw-tooth and Aiken roofs; and reinforced concrete buildings featuring Mediterranean and Classical Revival-style detailing or early expressions of Moderne style. Several high-style buildings along 20th Street were designed by prominent San Francisco architectural firms during the late nineteenth and early twentieth centuries, such as Percy & Hamilton (Building 104), Charles Peter Weeks (Building 102), and Frederick H. Meyer (Building 101). The District also consists of waterfront structures inherent to shipbuilding and ship repair, including slipways and cranes associated with ship hull construction, and wharves, piers, wet basins and floating drydocks for ship outfitting and ship repair activities. The District maintains exceptional integrity in terms of location, design, setting, materials, workmanship, feeling, and association.

The entire sixty-five-acre property was previously identified in the San Francisco Planning Department's 2001 Central Waterfront Cultural Resources Survey as an eligible National Register Historic District. The California Office of Historic Preservation (OHP) determined that the shipyard was eligible for the National Register in 2001. On February 7, 2014, at the request of the Port of San Francisco, the California

State Historic Resources Commission nominated the District for listing on the National Register. As keeper of the register, the National Park Service will consider the nomination in Spring 2014.

Therefore, for the purposes of the California Environmental Quality Act (CEQA), Buildings 14, 101, 102-122, 104-123, 113/114, and 115/116 are considered to be individually-eligible historic resources, as well as contributors to the Union Iron Works Historic District. As described below, Planning Department staff found that the proposed project would not result in substantial adverse changes in the significance of a historic resource such that the significance of the District would be materially impaired, and would be consistent with the *Secretary of the Interior Standards for Rehabilitation* (Secretary's Standards).⁸ As such, the proposed project would not contribute to the significant and unavoidable impacts identified in the *Eastern Neighborhoods Plan FEIR*.

Building 14

The proposed project would rehabilitate Building 14 consistent with the applicable requirements of the Port Building Code and the California Historical Building Code. Building repairs and alterations would address building deficiencies and meet modern usage standards. Specifically, the proposed project would repair existing roofing, repair or replace in-kind missing or irreparable deteriorated windows and doors, pour a new concrete slab floor (raising the interior floor level to correspond with the level of new exterior paving at south and west sides), create accessible entries to the space, construct accessible bathrooms, and install new electrical, HVAC, fire safety, phone, data, water, sewer and gas utilities to meet applicable code requirements. The proposed project would prepare the historic industrial building for new light industrial uses, but would not include tenant specific improvements or buildout which would be designed in the future as leases are executed with a tenant(s). However, the work would provide a secure building envelope with new infrastructure to support a contemporary industrial occupancy including restrooms, disabled access, heating, cooling, electrical, communications and loading.

The proposed project would adaptively reuse the existing warehouse for light industrial use, which may include accessory offices, work spaces and laboratory uses. To accommodate this new light industrial use, the proposed project would add a new partial floor level, which would subdivide a portion of the interior space into two floor levels. The addition of a new partial floor level still maintains a portion of the double-height space, thus maintaining a sense of the building's original spatial configuration. On the exterior, the proposed project would insert a pair of glazed loading doors and windows on the west façade and an egress door on the east façade. The new windows would match the profile, material and configuration of the historic windows. To accommodate the new windows and doors, the proposed project would remove some exterior corrugated steel siding. Although some of the exterior corrugated steel siding would be removed, the majority of this siding would remain, be repaired, or replaced in-kind, thus maintaining the exterior character and appearance of the building. Other elements of the proposed project, including the window rehabilitation/replacement, repair of the interior structural steel, and addition of new skylights on the roof, would be conducted according to standard historic preservation practices as outlined within the evaluation report. Therefore, the HRER found that the proposed modifications to Building 14 would maintain the character-defining features of the historic property and

⁸ Rich Sucre, Historic Resource Evaluation Response (HRER) for 400-600 20th Street, aka Pier 70 Historic Buildings (Buildings 14, 101, 102-122, 104-123, 113/114, 115/116), February 18, 2014. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

would be consistent with the Secretary of the Interior's Standards for Rehabilitation ("Secretary's Standards").⁹

Building 101

The proposed project would rehabilitate Building 101 consistent with the applicable Port Building Code and the California Historical Building Code. Building repairs and alterations would address building deficiencies and meet modern usage standards. Specifically, the proposed project would repair existing roofing, repair or replace in-kind missing or irreparable deteriorated windows, make existing toilet rooms operational, construct accessible bathrooms, create accessible entries to the space, and install new electrical, HVAC, fire safety, phone, data, water, sewer and gas utilities that would be upgraded to meet applicable code requirements. Existing infrastructure systems would serve the building, with new laterals as required. The proposed project would prepare the historic office building for new office uses, providing a secure building envelope with new infrastructure to support a contemporary office occupancy including restrooms, disabled access, heating, cooling, electrical and communications.

The proposed project would maintain the building's historic use as an office building, thus minimizing any significant changes to the exterior or interior. In terms of exterior work, the proposed project calls for the repair or in-kind replacement of the exterior stucco, cast-concrete ornamentation, wood-sash windows, and skylights, as well as the addition of an accessibility ramp at the main entry at the corner of Illinois and 20th Street and the reconstruction of the rooftop residential unit. Generally, the construction of the accessibility ramp is additive in nature, but it does call for the removal of a ten-to-twelve-foot section of a historic iron fence and the infill of two below-grade windows. Despite the removal of some historic material, this work is considered acceptable, since the historic iron fence would be salvaged, repaired, and re-used on other portions of the site, while the two below-grade windows would be infilled in a manner that preserves the historic openings and ornamentation, thus minimizing the impact on historic materials. The reconstruction of the existing rooftop residential unit would not impact any distinctive historic materials or features of the subject property or district, and would be designed in a manner similar to the design of the existing rooftop apartment, thus not affecting the overall historic character of the building. Other elements of the proposed project, including the window rehabilitation/replacement, repair of the exterior stucco, and repair of the cast-concrete ornamentation, would be conducted according to standard historic preservation practices, as outlined within the evaluation report.

Within the interior, the proposed project would preserve, repair and rehabilitate the major interior spaces, including the original entry lobbies and stairs, first floor executive office wings and theater. The project would add new shear walls within the interior to provide for seismic reinforcement. Any non-contributing hollow clay tile walls within the interior would be removed due to seismic safety concerns. Generally, the hollow clay tile walls are not attached to historic interior materials, and their removal would not affect any significant features or spaces within the interior. Therefore, the HRER found that the proposed modifications to Building 101 would maintain the character-defining features of the historic property and would be consistent with the Secretary's Standards.

⁹ HRER, pp. 7-8.

Buildings 102 and 122

The proposed project would rehabilitate Building 102 and the adjacent Building 122 consistent with the applicable Port Building Code and the California Historical Building Code. The proposed work includes rehabilitation of the shell of the buildings and the addition of a rear deck on the north side of Building 102. The proposed project would ready the buildings for new restaurant/office uses, but would not include tenant specific improvements or build-out which would be designed in the future as tenant leases are executed. However, the building improvements would provide a sound shell with new infrastructure to support restaurant/office occupancy including restrooms, disabled access, heating, cooling, electrical and communications, as well as freight loading facilities. Specifically, the project would repair or replace existing roofing, repair or replace in-kind missing or irreparable deteriorated windows, create accessible entries including access alterations at the front (south), add a new deck with associated building alterations at the rear (north), remove the existing electrical equipment and selectively remove and alter the interior to accommodate a future change of use, install new electrical, HVAC, fire safety, phone, data, water, sewer and gas utilities to meet applicable code requirements. Existing infrastructure systems would serve the building, with new laterals as required. To the extent feasible, the proposed project would include measures to reduce storm water impacts on the City's combined sewer system.

At Building 102, the proposed project would adaptively reuse the former industrial power house for light industrial and commercial use. To accommodate these uses, the project would add a new exterior deck, a new accessibility ramp at the main entrance, remove two of the four existing historic turbines, and add an interior mezzanine at the same level as the historic crane rail. On the exterior, the project would add a new exterior deck along the entire north façade, which would not be physically attached to the historic building, thus minimizing the impact on historic materials. This new deck would rest below the arched window sills at the belt course level, and would be designed in a contemporary architectural style, thus providing for differentiation, yet compatibility, to the historic building. The new accessibility ramp on the south façade would be additive in nature and low in profile. To accommodate this new ramp, the project requires minimal alterations to historic site features, including the existing historic fence, planter walls and curbs, which would primarily be maintained in place, though the project would include selective removal of some of these elements. Overall, the historic site features associated with Building 102 would be preserved. Within the interior, the addition of a new partial mezzanine would allow for a sense of the original double-height space, thus maintaining the impression of the building's original spatial configuration. Similarly, the removal of two of the four historic turbines still allows for the exhibition of this historic equipment, since two of the turbines would remain in place. Other elements of the proposed project, including the window rehabilitation/replacement, repair of the exterior stucco/cement plaster, preservation/repair of the exterior terracotta, and repair of the clay roof tiles, would be conducted according to standard historic preservation practices as detailed within the HRER.

At Building 122, the proposed project consists mainly of interior tenant improvements, as well as limited exterior work, including the rehabilitation and preservation of the stucco-clad walls and clay tile roof. The proposed project would have minimal impact upon this building.

Overall, the proposed project maintains the historic character of the subject properties, as defined by their character-defining features. Therefore, the HRER found that the proposed modifications to Buildings 102

and 122 would maintain the character-defining features of the historic property and would be consistent with the Secretary's Standards.¹⁰

Buildings 104 and 123

The proposed project would rehabilitate Building 104 consistent with the applicable Port Building Code and the California Historical Building Code. Building repairs and alterations would address building deficiencies and meet modern usage standards. The proposed rehabilitation would repair Building 104's historic interior and exterior including the architectural elements of the exterior, the roof, and character defining interior spaces and elements. Proposed alterations would be limited to the creation of two small decks on the roof of the north additions, the insertion of structural bracing on the interior, and installation of an elevator in the existing vault that would allow the building to meet ADA requirements and the needs of contemporary office users. The proposed project would ready the building for new office uses, but would not include tenant specific improvements or build-out which would be designed in the future as leases are executed.

At Building 104, the proposed project would rehabilitate the former office/hospital for either new office use or light industrial use, which would generally require minimal change to the exterior and interior. Aside from the preservation and repair of historic materials, the proposed project calls for minimal exterior alterations. The proposed project would preserve and rehabilitate the 1940s additions on the rear façade, since these elements have gained significance in their own right. On the exterior, the project would convert two windows on the third floor of the north façade into doorways, and would establish a new roof on the third floor of the 1940s addition. Both of these alterations would require minimal change to the historic fabric. Other elements of the proposed project, including the window and skylight rehabilitation/replacement, cleaning/repair of the exterior brick and sandstone, and the repair/rehabilitation of the ornamental copper, would be conducted according to standard historic preservation practices as outlined within the HRER.

Within the interior, the proposed project would include infrastructure and seismic upgrades, as well as the preservation, repair and rehabilitation of major interior features and spaces, including the main interior stair, cast iron columns, and timber/wood trusses (third floor only). The proposed project identifies four potential seismic schemes. Scheme A includes stacked steel frames and concrete shear walls within the interior— independent of the exterior walls. Scheme B includes Perimeter shotcrete on the inside façade of the exterior walls. Scheme C includes perimeter braced steel-frames or concrete shear walls at inside face of the exterior walls. Scheme D includes infill voids in the masonry walls and adding fiber reinforcement at the interior face of the exterior walls. Schemes A and C would be considered consistent with Secretary's Standards, since they would be limited to the interior, would not have an impact upon any character-defining feature, and are reversible in nature. Scheme B would also be an acceptable treatment, since the interior walls were not historically exposed. Scheme D would also be an acceptable treatment, since window and door openings would not be altered, the brick cavity would be infilled, and the overall exterior appearance would not be changed from the period of significance. Other work within the interior is limited to tenant improvements and other infrastructure upgrades, which would be undertaken in a manner that is sensitive towards the historic character of the structure according to standard historic preservation practices as outlined within the HRER.

¹⁰ HRER, pp. 14-15.

At Building 123, the proposed project consists mainly of interior tenant improvements, though there would be limited exterior work, including the rehabilitation and preservation of the stucco-clad walls and clay tile roof.

Therefore, the HRER found that the proposed modifications to Buildings 104 and 123 would maintain the character-defining features of the historic property and would be consistent with the Secretary's Standards.¹¹

Building 113/114

The proposed project would rehabilitate Building 113/114 consistent with the applicable Port Building Code and the California Historical Building Code. Building repairs and alterations would address building deficiencies and meet modern usage standards. Specifically, the proposed project would install seismic mezzanines and braces, pour a new concrete slab floor, repair or replace existing roofing, repair or replace in-kind missing or irreparable deteriorated windows, repair or replace existing masonry walls, construct accessible bathrooms, create accessible entries to the space, install new electrical, HVAC, fire safety, phone, data, water, sewer and gas utilities that would be upgraded to meet applicable code requirements. Existing infrastructure systems would serve the building, with new laterals as required.

Seismic strengthening would include the insertion of structural steel framing and two levels of concrete mezzanines on the building's interior to seismically retrofit the resource by providing lateral and vertical support. In addition, the unreinforced masonry walls would be repaired and strengthened. This proposed work has been designed so that it would not substantially affect existing character defining features of the resource, most notably the building's large open interior. None of the structural work would be visible from the building's exterior, with the exception of areas with potential for additional through-bolting at the mezzanine and roof levels.

Several small World War II-era restroom and storage structures appended to the exterior of the building at its east and south sides would be removed as part of the project. Those at the east side are minor additions and in poor condition. These structures obscure portions of Building 113/114 from inside as well as outside. They are proposed for removal because they lack distinction and removal would facilitate the rehabilitation of the building's exterior and reuse of the building. Associated with these two structures is an existing concrete pad at the northeast end of Building 113 which would be retained and modified to accommodate a truck loading platform, over which a new, freestanding roof canopy would be constructed.

The proposed project would maintain the Building's industrial use, and adapt it for contemporary light industrial use. Due to the existing condition of Building 113/114, the proposed project includes an extensive program for stabilization, strengthening and repair of historic materials. To accommodate new industrial uses, the project includes conversion of three arched windows on the west façade and one arched window on the east façade into upward acting loading doors, construction of new loading docks on the west and east façades, removal of non-historic bathroom structures, removal of the non-historic roll-up door within the concrete connector, and installation of a new wood-and-glass bi-fold door within the central archway. Other elements of the exterior work include an extensive window rehabilitation/replacement program, an extensive brick masonry cleaning and repair program,

¹¹ HRER, pp. 17-19.

installation of new pedestrian doorways, and a skylight repair/replacement program. The proposed project includes a detailed conditions assessment, which provides an outline for the recommended treatments for the repair and preservation of the existing brick and windows, which are both severely deteriorated. This treatment plan provides sufficient information for informed decisions on repairing or replacing important historic elements of Building 113/114. Other aspects of the exterior work, including the construction of the loading docks and conversion of some arched windows into loading doors, would require minimal impact to character-defining features and would maintain the overall historic character of the subject property by providing for compatible new elements, which match the design, style and configuration of historic features.

Within the interior, the project would construct two mezzanine levels to provide for seismic bracing and additional square footage, and would construct full-height glazed walls within the Connector. The Connector is the stucco building that is part of Building 113/114 that connects the two brick portions of the building and features the Classical Revival elements of Building 113/114. The proposed mezzanines would align to the existing column grid, and would include a series of bridges over the central triple-height space. Despite the construction of the mezzanines, the project would maintain a sense of the triple-height interior volume, thus preserving an interior character-defining feature of the interior. Similarly, the new glazed walls between the Connector and the rest of Building 113/114 would provide for visual continuity and a sense of the overall interior volume. Overall, these alterations would maintain important character-defining features and would preserve the interior historic character.¹² Therefore, the HRER found that the proposed modifications to Buildings 113/114 would be consistent with the Secretary's Standards.

Building 115/116

The proposed project would rehabilitate Building 115/116 consistent with the applicable Port Building Code and the California Historical Building Code. Building repairs and alterations would address building deficiencies and meet modern usage standards. Specifically, the proposed project would install seismic braces, pour a new concrete slab floor, repair or replace existing roofing, repair or replace in-kind missing or irreparable deteriorated windows, create accessible entries to the space, and install new electrical, HVAC, fire safety, phone, data, water, sewer and gas utilities that would be upgraded to meet applicable code requirements. Existing infrastructure systems would serve the building, with new laterals as required. The proposed project would ready the building for new light-industrial uses, along with potential accessory uses such as offices, workspaces and/or laboratories, but would not include tenant specific improvements or build-out which would be designed in the future as leases are executed with a tenant(s).

The proposed project would adaptively reuse the existing warehouse for light industrial use, which may include accessory offices, work spaces and laboratory uses. To accommodate this new light industrial use, the project would construct new loading docks along the west façade, install new loading doors along the east façade, and replace the existing multi-lite wood-sash windows with new, multi-lite steel-sash windows. The addition of the loading dock and the new loading dock doors are consistent and compatible with the building's historic character, since these new elements would be additive and would not impact any character-defining feature. Given the extent of deterioration and difficulty in replicating

¹² HRER, pp. 20-23.

this unique type of window, replacement of the wood-sash windows with new, steel-sash windows is considered to be a compatible alteration, since the new windows would match the design of the historic windows and would be consistent with the overall historic character of Building 115/116. Other elements of the proposed project, including the skylight rehabilitation/replacement, repair of exterior concrete, and repair of the metal roof, would be conducted according to standard historic preservation practices as outlined within the evaluation report. Overall, the project maintains historic character of the subject property, as defined by the character-defining features. Within the interior, the project calls for strengthening of the existing structural elements by adding new steel frames. This alteration would be consistent and compatible with the interior's historic character. Therefore, the HREER found that the proposed modifications to Buildings 115/116 would be consistent with the Secretary's Standards.

In conclusion, in view of all of the above, the proposed project would not have a significant impact on historic resources. The proposed project would not result in significant adverse impacts on individual or off-site historical resources such as the eligible Union Iron Works Historic District. The proposed project would not have a significant adverse impact on any historic architectural resources, individually or cumulatively. For these reasons, implementation of the proposed project would not result in significant impacts on historic architectural resources and would not contribute to the significant impacts identified in the *Eastern Neighborhoods FEIR*. No mitigation measures are necessary.

Archaeological Resources

The *Eastern Neighborhoods FEIR* identified potential archeological impacts related to the Eastern Neighborhoods Area Plan and identified three mitigation measures that would reduce impacts on archeological resources to less than significant. *Eastern Neighborhoods FEIR* Mitigation Measure J-1 applies to properties for which a final archeological research design and treatment plan is on file at the Northwest Information Center and the Planning Department. Mitigation Measure J-2 applies to properties for which no archeological assessment report has been prepared or for which the archeological documentation is incomplete or inadequate to serve as an evaluation of potential effects on archeological resources under CEQA. Mitigation Measure J-3, which applies to properties in the Mission Dolores Archeological District, requires that a specific archeological testing program be conducted by a qualified archeological consultant with expertise in California prehistoric and urban historical archeology.

No previous archeological studies have been conducted for the project site, and the site is not located within the Mission Dolores Archeological District; therefore, FEIR Mitigation Measures J-1 and J-3 do not apply to the proposed project.

Because no previous archeological studies have been prepared for the project site, FEIR Mitigation Measure J-2 (properties with no previous studies) applies to the proposed project. Mitigation Measure J-2 requires preparation of a Preliminary Archeological Sensitivity Study to assess the potential for a proposed project to have a significant impact on archeological resources. Accordingly, the Planning Department's archeologist conducted an archeological assessment review of the project site and the proposed project.¹³ The Preliminary Archeological Review (PAR) fulfills the requirement of a Preliminary Archeological Sensitivity Study, as called for in the J-2 Mitigation Measure. The archeological mitigation

¹³ Environmental Planning Preliminary Archeological Review: Checklist for 20th Street Historic Buildings from Allison Vanderslice, January 14, 2014. This document is on file and available for public review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

requirement attached to the PAR, the Archeological Monitoring Program (AMP), is described under “Mitigation Measures” on page 57, and would reduce the potential effect of the project on archeological resources. Through implementation of the AMP, an archeological consultant would determine which project construction activities may disturb any CEQA-significant archeological resources present on the project site where ground-disturbing activities would take place. If such archeological resources may be present, then project construction activities shall be monitored. This mitigation would reduce the potential effect of the project’s construction on CEQA-significant archeological resources to a less-than-significant level.

Implementation of **Project Mitigation Measure 1** as described on page 57 under “Mitigation Measures”, which is **Eastern Neighborhoods FEIR Mitigation Measure J-2** and includes implementation of the procedures set forth in the AMP, would ensure that the proposed project would not cause a substantial adverse change in the significance of an archaeological resource, would not directly or indirectly destroy a unique paleontological resource or site or unique geologic feature, and would not disturb any human remains, including those interred outside of formal cemeteries. For these reasons, implementation of the proposed project, with mitigation, would not result in significant impacts on archaeological resources and would not contribute to the significant impacts identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|---|---|--|--------------------------------------|---|--|--|
| 5. TRANSPORTATION AND CIRCULATION—Would the project: | | | | | | |
| a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Result in a change in air traffic patterns, including either an increase in traffic levels, obstructions to flight, or a change in location, that results in substantial safety risks? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | | | | |
|--|--------------------------|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Result in inadequate emergency access? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

The *Eastern Neighborhoods FEIR* anticipated that growth resulting from the zoning changes could result in significant impacts on traffic and transit ridership and identified 11 transportation mitigation measures. Even with mitigation, however, it was anticipated that the significant adverse cumulative traffic impacts at certain local intersections and the cumulative impacts on certain transit lines could not be fully mitigated. Thus, these impacts were found to be significant and unavoidable.¹⁴

The *Eastern Neighborhoods FEIR* identified four traffic mitigation measures to address the significant traffic impacts on levels of service at nearby intersections and improving the operating conditions at those intersections. Traffic Mitigation Measures E-1 through E-4 include traffic signal installation, intelligent traffic management systems strategies and enhanced funding for congestion management programs.¹⁵ The FEIR also identified seven transit mitigation measures to address significant transit impacts. Transit Mitigation Measures E-5 through E-11 include enhanced transit funding, transit corridor improvements, transit accessibility, muni storage and maintenance, rider improvements, transit enhancements and transportation demand management. Even with mitigation, however, cumulative impacts at certain local intersections and on certain transit lines were found to be significant and unavoidable and a Statement of Overriding Considerations related to the significant and unavoidable cumulative traffic and transit impacts was adopted as part of the FEIR Certification and project approval.

A transportation assessment was prepared for the proposed project to determine if it would result in any significant impacts on transportation and circulation, and the results of that transportation assessment are summarized below.¹⁶

Implementation of the proposed project would generate new vehicle, transit, bicycle, and pedestrian trips, compared to existing conditions. As discussed below, these new trips would not result in significant impacts on public transit services, or sidewalks. With implementation of Traffic Mitigation Measure E-1, Traffic Signal Installation, as discussed below, these new trips would not result in significant impacts on or exceed the capacity of affected intersections. Implementation of the proposed project with mitigation, as described below, would not conflict with any applicable plans, ordinances, or

¹⁴ San Francisco Planning Department, *Eastern Neighborhoods Rezoning and Area Plans FEIR*, certified August 7, 2008, p. 266-302.

¹⁵ San Francisco Planning Department, *Eastern Neighborhoods Rezoning and Area Plans FEIR*, August 7, 2008, p. 502-503.

¹⁶ CHS Consulting Group, Pier 70: 20th Street Historic Buildings Final Transportation Technical Memorandum, (hereinafter "Transportation Memo"), February 19, 2014. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

policies establishing measures of effectiveness for the performance of the circulation system and would not conflict with adopted plans, policies, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities.

The project site is not located within an airport land use plan area, or in the vicinity of a private airstrip. Therefore, topic 16c from the CEQA Guidelines, Appendix G is not applicable.

Trip Generation

Implementation of the proposed project would result in the renovation and reuse of the 20th Street Historic Core Buildings on Pier 70, including reuse of up to one residential unit, 212,399 sq. ft. of PDR/light industrial use, 96,445 sq. ft. of office use, and 13,831 sq. ft. of restaurant use. The proposed project includes 290 off-street parking spaces.

Trip generation rates for the proposed project were calculated based on the methodology in the *San Francisco Transportation Impact Analysis Guidelines for Environmental Review*, dated October 2002. The proposed project would generate an estimated 8,363 new weekday daily person trips, of which 850 would occur during the p.m. peak hour.¹⁷ Of the person trips taken during the p.m. peak hour, 538 trips would be by automobile, 166 would be by transit, and 146 would be by walking or other modes (bicycle, motorcycle, or taxi).¹⁸

Traffic

During the weekday afternoon/evening (p.m.) peak hour, the proposed project would generate an estimated 358 new vehicle trips.¹⁹ These new vehicle trips would not degrade the current levels of service (LOS) at nearby intersections such that they would change from LOS D or better to LOS E or LOS F or from LOS E to LOS F.²⁰ The intersection at Cesar Chavez and Third Streets currently operates at LOS E. The proposed project would not add any vehicles to the northbound left-turning critical movement; however, the proposed project would add five vehicles to the eastbound left-turning critical movement. The project-related trips would represent less than a five percent contribution to the total and thus would not be considered a substantial contribution to this intersection's poor operating conditions.²¹

The cumulative (Year 2040) traffic volumes at the study intersections were developed using outputs from the San Francisco County Transportation Authority's (SFCTA) travel demand forecasting model, which takes into account planned and proposed future development growth and transportation network changes in the study area, as well as background growth in travel demand in the City and region. Future land use changes considered in the SFCTA forecasting model include the *Central SoMa Plan*²², SFMTA Central Subway Project²³, the 5M Project (a four-acre, mixed-use development located at Mission and

¹⁷ Transportation Memo, p. 18.

¹⁸ Transportation Memo, p. 19.

¹⁹ The p.m. peak hour vehicle trips were calculated based on vehicle occupancy rates provided in the SF Guidelines and Census data.

²⁰ Transportation Memo, pp. 26-27.

²¹ Transportation Memo, p. 26.

²² Central SoMa Plan Draft Report, April, 2013. Available online at: <http://www.sf-planning.org/index.aspx?page=2557>.

²³ SFMTA Central Subway Project, October 2012. Available online at: <http://centralsubwaysf.com/>.

Fifth Streets)²⁴, the Event Center and Mixed-Use Development at Piers 30/32 and Seawall Lot 330²⁵, as well as proposed developments in the greater Pier 70 and Central Waterfront areas.²⁶ Transportation network changes in the SFCTA forecasting model also include transit changes associated with SFMTA's TEP and bicycle improvement projects included in the *San Francisco Bicycle Plan*. Specific transportation network changes within the project area are further discussed in the following sections, as appropriate.

The majority of nearby intersections would operate at acceptable LOS conditions (LOS D or better) during the p.m. peak hour under cumulative conditions and would continue to operate acceptably with implementation of the proposed project. The intersection of 20th Street and Illinois Street would operate at unacceptable LOS conditions (LOS F) in the critical westbound approach, whereas the other intersection approaches would operate at acceptable conditions (LOS C). The intersection of Cesar Chavez Street and Third Street would operate at undesirable LOS conditions (LOS E). The following includes the cumulative traffic impact discussion.

During the p.m. peak hour, the intersection of 20th and Illinois Streets would operate at LOS F under 2040 cumulative conditions with the proposed project. The degradation in cumulative traffic conditions at this intersection is primarily attributed to the estimated amount of area growth and project-generated vehicles in the westbound movements along 20th Street, as these vehicles would be traveling from the project site to their destination during the p.m. peak hour. Specifically, the anticipated outbound project-generated traffic would exacerbate delays for the westbound approach and further degrade LOS conditions at this intersection. The proposed project would contribute over five percent of traffic volumes to the westbound worst approach at the intersection of 20th and Illinois Streets under 2040 cumulative conditions; any traffic contribution in the cumulative context that is five percent and above is considered to be a cumulatively considerable contribution to a poorly operating intersection. Therefore, the proposed project's contributions to this poorly operating intersection would be considered cumulatively considerable and the proposed project would contribute considerably to the previously identified *Eastern Neighborhoods FEIR* significant cumulative traffic impact for the Central Waterfront area.

The *Eastern Neighborhoods FEIR* analyzed the cumulative traffic effects of development resulting from the implementation of the *Eastern Neighborhoods Rezoning and Area Plans* and rezoning of four Plan Areas. The FEIR analyzed the effects of increased traffic on several representative study intersections within the Eastern Neighborhoods that were selected to provide an overall characterization of existing and future traffic conditions within the area. The FEIR identified cumulative traffic impacts for several representative study intersections including Third and Cesar Chavez Streets, Third and Evans Streets, Cesar Chavez and Evans Streets, 25th and Indiana Streets, Third and King Streets, Sixth and Brannan Streets, Seventh and Harrison Streets, Guerrero and Duboce Streets, Mission/Otis/Thirteenth Streets, South Van Ness and Thirteenth Streets, DeHaro/Division/King Streets, Rhode Island and Sixteenth

²⁴ 5M Project Notice of Preparation of Environmental Impact Report and Public Scoping Meeting, January 30, 2013. Available online at: http://sfmea.sfplanning.org/2011.0409E_NOP.pdf.

²⁵ Event Center and Mixed-Use Development at Piers 30/32 and Seawall Lot 330 Notice of Preparation of an Environmental Impact Report, December 5, 2012. Available online at: http://sfmea.sfplanning.org/2012.0718E_NOP.pdf.

²⁶ Central Waterfront Area Plan, December 2008. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=2015>.

Streets, and Rhode Island and Division Streets. There are several similarities between the representative study intersections and the intersection of 20th and Illinois Streets, including similar lane geometry and turning movements. In addition, the traffic volumes and the street function associated with the above-listed representative study intersections are substantially similar to the traffic volumes and the street function of the 20th Street and Illinois Street intersection, and are representative of the cumulative traffic impacts resulting from the *Eastern Neighborhoods Rezoning and Area Plans*; therefore, the analysis contained within the *Eastern Neighborhoods FEIR* reasonably predicts the significant cumulative impact at 20th and Illinois Streets.

To mitigate the 2040 significant cumulative traffic impact, **Eastern Neighborhoods FEIR Mitigation Measure E-1: Traffic Signal Installation (Project Mitigation Measure 2)**, would apply. This includes installation of a new traffic signal at the intersection of 20th and Illinois Streets in order to upgrade the existing signal that currently functions as an all-way stop control. With this new upgraded signal, the average vehicle delay would decrease, and the intersection would operate at LOS B. There are a number of proposed developments in the immediate vicinity of this intersection, most noticeably at Pier 70, that would contribute to growth in future traffic volumes and increased delays at this intersection. The mitigation measure would require the installation of a traffic signal at the intersection of 20th and Illinois Streets and could be linked to these and other proposed development projects in the area. Under this measure, the Project Sponsor for the proposed project would pay its fair share contribution to mitigate the significant cumulative traffic impact at the intersection of 20th and Illinois Streets, which was determined to be approximately 9 percent of the cost of the traffic signal at this intersection. This figure represents the Project Sponsor's share of the cost of upgrading the traffic signal at this intersection. The amount and schedule for payment for the proposed project's fair share contribution to the mitigation shall be determined by the San Francisco Municipal Transportation Agency (SFMTA).

The proposed project's fair share contribution to the 20th and Illinois Streets intersection mitigation measure would reduce the project's contribution to the *Eastern Neighborhoods FEIR* significant cumulative impact for the Central Waterfront area. However, due to the uncertainty that the remainder of the mitigation measure would be implemented, that is, the uncertainty that the remaining cost of the traffic signal would be obtained and the signal installed, the cumulative traffic impact at the 20th and Illinois Streets intersection would remain significant and unavoidable as described in the *Eastern Neighborhoods FEIR*. However, this would not be a new significant impact as it is within the scope of the analysis contained in the *Eastern Neighborhoods FEIR* on pages 270 to 276.

During the p.m. peak hour, the intersection of Cesar Chavez and Third Streets would operate at LOS E under 2040 cumulative conditions with or without the proposed project. The proposed project would not add any vehicles to the northbound left-turning and southbound left-turning critical movements, but would add 27 vehicles to the southbound through critical movement, which represents three percent of the p.m. peak hour southbound through volume of 894 vehicles. The proposed project would also add less than five percent of the p.m. peak hour eastbound left-turning volume of 225 vehicles. The proposed project's contributions to this poorly operating intersection would therefore not be considered cumulatively considerable and the proposed project would result in a less-than-significant cumulative traffic impact at the intersection of Cesar Chavez Street and Third Street.

Therefore, with implementation of **Project Mitigation Measure 2 – Eastern Neighborhoods FEIR Mitigation Measure E-1: Traffic Signal Installation**, as described on page 59 under "Mitigation

Measures”, the proposed project would not conflict with a congestion management plan, including level of service standards and travel demand measures.

Transit

The proposed project would generate about 166 new transit trips during the weekday p.m. peak hour, but these new transit trips would not exceed the capacity of local or regional transit services.²⁷

The project site is located within a one-half mile of several local transit lines including Muni lines 14, 22, 48, and KT Ingleside/Third Street and a regional transit stop for Caltrain at 22nd and Pennsylvania Streets. Given the availability of nearby transit, the addition of 166 p.m. peak hour transit trips would be accommodated by existing transit capacity. As such, the proposed project would not result in unacceptable levels of transit service or cause a substantial increase in delays or operating costs such that significant adverse impacts in transit service levels could result.

Each of the rezoning options in the Eastern Neighborhoods FEIR identified significant and unavoidable cumulative impacts relating to increases in transit ridership on Muni lines. The project site is located within a half-mile of several major transit stops, as listed above, that operate at 15 minutes or less frequency during the p.m. peak period. Mitigation measures proposed to address these impacts related to pursuing enhanced transit funding; conducting transit corridor and service improvements; and increasing transit accessibility, service information and storage/maintenance capabilities for Muni lines in the Eastern Neighborhoods area.

The proposed project would not contribute considerably to these cumulative transit conditions as its contribution of 166 p.m. peak hour transit trips would not be a substantial proportion of the overall additional transit volume generated by Eastern Neighborhood projects. The proposed project would not therefore result in any significant cumulative transit impacts.

For the above reasons, the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods FEIR related to transit.

Pedestrian

Pedestrian volumes are currently very low within the project site since the site is currently vacant. There is some pedestrian traffic directly north of the project site within BAE Systems due to its operation. At present, sidewalks in the project vicinity are generally between nine and twelve feet wide. The sidewalks within the project site (along 20th Street, east of Illinois Street) are generally in poor condition (e.g., cracked and uneven surfaces).

The proposed project would generate about 263 new pedestrian trips (166 transit and 97 walk) during the weekday p.m. peak hour. Approximately 50 percent of p.m. peak hour pedestrian trips would be generated by the proposed restaurant use and about 34 percent and 16 percent would be generated by the proposed PDR/light industrial and office uses, respectively. The Port of San Francisco would evaluate the structural condition of the sidewalks within the project site and would repair sidewalks accordingly. The proposed project would enhance pedestrian connectivity within the project site through the construction of new eight-foot-wide sidewalks along the west side of Michigan Street (with direct access to the planned 215-space parking lot) and along the west of Georgia Street (with direct access to the planned 75-

²⁷ Transportation Memo, pp. 28-30.

space parking lot), and new crosswalks at the intersection of 20th Street and Georgia Street, for better connectivity between the buildings along the north and south sides of 20th Street. The installation of new sidewalks and crosswalks would be designed to the widths that conform to ADA standards. In addition, the proposed project would not install any street trees or street furniture that would reduce the available walkway along existing and new sidewalks. The proposed project would not remove on-street parking along 20th Street; therefore, these vehicles would continue to serve as a buffer zone between pedestrians and moving vehicles. Although the proposed project would result in an increase in the number of vehicles in the vicinity of the project site this increase, coupled with the pedestrian improvements described above, would not be substantial enough to create potentially hazardous conditions for pedestrians or otherwise substantially interfere with pedestrian accessibility to the site and adjoining areas.²⁸ Therefore, the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods FEIR related to pedestrians.

As described below in “Loading”, the proposed project would require loading activities to occur within designated loading zones throughout the project site. These loading zones would accommodate deliveries from various vehicles, including trucks which may range from small vans (16-foot long) to tractor-trailers (between 53-foot and 74-foot long). No loading activities would occur at or near pedestrian facilities (e.g., sidewalks, crosswalks, or ADA ramps). As previously described, loading activities would occur in the rear of Buildings 101 and along the east side of Michigan Street, the west side of Louisiana Street, and within designated areas along the courtyard periphery—all at a substantial distance from pedestrians. Because the proposed project would establish designated loading zones that would not interfere with pedestrian facilities or inhibit pedestrian access and circulation to each building or parking area, potential conflicts between pedestrian and freight/delivery vehicles would be substantially reduced and/or avoided entirely. Overall, the proposed project’s effects on pedestrian circulation and access would be less than significant.

While pedestrian-related impacts would be less than significant, improvement measures could be implemented to further reduce these less-than-significant impacts. As stated in the Improvement Measures section on page 63, implementation of **Project Improvement Measure 1: Develop Additional Pedestrian and Roadway Treatments**, would reduce potential conflicts between pedestrians and freight vehicles within the project site, which would further reduce pedestrian-related less-than-significant impacts. Implementation of this and other measures would not be anticipated to have any additional transportation-related impacts.

Bicycle

The proposed project would provide 33 Class 1 bicycle parking spaces and 26 Class 2 bicycle parking spaces in compliance with the requirements of Planning Code Section 155.1, 155.2 and 155.3. The project site is within a convenient bicycling distance of office, retail, and restaurant uses in neighboring areas (e.g., Mission, Mission Bay, Potrero Hill, Dogpatch, and South of Market). There are three designated bicycle routes in proximity to the project site (i.e., Route 5 on Illinois Street, Route 7 on Indiana Street, and Route 23 on Mariposa Street). Therefore, it is anticipated that a portion of the 49 “other” p.m. peak hour trips generated by the proposed project would be bicycle trips. The bicycle routes located along Illinois, Indiana, Mississippi, and Mariposa Streets are conveniently located adjacent to and near the project site

²⁸ Transportation Memo, pp. 30-32, 51.

and these routes provide direct connectivity to several bicycle routes throughout the area and provide linkage to other neighborhoods and areas of the City. With the current bicycle and traffic volumes on the adjacent streets, bicycle travel generally occurs without major impedances or safety problems.

Given the existing bicycle network within the project vicinity, it is reasonable to assume that the anticipated increase in bicyclists associated with the proposed project would be accommodated by existing bicycle network facilities. The proposed project would not introduce any design features that would eliminate or impede access to existing bicycle routes in proximity to the project site. It is noted that although the proposed project would result in an increase in the number of vehicles in the vicinity of the project site, this anticipated increase would not be substantial enough to create potentially hazardous conditions for bicyclists or otherwise substantially interfere with bicycle accessibility to the site and adjoining areas since the project would not create new curb cuts or vehicular access points along bicycle routes. Therefore, the proposed project would have a less-than-significant bicycle impact.

While bicycle related impacts would be less than significant, **Project Improvement Measure 2: Designate Safe, Accessible, and Convenient Bicycle Parking**, as described on page 64 under “Improvement Measures”, could be implemented to further reduce these less-than-significant impacts. This would ensure that bicycle parking within the project site that is safe, accessible, and convenient for users and that the location of bicycle parking in designated areas would not result in any potential conflicts with other vehicles.²⁹

Loading

Planning Code Sections 151, 152, and 154 establish the minimum amount of off-street freight loading spaces permitted based on the number of dwelling units for residential development or proposed gross square footage (gsf) of non-residential development. Because the proposed project would involve the rehabilitation and reuse of historic buildings and because these buildings are located in a historic district, the proposed project would be exempt from meeting the minimum off-street freight loading requirements per Planning Code Section 161(k), Exemptions from Off-Street Parking, Freight Loading and Service Vehicle Requirements. The provision of on-street loading spaces along roadways within the project site would be subject to Port of San Francisco approval and may also require approvals and/or review by SFMTA, as appropriate.

In total, the proposed project would rehabilitate, repair, and repurpose 12 loading spaces to accommodate freight delivery and related loading activities. A new loading space is also anticipated to be included to serve Buildings 102 and 104. Five loading docks would be located along the east side of Michigan Street and two loading docks would be located along the west side of Louisiana Street. Four loading docks would be located within the courtyard area and one loading ramp would be located at Building 101.

The proposed project would generate up to 115 delivery/service vehicle stops per day, which corresponds to a demand for five spaces during average hours of loading activities and approximately seven spaces during the peak hours of loading activities. It is anticipated that the delivery/service vehicles that would be generated by the proposed project would vary in size, ranging from small trucks (16- to 26-foot long

²⁹ Transportation Memo, pp. 32-33, 52.

trucks) to tractor-trailers, typically 53 feet in length or longer (up to 74 feet in length). Based on these estimates, the average loading hour demand and peak hour loading demand would be expected to exceed the proposed supply of four off-street loading spaces; however, daily and peak hour loading demand may be accommodated through use of both off-street and on-street spaces (at designated loading docks and proposed loading spaces along 20th Street), as discussed below.

Future tenants of the proposed project would range from restaurant uses to office and PDR/light industrial uses and the delivery vehicles associated with these uses are typically small trucks (e.g., UPS, FedEx, food distribution). Such vehicles could be accommodated either in the on-site parking lots or on the street. Therefore, the anticipated unmet daily and peak hour freight/delivery demand would likely be absorbed within the parking lots and along designated loading spaces along 20th Street. It is noted that the Project Sponsor would seek the necessary approvals by the Port of San Francisco to petition for 20-foot-long "yellow curb" on-street loading zones along both sides of 20th Street, from Illinois Street to Louisiana Street. In addition, the Project Sponsor may be required to apply through SFMTA's Parking Traffic Color Curb Program for the proposed conversion from unrestricted parking to a commercial loading zone on 20th Street. The proposed changes in curb regulation would be reviewed at a public hearing through the Port of San Francisco and/or SFMTA, as appropriate. Therefore, the proposed project would not result in potential adverse effects to loading conditions within the project site.

The general intent of the proposed project would be to maintain the character, purpose, and original use of these industrial buildings. Therefore, the proposed project would be expected to generate a considerable amount of freight truck traffic on a daily basis, as the proposed light industrial uses would typically require daily deliveries of goods and materials. In order to accommodate this anticipated demand, the proposed project would retain the use of approximately twelve existing loading docks and a loading ramp (at Building 101) within the project site. Because these loading areas would be dedicated to serving large freight trucks and because it is anticipated that delivery of materials via large freight trucks would likely be scheduled and coordinated by appropriate staff at each tenant location, it is reasonable to assume that the proper scheduling of truck deliveries would eliminate any potential adverse effects related to loading conditions at each building.

The project-related off-street loading supply deficit could potentially result in excessive delivery vehicle circulation, extended wait times, queuing, and/or double parking of freight/delivery vehicles. However, anticipated delays to existing traffic conditions in and around the project site would be minimal. This is because freight/delivery would include a range of vehicle sizes most of which could be accommodated in parking areas along 20th Street. In addition, loading activities would occur during varying scheduled and coordinated times throughout the day. Therefore, loading impacts would be less than significant.

While loading-related impacts would be less than significant, **Project Improvement Measure 3: Designate Loading Dock Manager** and **Project Improvement Measure 4: Require Traffic Controllers/Flaggers for Larger Deliveries**, as described on page 64, could be implemented to further reduce these less-than-significant impacts and address any potentially hazardous conditions posed by delivery vehicles to traffic, pedestrians, and other users of streets internal to the proposed project. The improvement measures would require future tenants to designate a loading dock manager(s) to assist in the scheduling and coordination of deliveries, which would minimize potential queuing effects and unsafe traffic conditions, and would further reduce loading-related less-than-significant impacts.

Emergency Access

The proposed project would not change the travel lanes along Illinois or 20th Streets, and emergency vehicle access to the project site would remain unchanged from existing conditions.³⁰ Implementation of the proposed project would not result in inadequate emergency vehicle access, and this impact would be less than significant.

Construction

The proposed project's construction activities would last approximately 24 months. Construction staging areas would be located on site or on adjacent Port property, primarily within the northern parking lot, the courtyard area, and along Michigan Street. These staging areas would accommodate construction equipment and machinery as well as parking for construction worker vehicles. No permanent or temporary roadway closures along Illinois, Georgia, and 20th Streets would be required during construction. Occasional road closures or use of parking lanes on 20th and Illinois Streets between 19th and 20th may be required. However, if it is determined that temporary traffic lane closures would be needed, such actions would be coordinated with the City in order to minimize the impacts on local traffic. In general, lane and sidewalk closures are subject to review and approval by the Port of San Francisco, Department of Public Works and SFMTA. Because there are no Muni bus stops along the project site frontage, it is not anticipated that any Muni bus stops would need to be relocated during construction of the proposed project.

It is anticipated that there would be an average of 50 construction workers per day at the project site, depending on the construction phase (which may require up to 100 workers during peak construction periods). It is also anticipated that the addition of the worker-related vehicle or transit trips would not substantially affect transportation conditions, as any impacts on local intersections or the transit network would be similar to, or less than, those associated with the proposed project.

The construction contractor would be required to meet the City of San Francisco's Regulations for Working in San Francisco Streets, (the "Blue Book"), and would be required to meet with Muni, SFMTA Sustainable Streets, and other responsible City agencies to determine feasible traffic management and improvement measures to reduce traffic congestion during construction of this project taking into account other nearby projects (e.g., developments currently under construction north of the project site along Illinois Street, between 18th and 19th Streets). The specific provisions of the building permit would address issues of circulation, safety, or parking, as developed in a meeting of the Transportation Advisory Staff Committee (TASC) attended by the Project Sponsor and representatives of the Port of San Francisco and City departments, including Parking and Traffic, Police, Public Works, and SFMTA Muni Operations. Therefore, construction-related impacts would be less than significant and would not result in significant impacts on transportation that were not identified in the Eastern Neighborhoods FEIR.

While construction related impacts would be less than significant, **Project Improvement Measure 5: Limit Peak Hour Truck Movements, Project Improvement Measure 6: Develop Construction Management Plan, Project Improvement Measure 7: Encourage Transit Access for Construction Workers and Project Improvement Measure 8: Provide Project Construction Updates**, as described on page 65, could be implemented to further reduce these less-than-significant impacts. The improvement measures would allow the Project Sponsor to further develop a construction management plan to

³⁰ Transportation Memo, p. 16.

minimize conflicts with all modes of travel, to develop a public information program for nearby residences and businesses, to limit truck delivery hours, and to reduce construction worker parking demand by developing methods to encourage carpooling and transit use, which would further reduce construction-related less-than-significant impacts.³¹

Parking

Public Resources Code Section 21099(d), effective January 1, 2014, provides that, “aesthetics and parking impacts of a residential, mixed-use residential, or employment center project on an infill site located within a transit priority area shall not be considered significant impacts on the environment.” Accordingly, aesthetics and parking are no longer to be considered in determining if a project has the potential to result in significant environmental effects for projects that meet all of the following three criteria:

- a) The project is in a transit priority area;
- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, this checklist does not consider parking in determining the significance of project impacts under CEQA.³² The Planning Department acknowledges that parking conditions may be of interest to the public and the decision makers. Therefore, this determination presents a parking demand analysis for informational purposes.

Parking conditions are not static, as parking supply and demand varies from day to day, from day to night, from month to month, etc. Hence, the availability of parking spaces (or lack thereof) is not a permanent physical condition, but changes over time as people change their modes and patterns of travel. While parking conditions change over time, a substantial shortfall in parking caused by a project that creates hazardous conditions or significant delays to traffic, transit, bicycles or pedestrians could adversely affect the physical environment. Whether a shortfall in parking creates such conditions will depend on the magnitude of the shortfall and the ability of drivers to change travel patterns or switch to other travel modes. If a substantial shortfall in parking caused by a project creates hazardous conditions or significant delays in travel, such a condition could also result in secondary physical environmental impacts (e.g., air quality or noise impacts caused by congestion), depending on the project and its setting.

The absence of a ready supply of parking spaces, combined with available alternatives to auto travel (e.g., transit service, taxis, bicycles or travel by foot) and a relatively dense pattern of urban development, induces many drivers to seek and find alternative parking facilities, shift to other modes of travel, or change their overall travel habits. Any such resulting shifts to transit service or other modes (walking and biking), would be in keeping with the City’s “Transit First” Policy and numerous *San Francisco General Plan* policies, including those in the Transportation Element. The City’s Transit First Policy, established in the City’s Charter, Article 8A, Section 8A.115, provides that “parking policies for areas well

³¹ Transportation Memo, pp. 36-38, 52-53.

³² San Francisco Planning Department, *Transit-Oriented Infill Project Eligibility Checklist for 400-600 20th Street, Pier 70 (“20th Street Historic Core”)*, February 3, 2014. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

served by public transit shall be designed to encourage travel by public transportation and alternative transportation.”

The transportation analysis accounts for potential secondary effects, such as cars circling and looking for a parking space in areas of limited parking supply, by assuming that all drivers would attempt to find parking at or near the project site and then seek parking farther away if convenient parking is unavailable. The secondary effects of drivers searching for parking is typically offset by a reduction in vehicle trips due to others who are aware of constrained parking conditions in a given area, and thus choose to reach their destination by other modes (i.e., walking, biking, transit, taxi). If this occurs, any secondary environmental impacts that may result from a shortfall in parking in the vicinity of the proposed project would be minor, and the traffic assignments used in the transportation analysis would reasonably address potential secondary effects including air quality, noise, and pedestrian safety.

The parking demand for the land uses associated with the proposed project was determined based on the methodology presented in the Transportation Guidelines. On an average weekday, the demand for parking would be for an estimated 741 spaces. The proposed project would provide 290 off-street spaces. Thus, as proposed, the project would have an unmet parking demand of an estimated 451 spaces. At this location, nearby on-street parking is currently constrained, with the majority of streets providing little or no on-street parking during the weekday midday hours. However, the project site is well served by public transit and bicycle facilities. Therefore, any unmet parking demand associated with the project would not materially affect the overall parking conditions in the project vicinity such that hazardous conditions or significant delays would be created.

The proposed project would involve the rehabilitation and reuse of historic buildings located in an eligible historic district. Per Planning Code Section 161(k), Exemptions from Off-Street Parking, Freight Loading and Service Vehicle Requirements, the proposed project would be exempt from meeting the minimum off-street parking requirements.

In order to address the less-than-significant transportation-related effects, the project sponsor would implement **Project Improvement Measure 9: Transportation Management Plan**, as described on pages 65 to 67. This would further reduce vehicle demand at the project site.

The proposed project would include street grid changes such as re-opening and widening the segment of Louisiana Street between 20th street to the north and the proposed courtyard area to the south. Currently, this area functions as an industrial driveway and is generally in need of structural repairs to accommodate two-way traffic flow from the proposed courtyard area to 20th Street. Specifically, this segment of Louisiana Street would be widened from the existing approximately 20 feet to 58 feet to support the two proposed on-street loading docks and two 13-foot-wide travel lanes along the eastern facades of Building 14 and Building 113. A 10-foot-wide sidewalk would also be constructed along the east side of Louisiana Street. The proposed project would also re-open the segment of Michigan Street between 20th Street and its terminus to the south, which is currently closed and does not include any access to 20th Street. Michigan Street would be widened from 18 feet to approximately 66 feet. The street would include two 13-foot-wide travel lanes and would accommodate five proposed on-street loading docks along the western facades of Buildings 113, 114, 115, and 116. An eight-foot-wide sidewalk would also be planned along the west side of this segment of Michigan Street, adjacent to the 215-space surface parking lot. While the proposed project would alter the existing street grid, the proposed changes would not increase hazards due to design features such as sharp curves or dangerous intersections.

The project site is approximately 10 miles north of San Francisco International Airport and approximately 10 miles northwest of Oakland International Airport. At a maximum height of approximately 66 feet, the proposed project is not tall enough to obstruct flight patterns to and from these airports. Implementation of the proposed project would not change existing air traffic patterns in a manner that would result in substantial safety risks.

For these reasons, implementation of the proposed project would not result in new significant impacts related to transportation and circulation identified in the *Eastern Neighborhoods FEIR*. Traffic and Transit Mitigation Measures E-2 through E-11 identified in the *Eastern Neighborhoods FEIR* and discussed above, are not applicable to the proposed project. Traffic Mitigation Measure E-1, identified in the *Eastern Neighborhoods FEIR* and discussed above, is applicable to the proposed project. Improvement Measures 1 through 9 also apply to the proposed project. These applicable Mitigation and Improvement Measures are described on pages 56 to 63.

| <u>Topics:</u> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 6. NOISE—Would the project: | | | | | | |
| a) Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) For a project located within an airport land use plan area, or, where such a plan has not been adopted, in an area within two miles of a public airport or public use airport, would the project expose people residing or working in the area to excessive noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) For a project located in the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Be substantially affected by existing noise levels? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

The *Eastern Neighborhoods FEIR* identified potential conflicts related to residences and other noise-sensitive uses in proximity to noisy uses such as PDR, retail, entertainment, cultural/institutional/educational uses, and office uses. In addition, the *Eastern Neighborhoods FEIR* noted that implementation of the Area Plan would incrementally increase traffic-generated noise on some streets in the Area Plan and result in construction noise impacts from pile driving and other construction activities. The *Eastern Neighborhoods FEIR* therefore identified six noise mitigation measures that would reduce noise impacts to less-than-significant levels.

Eastern Neighborhoods FEIR Mitigation Measures F-1 and F-2 relate to construction noise. Mitigation Measure F-1 addresses individual projects that include pile-driving, and Mitigation Measure F-2 addresses individual projects that include particularly noisy construction procedures (including pile-driving). The proposed project would not involve pile driving or other particularly noisy construction methods; therefore, these mitigation measures are not applicable. In addition, all construction activities for the proposed project (approximately 24 months) would be subject to and would comply with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code) (Noise Ordinance) as outlined below.

Construction noise is regulated by the Noise Ordinance. The Noise Ordinance requires that construction work be conducted in the following manner: (1) noise levels of construction equipment, other than impact tools, must not exceed 80 dBA at a distance of 100 feet from the source (the equipment generating the noise); (2) impact tools must have intake and exhaust mufflers that are approved by the Director of the Department of Public Works (DPW) to best accomplish maximum noise reduction; and (3) if the noise from the construction work would exceed the ambient noise levels at the site property line by 5 dBA, the work must not be conducted between 8:00 p.m. and 7:00 a.m. unless the Director of DPW authorizes a special permit for conducting the work during that period.

The Port Building Department is responsible for enforcing the Noise Ordinance for private construction projects during normal business hours (8:00 a.m. to 5:00 p.m.). The Police Department is responsible for enforcing the Noise Ordinance during all other hours. Nonetheless, during the construction period for the proposed project, occupants of the nearby properties could be disturbed by construction noise. Times may occur when noise could interfere with indoor activities in nearby residences and other businesses near the project site and may be considered an annoyance by occupants of nearby properties. The increase in noise in the project area during project construction would not be considered a significant impact of the proposed project, because the construction noise would be temporary, intermittent, and restricted in occurrence and level, as the contractor would be subject to and would comply with the Noise Ordinance.

Eastern Neighborhoods FEIR **Mitigation Measure F-3 (Project Mitigation Measure 3)** and **Mitigation Measure F-4 (Project Mitigation Measure 4)**, include additional measures for individual projects that include new noise-sensitive use, as described on pages 61 to 62 of this Checklist. Mitigation Measure F-3 requires that for new development that includes noise-sensitive uses located along streets with noise levels above 60 dBA (Ldn), where such development is not already subject to California Noise Insulation Standards in Title 24, the project sponsor shall conduct a detailed analysis of noise reduction requirements. Mitigation Measure F-4 requires the preparation of an analysis that includes, at minimum, a site survey to identify potential noise-generating uses within 900 feet of and that have a direct line of site to the project site, and at least one 24-hour noise measurement (with maximum noise levels taken every 15 minutes) to demonstrate that acceptable interior noise levels consistent with Title 24 can be

attained. Accordingly, the project sponsor has conducted an environmental noise study demonstrating that the proposed project can feasibly attain acceptable interior noise levels consistent with Title 24.³³

Eastern Neighborhoods FEIR Mitigation Measure F-5 (Project Mitigation Measure 5), described on page 60, requires individual projects that include new noise-generating uses that would be expected to generate noise levels in excess of ambient noise in the proposed project site vicinity to submit an acoustical analysis that demonstrates the proposed use would comply with the General Plan and the Noise Ordinance. The Noise Ordinance does not allow for a noise level more than 8 dBA above the local ambient at any point outside of the property plane for commercial properties and states no fixed noise source may cause the noise level measured inside any sleeping or living room in any dwelling unit located on residential property to exceed 55 dBA between the hours of 7 AM and 10 PM with windows open. Typical residential building construction generally provides exterior-to-interior noise level reduction performance of no less than 15 dB when exterior windows are open. The project site is located within the vicinity of residential uses and the proposed project would generate new sources of noise, primarily from mechanical equipment on the buildings. Therefore, pursuant to Mitigation Measure F-5, a site survey and noise measurements were conducted to demonstrate that the proposed project would comply with the General Plan and the Noise Ordinance.³⁴

The noise report identifies sensitive receptors located within 900 feet of the project site, the closest being the residential building at 820 Illinois Street to the northwest of the project site along the western side of 20th Street. The report notes that ambient noise level at the project site was between 61 dBA and 64 dBA between 7:00 a.m. and 10:00 p.m. The noise study also demonstrates that the maximum noise levels from the proposed project must not exceed 69 dBA at the 820 Illinois Street residential development between 7:00 a.m. and 10:00 p.m., and above 55 dBA between 7:00 a.m. and 10:00 p.m. within the adjacent residences. The report concludes that rooftop equipment noise can be designed to meet the requirements of the San Francisco Noise Ordinance and that this equipment would be minimal since the project site contains historic buildings. Thus, operational noise associated with outdoor mechanical equipment would not adversely affect nearby sensitive receptors. The noise study demonstrates compliance with FEIR Mitigation Measure F-5.

Furthermore, as described above, the proposed project would not double traffic volumes in the project vicinity which would be necessary to produce an increase in ambient noise levels perceptible to most people (3 decibel increase).³⁵ Therefore, the proposed project would not result in a substantial permanent increase in ambient noise levels in the project vicinity. For the above reasons, the proposed project would not result in significant impacts that were not identified in the *Eastern Neighborhoods FEIR* related to noise and vibration.

The project site is not located within an airport land use plan area, within two miles of a public airport, or in the vicinity of a private airstrip. Therefore, topics 12e and f from the CEQA Guidelines, Appendix G are not applicable.

For the above reasons, the proposed project would not result in significant impacts that were not identified in the *Eastern Neighborhoods FEIR* related to noise.

³³ Pier 70 Historic Buildings Study, Vibro-Acoustic Consultants, March 25, 2014.

³⁴ Pier 70 Historic Buildings Study, Vibro-Acoustic Consultants, January 6, 2014.

³⁵ Transportation Memo, p. 20.

| Topics: | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 7. AIR QUALITY: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.— Would the project: | | | | | | |
| a) Conflict with or obstruct implementation of the applicable air quality plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal, state, or regional ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) Expose sensitive receptors to substantial pollutant concentrations? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Create objectionable odors affecting a substantial number of people? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The *Eastern Neighborhoods Plan FEIR* identified potentially significant air quality impacts related to construction activities that may cause wind-blown dust and pollutant emissions; roadway-related air quality impacts on sensitive land uses; and the siting of uses that emit diesel particulate matter and toxic air contaminants as part of everyday operations. These significant impacts would conflict with the applicable air quality plan at the time, the *Bay Area 2005 Ozone Strategy*. The *Eastern Neighborhoods FEIR* identified four mitigation measures that would reduce air quality impacts to less-than-significant levels.

Eastern Neighborhoods FEIR Mitigation Measure G-1 requires individual projects that include construction activities to include dust control measures and maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants. This mitigation measure was identified in the Initial Study. Subsequent to publication of the Initial Study, the San Francisco Board of Supervisors approved a series of amendments to the San Francisco Building and Health Codes, generally referred to as the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008). The intent of the Construction Dust Control Ordinance is to reduce the quantity of dust generated during site preparation, demolition, and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection. Construction activities from the proposed project would result in dust, primarily from ground-disturbing activities. The proposed project would be subject to and would comply with the Construction Dust Control Ordinance, therefore the portions of Mitigation Measure G-1 that deal with dust control are not applicable to the proposed project.

Also subsequent to publication of the Initial Study, the Bay Area Air Quality Management District (BAAQMD), the regional agency with jurisdiction over the nine-county San Francisco Bay Area Air Basin

(SFBAAB), provided updated 2011 BAAQMD CEQA Air Quality Guidelines (Air Quality Guidelines),³⁶ which provided new methodologies for analyzing air quality impacts, including construction activities. The Air Quality Guidelines provide screening criteria for determining whether a project's criteria air pollutant emissions may violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. If a project meets the screening criteria, then the lead agency or applicant would not need to perform a detailed air quality assessment of their proposed project's air pollutant emissions and construction or operation of the proposed project would result in a less-than-significant air quality impact. The proposed project meets the screening criteria provided in the BAAQMD Air Quality Guidelines for construction-related criteria air pollutants.

For determining potential health risk impacts, San Francisco has partnered with the BAAQMD to inventory and assess air pollution and exposures from mobile, stationary, and area sources within San Francisco and identify portions of the City that result in additional health risks for affected populations ("hot spots"). Air pollution hot spots were identified based on two health based criteria:

1. Excess cancer risk from all sources > 100; and
2. PM_{2.5} concentrations from all sources including ambient >10µg/m³.

Sensitive receptors³⁷ within these hot spots are more at risk for adverse health effects from exposure to substantial air pollutant concentrations than sensitive receptors located outside these hot spots. These locations (i.e., within hot spots) require additional consideration when projects or activities have the potential to emit toxic air contaminants ("TACs"), including diesel particulate matter ("DPM") emissions from temporary and variable construction activities.

Construction activities from the proposed project would result in DPM and other TACs from equipment exhaust, construction-related vehicular activity, and construction worker automobile trips. Construction would be expected to last approximately 24 months. Diesel-generating equipment would be required for approximately 12 of these months.

The project site is partially located within an identified Air Pollution Exposure Zone. As a result, the proposed project's temporary and variable construction activities would potentially add emissions to areas already adversely affected by poor air quality. Therefore, the portion of *Eastern Neighborhoods FEIR Mitigation Measure G-1 (Project Mitigation Measure 6)* that addresses maintenance and operation of construction equipment is applicable to the proposed project. This Mitigation Measure is described on page 61 of this Checklist.

Eastern Neighborhoods FEIR Mitigation Measure G-2 requires new residential development near high-volume roadways and/or warehousing and distribution centers to include an analysis of DPM and/or TACs, and, if warranted, to incorporate upgraded ventilation systems to minimize exposure of future

³⁶ Bay Area Air Quality Management District (BAAQMD), *California Environmental Quality Act Air Quality Guidelines*, updated May 2011.

³⁷ The BAAQMD considers sensitive receptors as: children, adults or seniors occupying or residing in: 1) Residential dwellings, including apartments, houses, condominiums, 2) schools, colleges, and universities, 3) daycares, 4) hospitals, and 5) senior care facilities. Bay Area Air Quality Management District (BAAQMD), *Recommended Methods for Screening and Modeling Local Risks and Hazards*, May 2011, page 12.

residents to DPM and other pollutant emissions, as well as odors. While the proposed project would include a sensitive receptor (i.e., one residential unit), the unit would not be located within an area near high-volume roadways and/or warehousing and distribution centers. Therefore, *Eastern Neighborhoods FEIR* Mitigation Measure G-2 is not applicable to the proposed project.

Eastern Neighborhoods FEIR Mitigation Measure G-3 minimizes potential exposure of sensitive receptors to DPM by requiring that uses generating substantial DPM emissions, including warehousing and distribution centers, commercial, industrial, or other uses that would be expected to be served by at least 100 trucks per day or 40 refrigerated trucks per day, be located no less than 1,000 feet from residential units and other sensitive receptors. The proposed project is not expected to generate substantial DPM emissions or be served by 100 trucks per day or 40 refrigerator trucks per day. Therefore, Mitigation Measure G-3 is not applicable to the proposed project.

Eastern Neighborhoods FEIR Measure G-4 involves the siting of commercial, industrial, or other uses that emit TACs as part of everyday operations, such as dry cleaners and gas stations. The proposed project would not generate more than 10,000 vehicle trips per day or 1,000 truck trips per day or include a new stationary source, and therefore would not emit TACs as part of everyday operations. Therefore, Mitigation Measure G-4 is not applicable to the proposed project.

The proposed project would result in an increase in operational-related criteria air pollutants including from the generation of daily vehicle trips and energy demand. However, the proposed project meets the screening criteria provided in the BAAQMD Air Quality Guidelines for operational-related criteria air pollutants; therefore, the proposed project's operational activities would result in a less-than-significant air quality impact.

For the above reasons, the proposed project would not result in significant impacts on air quality that were not identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|---|---|--|--------------------------------------|---|--|--|
| 8. GREENHOUSE GAS EMISSIONS—Would the project: | | | | | | |
| a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The State CEQA Guidelines were amended in 2010 to require an analysis of a project's greenhouse gas (GHG) emissions on the environment. The *Eastern Neighborhoods Plan FEIR* was certified in 2008 and, therefore, did not analyze the effects of GHG emissions. In addition, the BAAQMD, the regional agency with jurisdiction over the nine-county San Francisco Bay Area Air Basin (Air Basin), has prepared

guidelines that provide methodologies for analyzing air quality impacts under CEQA, including the impact of GHG emissions. The following analysis is based on BAAQMD's guidelines for analyzing GHG emissions and incorporates amendments to the CEQA guidelines relating to GHGs. As discussed below, the proposed project would not result in any new significant environmental impacts related to GHG emissions.

Background

The primary GHGs are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), ozone, and water vapor.³⁸ Individual projects contribute to the cumulative effects of climate change by emitting GHGs during demolition, construction, and operational phases. While the presence of the primary GHGs in the atmosphere are naturally occurring, CO₂, CH₄, and N₂O are largely emitted from human activities, accelerating the rate at which these compounds occur within the earth's atmosphere. Other GHGs include hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride, and are generated in certain industrial processes. GHGs are typically reported in "carbon dioxide-equivalent" measures (CO₂E).³⁹

There is international scientific consensus that human-caused increases in GHGs have and will continue to contribute to global warming. Many impacts resulting from climate change, including increased fires, floods, severe storms and heat waves, already occur and will only become more frequent and costly.⁴⁰ Secondary effects of climate change are likely to include a global rise in sea level, impacts to agriculture, the state's electricity system, and native freshwater fish ecosystems, an increase in the vulnerability of levees in the Sacramento-San Joaquin Delta, changes in disease vectors, and changes in habitat and biodiversity.^{41, 42}

The California Air Resources Board (ARB) estimated that in 2010, California produced about 452 million gross metric tons of CO₂E (MTCO₂E).⁴³ The ARB found that transportation is the source of 38 percent of the state's GHG emissions, followed by electricity generation (both in-state generation and out-of-state imported electricity) at 21 percent and industrial sources at 19 percent. Commercial and residential fuel use (primarily for heating) accounted for 10 percent of GHG emissions.⁴⁴ In San Francisco, on-road transportation (vehicles on highways, city streets and other paved roads) and natural gas (consumption for residential, commercial, and industrial use) sectors were the two largest sources of GHG emissions,

³⁸ Additionally, although not a GHG, black carbon is also recognized as substantial contributor to global climate change.

³⁹ Because of the differential heat absorption potential of various GHGs, GHG emissions are frequently measured in "carbon dioxide-equivalents," which present a weighted average based on each gas's heat absorption (or "global warming") potential.

⁴⁰ California Climate Change Portal. Available online at: <http://www.climatechange.ca.gov>. Accessed January 7, 2014.

⁴¹ *Ibid.*

⁴² California Energy Commission, California Climate Change Center, *Our Changing Climate 2012*, July 2012. Available online at: <http://www.energy.ca.gov/2012publications/CEC-500-2012-007/CEC-500-2012-007.pdf>. Accessed January 7, 2014.

⁴³ California Air Resources Board (ARB), "California Greenhouse Gas Inventory for 2000-2010— by Category as Defined in the Scoping Plan." Available online at: http://www.arb.ca.gov/cc/inventory/data/tables/ghg_inventory_scopingplan_00-11_2013-08-01.pdf. Accessed January 7, 2014.

⁴⁴ *Ibid.*

accounting for 40 percent (2.1 million MTCO₂E) and 29 percent (1.5 million MTCO₂E), respectively, of San Francisco's 5.3 million MTCO₂E emitted in 2010. Electricity consumption (residential, commercial, municipal buildings and BART and Muni transportation systems) accounts for approximately 25 percent (1.3 million MTCO₂E) of San Francisco's GHG emissions.⁴⁵

Regulatory Setting

Statewide GHG reduction targets are identified in Executive Order S-3-05 and Assembly Bill 32 (AB 32, also known as the Global Warming Solutions Act). Executive Order S-3-05 sets forth a series of target dates by which statewide emissions of GHGs would be progressively reduced as follows: by 2010, reduce GHG emissions to 2000 levels (approximately 457 million MTCO₂E); by 2020, reduce emissions to 1990 levels (estimated at 427 million MTCO₂E); and by 2050 reduce statewide GHG emissions to 80 percent below 1990 levels (approximately 85 million MTCO₂E). As discussed above, California produced about 452 million MTCO₂E in 2010, thereby meeting the 2010 target date to reduce GHG emissions to 2000 levels. AB 32 requires ARB to develop and implement a plan, known as the Scoping Plan, which sets emission limits and identifies regulations and other measures, such that feasible and cost-effective statewide GHG emissions are reduced to 1990 levels by 2020.

In order to meet the goals of AB 32, California must reduce its GHG emissions by 30 percent below projected 2020 business-as-usual emissions levels, about 15 percent from 2008 levels.⁴⁶ The Scoping Plan estimates a reduction of 174 million MTCO₂E from the transportation, energy, agriculture, forestry, and high global warming potential sectors (see Table 3: GHG Reductions from the AB 32 Scoping Plan Sectors).

Table 3: GHG Reductions from the AB 32 Scoping Plan Sectors⁴⁷

| GHG Reduction Measures By Sector | GHG Reductions (million MT CO ₂ E) |
|--|---|
| Transportation Sector | 62.3 |
| Electricity and Natural Gas | 49.7 |
| Industry | 1.4 |
| Landfill Methane Control Measure (Discrete Early Action) | 1 |
| Forestry | 5 |
| High Global Warming Potential GHGs | 20.2 |
| Additional Reductions Needed to Achieve the GHG Cap | 34.4 |
| Total Reductions Counted Toward 2020 Target | 174 |
| Other Recommended Measures | |
| Government Operations | 1-2 |
| Agriculture- Methane Capture at Large Dairies | 1 |
| Methane Capture at Large Dairies | 1 |
| Additional GHG Reduction Measures | |

⁴⁵ San Francisco Department of Environment (DOE), "San Francisco Community-Wide Carbon Emissions by Category." Excel spreadsheet provided via email between Pansy Gee, DOE and Wade Wietgreffe, San Francisco Planning Department. June 7, 2013.

⁴⁶ ARB, "California's Climate Plan: Fact Sheet." Available online at http://www.arb.ca.gov/cc/facts/scoping_plan_fs.pdf. Accessed January 7, 2014.

⁴⁷ *Ibid.*

| | |
|---|------------------|
| Water | 4.8 |
| Green Buildings | 26 |
| High Recycling/ Zero Waste | |
| • Commercial Recycling | |
| • Composting | |
| • Anaerobic Digestion | 9 |
| • Extended Producer Responsibility | |
| • Environmentally Preferable Purchasing | |
| Total Reductions from Other Measures | 41.8-42.8 |
| Note: MTCO ₂ E = metric tons of CO ₂ E (carbon dioxide equivalent) | |

The Scoping Plan is currently undergoing an update that will define ARB’s climate change priorities for the next five years and lay the groundwork to reach post-2020 goals as set forth in EO S-3-05. The update will highlight California’s progress toward meeting the near-term 2020 GHG emission reduction goals defined in the original Scoping Plan (2008).

The Scoping Plan also relies on the requirements of Senate Bill 375 (SB 375) to implement the carbon emission reductions anticipated from land use decisions. SB 375 requires regional transportation plans developed by each of the state’s 18 Metropolitan Planning Organizations (MPOs) to incorporate a “sustainable communities strategy” (SCS) in each regional transportation plan that will achieve GHG emission reduction targets set by ARB. The Metropolitan Transportation Commission’s 2013 Regional Transportation Plan, *Plan Bay Area* (adopted in July 2013), is the region’s first plan subject to SB 375. Implementation of *Plan Bay Area* is estimated to result in a 6.3 percent reduction in transportation-related per-capita CO₂ emissions by 2035 when compared to 2005 per capita emissions.⁴⁸

In addition to statewide GHG reduction efforts, the BAAQMD’s *Clean Air Plan*, adopted in 2010, includes a goal of reducing GHG emissions to 1990 levels by 2020 and 40 percent below 1990 levels by 2035. In compliance with the *Clean Air Plan*, the BAAQMD issued CEQA Air Quality Guidelines, providing guidance to local agencies when reviewing projects in the Air Basin that are subject to CEQA. The BAAQMD advises that local agencies may consider adopting a Qualified Greenhouse Gas Reduction Strategy consistent with AB 32 goals and that subsequent projects be reviewed to determine the significance of their GHG emissions based on the degree to which a project complies with a Qualified Greenhouse Gas Reduction Strategy.⁴⁹

In response, San Francisco prepared *Strategies to Address Greenhouse Gas Emissions* (GHG Reduction Strategy),⁵⁰ which presents a comprehensive assessment of policies, programs, and ordinances that

⁴⁸ “Summary of Major Revisions and Corrections to the Draft Plan Bay Area.” July 18, 2013. Metropolitan Transportation Commission. Available online at: http://onebayarea.org/pdf/Summary_of_Major_Revisions_and_Corrections_Web.pdf. Accessed January 7, 2014.

⁴⁹ BAAQMD, *California Environmental Quality Act Air Quality Guidelines*, May 2012, pp. 4-7 to 4-10. Available online at http://www.baaqmd.gov/~media/Files/Planning%20and%20Research/CEQA/BAAQMD%20CEQA%20Guidelines_Final_May%202012.ashx?la=en. Accessed January 7, 2014.

⁵⁰ San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco*, 2010. The final document is available online at <http://www.sf-planning.org/index.aspx?page=2627>. Accessed January 7, 2014.

collectively represent San Francisco's Qualified GHG Reduction Strategy in compliance with the BAAQMD's guidelines. As identified in the GHG Reduction Strategy, the City has implemented a number of mandatory requirements and incentives that have measurably reduced GHG emissions including, but not limited to, increasing the energy efficiency of new and existing buildings, installation of solar panels on building roofs, implementation of a green building strategy, adoption of a zero waste strategy, a construction and demolition debris recovery ordinance, a solar energy generation subsidy, incorporation of alternative fuel vehicles in the City's transportation fleet (including buses), and a mandatory recycling and composting ordinance. The strategy also identifies 42 specific regulations for new development that would reduce a project's GHG emissions.

In reviewing the GHG Reduction Strategy, the BAAQMD concluded that the strategy meets the criteria outlined in their guidelines and stated that San Francisco's "aggressive GHG reduction targets and comprehensive strategies help the Bay Area move toward reaching the state's AB 32 goals, and also serve as a model from which other communities can learn."⁵¹ San Francisco's collective actions, policies and programs have resulted in a 14.5 percent reduction in GHG emissions in 2010 compared to 1990 levels, exceeding the year 2020 reduction goals outlined in the BAAQMD's *Clean Air Plan*, Executive Order S-3-05, and AB 32.^{52, 53} Therefore, projects that are consistent with San Francisco's GHG Reduction Strategy would not result in GHG emissions that would have a significant effect on the environment and would not conflict with state, regional, and local GHG reduction plans and regulations.

The proposed project would contribute to the cumulative effects of climate change by emitting GHGs during its construction and operational phases. Construction of the proposed project is estimated at approximately 24 months. Project operations would generate both direct and indirect GHG emissions. Direct operational emissions include GHG emissions from vehicle trips and area sources (natural gas combustion). Indirect emissions include emissions from electricity providers, energy required to pump, treat, and convey water, and emissions associated with landfill operations.

The proposed project would be subject to and required to comply with several San Francisco policies adopted to reduce GHG emissions as outlined in the GHG Checklist.⁵⁴ The GHG Checklist policies that are applicable to the proposed project include the Commuter Benefits Ordinance, Emergency Ride Home Program, bicycle parking requirements, Existing Commercial Buildings Energy Performance Ordinance, various water efficiency and conservation ordinances, and the Stormwater Management Ordinance.

These policies, as outlined in San Francisco's *Strategies to Address Greenhouse Gas Emissions*, meet the CEQA qualitative analysis (CEQA Guidelines Section 15064(a)(2)) and BAAQMD requirements for a GHG Reduction Strategy. The proposed project was determined to be consistent with San Francisco's

⁵¹ Letter from Jean Roggenkamp, BAAQMD, to Bill Wycko, San Francisco Planning Department. October 28, 2010. This letter is available online at: <http://www.sf-planning.org/index.aspx?page=2627>. Accessed January 7, 2014.

⁵² San Francisco Department of Environment (DOE), "San Francisco Community-Wide Carbon Emissions by Category." Excel spreadsheet provided via email between Pansy Gee, DOE and Wade Wietgreffe, San Francisco Planning Department. June 7, 2013.

⁵³ The *Clean Air Plan*, Executive Order S-3-05, and Assembly Bill 32 goals, among others, are to reduce GHGs in the year 2020 to 1990 levels.

⁵⁴ Greenhouse Gas Analysis: Compliance Checklist (hereinafter "GHG Checklist"), December 11, 2013. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1168E.

GHG Reduction Strategy.⁵⁵ Therefore, the proposed project’s GHG emissions would not conflict with state, regional, and local GHG reduction plans and regulations, and thus the proposed project’s contribution to GHG emissions would not be cumulatively considerable or generate GHG emissions, either directly or indirectly, that would have a significant impact on the environment.

| Topics: | Project-Specific Significant Impact Not Identified in PEIR | Significant Unavoidable Impact Identified in PEIR | Mitigation Identified in PEIR | PEIR Mitigation Applies to Project | PEIR Mitigation Does Not Apply to Project | No Significant Impact (Project or PEIR) |
|--|--|---|-------------------------------|------------------------------------|---|---|
| 9. WIND AND SHADOW—Would the project: | | | | | | |
| a) Alter wind in a manner that substantially affects public areas? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Wind

Wind impacts are directly related to building design and articulation and the surrounding site conditions. The *Eastern Neighborhoods FEIR* determined the rezoning and community plans would not result in a significant impact to wind because the Planning Department, in review of specific future projects, would continue to require analysis of wind impacts, where deemed necessary, to ensure that project-level wind impacts mitigated to a less-than-significant level. No mitigation measures were identified in the FEIR.

Based upon the experience of the Planning Department in reviewing wind analyses and expert opinion on other projects, it is generally the case that projects under 80 feet in height do not have the potential to generate significant wind impacts. The proposed project would involve renovation and reuse of the 20th Street Historic Core and would not increase any building heights. Therefore, the proposed project is not anticipated to cause significant impacts related to wind that were not identified in the *Eastern Neighborhoods FEIR*.

Shadow

The *Eastern Neighborhoods FEIR* determined shadow impacts to be significant and unavoidable due to the potential new shadows on parks without triggering Section 295 of the Planning Code review. Planning Code Section 295 generally prohibits new structures above 40 feet in height that would cast additional shadows on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space. Under the *Eastern Neighborhoods Rezoning and Area Plans*, sites surrounding parks could be redeveloped with taller buildings without triggering Section 295 of the Planning Code because certain parks are not subject to

⁵⁵ GHG Checklist.

Section 295 of the Planning Code (i.e., under jurisdiction by departments other than the Recreation and Parks Department or privately owned). The Eastern Neighborhoods FEIR could not conclude if the rezoning and community plans would result in less-than-significant shadow impacts because the feasibility of complete mitigation for potential new shadow impacts of unknown proposed proposals could not be determined at that time. Therefore, the FEIR determined shadow impacts to be significant and unavoidable. No mitigation measures were identified in the FEIR.

The proposed project would involve renovation and reuse of the 20th Street Historic Core and would not increase any building heights; therefore, a shadow analysis was not required and the proposed project would not shade portions of nearby streets and sidewalks and private property within the project vicinity. For the above reasons, the proposed project would not result in significant impacts related to shadow that were not identified in the *Eastern Neighborhoods FEIR*, and no mitigation measures are necessary.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 10. RECREATION—Would the project: | | | | | | |
| a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Physically degrade existing recreational resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that the anticipated increase in population would not result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreational facilities that may have a significant adverse effect on the environment. No mitigation measures were identified in the FEIR.

The proposed project would result in the renovation and reuse of the 20th Street Historic Core and improvement of roadways, sidewalks, and parking lots within the project site. Future uses would include manufacturing and light industrial, commercial, retail, laboratory, and life science uses, all of which were anticipated in the FEIR to be added as a result of implementation of the *Eastern Neighborhoods Rezoning and Area Plans*. For the above reasons, the proposed project would not result in significant impacts on recreational resources that were not identified in the *Eastern Neighborhoods FEIR*.

| Topics: | Project-Specific Significant Impact Not Identified in PEIR | Significant Unavoidable Impact Identified in PEIR | Mitigation Identified in PEIR | PEIR Mitigation Applies to Project | PEIR Mitigation Does Not Apply to Project | No Significant Impact (Project or PEIR) |
|--|--|---|-------------------------------|------------------------------------|---|---|
| 11. UTILITIES AND SERVICE SYSTEMS—Would the project: | | | | | | |
| a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Have sufficient water supply available to serve the project from existing entitlements and resources, or require new or expanded water supply resources or entitlements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Result in a determination by the wastewater treatment provider that would serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Comply with federal, state, and local statutes and regulations related to solid waste? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that the anticipated increase in population would not result in a significant impact to the provision of water, wastewater collection and treatment, and solid waste collection and disposal. No mitigation measures were identified in the FEIR.

The proposed project would result in the renovation and reuse of the 20th Street Historic Core and improvement of roadways, sidewalks, and parking lots within the project site. Future uses would include manufacturing and light industrial, commercial, retail, laboratory, and life science uses, all of which were anticipated in the FEIR to be added as a result of implementation of the *Eastern Neighborhoods Rezoning and Area Plans*. For the above reasons, the proposed project would not result in significant impacts related to utility and service systems that were not identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|---|---|--|--------------------------------------|---|--|--|
| 12. PUBLIC SERVICES—Would the project: | | | | | | |
| a) Result in substantial adverse physical impacts associated with the provision of, or the need for, new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any public services such as fire protection, police protection, schools, parks, or other services? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that the anticipated increase in population would not result in a significant impact to public services, including fire protection, police protection, and public schools. No mitigation measures were identified in the FEIR. Impacts on parks and recreation are discussed under Topics 9 and 10.

The proposed project would result in the renovation and reuse of the 20th Street Historic Core and improvement of roadways, sidewalks, and parking lots within the project site. Future uses would include manufacturing and light industrial, commercial, retail, laboratory, and life science uses, all of which were anticipated in the FEIR to be added as a result of implementation of the *Eastern Neighborhoods Area Plan*. For the above reasons, the proposed project would not result in significant impacts related to public services that were not identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 13. BIOLOGICAL RESOURCES—Would the project: | | | | | | |
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The Eastern Neighborhoods project area is almost fully developed with buildings and other improvements such as streets and parking lots. Most of the project area consists of structures that have been in industrial use for many years. As a result, landscaping and other vegetation is sparse, except for a few parks. Because future development projects in the Eastern Neighborhoods would largely consist of new construction of housing in these heavily built-out former industrial neighborhoods, vegetation loss or disturbance of wildlife other than common urban species would be minimal. Therefore, the *Eastern Neighborhoods FEIR* concluded that the project would not result in any significant effects related to biological resources. No mitigation measures were identified in the FEIR.

The project site is covered entirely by existing buildings and impervious surfaces with the exception of small, weeded patches in front of Building 102. There are no candidate, sensitive, or special-status species, riparian habitat, or wetlands on the project site, so implementation of the proposed project would not adversely affect a candidate, sensitive, or special-status species, a riparian habitat, or wetlands.

San Francisco is located within the Pacific Flyway, a major north-south route of travel for migratory birds along the western portion of the Americas, extending from Alaska to Patagonia, Argentina. Every year, migratory birds travel some or all of this distance in the spring and autumn, following food sources, heading to and from breeding grounds, or traveling to and from overwintering sites. High-rise buildings are potential obstacles that can injure or kill birds in the event of a collision, and bird strikes are a leading cause of worldwide declines in bird populations.

Planning Code Section 139, Standards for Bird-Safe Buildings, establishes building design standards to reduce avian mortality rates associated with bird strikes. This ordinance focuses on location-specific

hazards and building feature-related hazards. Location-specific hazards apply to buildings in, or within 300 feet of and having a direct line of sight to, an Urban Bird Refuge, which is defined as an open space “two acres and larger dominated by vegetation, including vegetated landscaping, forest, meadows, grassland, or wetlands, or open water.” The project site is partially located within 300 feet of an Urban Bird Refuge (i.e., San Francisco Bay), so the standards related to location-specific hazards are applicable to the proposed project. Feature-related hazards, which can occur on buildings anywhere in San Francisco, are defined as freestanding glass walls, wind barriers, skywalks, balconies, and greenhouses on rooftops that have unbroken glazed segments of 24 square feet or larger. For any portion of the project site located within 300 feet of an Urban Bird Refuge, the proposed project would be required to comply with the feature-related standards of Planning Code Section 139. As a result, the proposed project would not interfere substantially with the movement of any native resident or migratory wildlife species or with established native resident or migratory wildlife corridors.

There are no existing trees or other vegetation on the project site that would need to be removed as part of the proposed project. As a result, the proposed project would not conflict with any local policies or ordinances that protect biological resources.

The project site is not within an area covered by an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, state, or regional habitat conservation plan. As a result, the proposed project would not conflict with the provisions of any such plan.

For these reasons, implementation of the proposed project would not result in significant impacts on biological resources, and no mitigation measures are necessary.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 14. GEOLOGY AND SOILS—Would the project: | | | | | | |
| a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | | | |
| i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii) Strong seismic ground shaking? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iii) Seismic-related ground failure, including liquefaction? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iv) Landslides? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|---|---|--|--------------------------------------|---|--|--|
| b) Result in substantial soil erosion or the loss of topsoil? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Change substantially the topography or any unique geologic or physical features of the site? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* concluded that implementation of the plan would indirectly increase the population that could be exposed to risks related to earthquakes and landslides. The FEIR also noted that new development is generally safer than comparable older development due to improvements in building codes and construction techniques. Compliance with applicable codes and recommendations made in project-specific geotechnical analyses would not eliminate risks related to geological hazards, but would reduce them to an acceptable level. Therefore, the FEIR concluded that development under the area plan would not result in significant impacts related to geological hazards. No mitigation measures were identified in the FEIR.

Several geotechnical investigations have been prepared for the project site.^{56,57,58} The following discussion relies on the information provided in the geotechnical investigations.

The topography of the project site is relatively level but slopes slightly downward toward the east. Geotechnical soil borings were excavated to a maximum depth of approximately 66 feet below ground surface (bgs). Based on the soil analysis of the borings, the site subsurface conditions vary. The site contains about 18 feet of fill that consists of loose gravel and stiff clay with sand overlaying

⁵⁶ Geotechnical Investigation for Mariposa Storage/Transport Facilities, San Francisco, California, AGS, Inc., June 1989. This document is on file and available for public review at the Planning Department, 1650 Mission Street, Suite 400.

⁵⁷ Geotechnical Investigation for Pier 70, Building 113, San Francisco, California, Treadwell and Rollo, April 28, 2010. This document is on file and available for public review at the Planning Department, 1650 Mission Street, Suite 400.

⁵⁸ Geotechnical Consultation for Pier 70 Historic Building Renovations, San Francisco, California, Langan Treadwell Rollo, May 28, 2013.

approximately 9 feet of hard clay. The fill thickness generally increases from south to north as does the depth of the bedrock. Bedrock is anticipated to be roughly at grade in the vicinity of Building 116 and in the southeastern half of Building 14. Top of bedrock was encountered in borings at depths ranging from 26 feet bgs near the southeastern end of Building 101 to 58 feet bgs near the southeastern end of Building 104. Fill materials were encountered throughout the site, with thicknesses up to 29 feet in the vicinity of the southeastern corner of Building 104. Fill appears to have been placed over varying thicknesses of Bay Mud in the vicinity of Buildings 102 and 104. Groundwater was encountered at about eight to twelve feet bgs.

The project site does not lie within an Alquist-Priolo Earthquake Fault Zone as defined by the California Division of Mines and Geology. No known active faults cross the project site. The closest mapped active fault in the vicinity of the project site is the San Andreas Fault, located approximately 7.5 miles west from the project site. The proximity would likely result in strong to very strong earthquake shaking at the project site.

The project site is located within a liquefaction potential zone as mapped by the California Division of Mines and Geology for the City and County of San Francisco. Based on analysis of geotechnical borings taken on and adjacent to the project site, some soils within the upper 26 feet are potentially susceptible to liquefaction, and could experience seismically-induced settlement of up to three inches. However, since the liquefaction layer is not continuous, the potential for lateral spreading is low. The report also determined that potential hazards associated with landsliding are nil at the project site.

According to available drawings, Building 101 is supported on footings bearing in bedrock. Building 104 and likely Building 102 are supported on fill, and additional exploration should confirm this. Under existing conditions, bedrock is likely to be exposed or be within several feet of the ground surface underneath Building 116 and the southeastern half of Building 14. The bedrock in the vicinity of the site is typically weak and friable, but can support shallow foundations with relatively high bearing pressures.

The geotechnical investigations provided recommendations for foundation options to reduce the risks related to the seismic hazards and site conditions noted above, including: (1) further evaluation of footings founded on competent soil or bedrock using an allowable bearing pressure of 6,000 pounds per square foot, with a one third increase for total loads for Building 113 using micropiles; and (2) where new foundations are required to support improvements, footings bearing in bedrock would be the preferable option; where footings would need to extend too deep to make their construction practical, micropiles should be used. Additionally, micropiles may be used to support seismic elements and resist uplift loads. Micropiles can be designed to provide both compression and tension support in the stiff soil or bedrock below the fill and Bay Mud. The project sponsor has agreed to implement these measures, subject to building permit requirements.

The geotechnical investigation concluded that the site is suitable for support of the proposed project. The proposed project would be required to incorporate these and any future recommendations into the final building design through the building permit review process. Through this process, San Francisco Port Department (Port Building Department) would review the geotechnical investigation to determine the adequacy of necessary engineering and design features to ensure compliance with all Building Code provisions regarding structure safety. Past geological and geotechnical investigation would be available for use by the Port Building Department during its review of building permits for the project site. Also, DBI could require that additional site-specific soils report(s) be prepared in conjunction with permit applications, as needed. For the above reasons, the proposed project would not result in significant impacts related to geology and soils that were not identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|---|---|--|--------------------------------------|---|--|--|
| 15. HYDROLOGY AND WATER QUALITY—Would the project: | | | | | | |
| a) Violate any water quality standards or waste discharge requirements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Otherwise substantially degrade water quality? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other authoritative flood hazard delineation map? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| h) Place within a 100-year flood hazard area structures that would impede or redirect flood flows? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- j) Expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow? | |

The *Eastern Neighborhoods FEIR* determined that the anticipated increase in population resulting from implementation of the Area Plans would not result in a significant impact to hydrology and water quality, including the combined sewer system and the potential for combined sewer outflows. No mitigation measures were identified in the FEIR.

The existing project site is completely covered by existing buildings and impervious surfaces with the exception of small, weeded patches in front of Building 102. The proposed project would include the renovation and reuse the 20th Street Historic Core and improvement of roadways, sidewalks, and parking lots within the project site. Groundwater is relatively shallow throughout the project site, approximately eight to twelve feet bgs. The proposed project would not involve excavation to this depth and is therefore unlikely to encounter groundwater. However, any groundwater that is encountered during construction would be subject to requirements of the City's Sewer Use Ordinance (Ordinance Number 19-92, amended 116-97), as supplemented by Department of Public Works Order No. 158170, requiring a permit from the Wastewater Enterprise Collection System Division of the San Francisco Public Utilities Commission. A permit may be issued only if an effective pretreatment system is maintained and operated. Each permit for such discharge shall contain specified water quality standards and may require the project sponsor to install and maintain meters to measure the volume of the discharge to the combined sewer system. Effects from lowering the water table due to dewatering, if any, would be temporary and would not be expected to substantially deplete groundwater resources.

The proposed project would not increase the amount of impervious surface area on the project site. In accordance with the San Francisco Stormwater Management Ordinance (Ordinance No. 83-10), the proposed project would be subject to and would comply with Low Impact Design (LID) approaches and stormwater management systems to comply with the Stormwater Design Guidelines. Therefore, the proposed project would not adversely affect runoff and drainage. For the above reasons, the proposed project would not result in significant impacts related to hydrology and water quality that were not identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|---|---|--|--------------------------------------|---|--|--|
| 16. HAZARDS AND HAZARDOUS MATERIALS—Would the project: | | | | | | |
| a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|
| c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| h) Expose people or structures to a significant risk of loss, injury or death involving fires? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that the rezoning of currently zoned industrial (PDR) land to residential, commercial, or open space uses in the Eastern Neighborhoods would result in the incremental replacement of some of the existing non-conforming business with development of these other land uses. Development may involve demolition or renovation of existing structures that may contain hazardous building materials, such as transformers and fluorescent light ballasts that contain polychlorinated biphenyls (PCBs) or di (2 ethylhexyl) phthalate (DEHP) and fluorescent lights containing mercury vapors, that were commonly used in older buildings and which could present a public health risk if disturbed during an accident or during demolition or renovation. The *Eastern Neighborhoods FEIR* identified a mitigation measure to reduce this impact to less than significant.

The proposed project includes the removal of transformers and could involve removal of fluorescent light ballasts, and fluorescent lights. Therefore, **Eastern Neighborhoods FEIR Mitigation Measure L-1, Hazardous Building Materials (Project Mitigation Measure 7, page 63)** would apply to the proposed project.

In addition, the project site was formerly used for a variety of industrial uses, including manufacture, maintenance, and repair of destroyers and submarine ships from World War I into the 1970s. Operations at the site have included administration and engineering offices, metal foundries, warehouses, machine shops and powerhouses containing boilers and transformers. These may have used, generated, stored, or disposed of hazardous materials. The most recent land use on the project site has included powerhouse energy generation for the adjacent BAE Systems ship repair, and warehousing/storage.

Due to its location in an area of known bay fill and historic land use, the project is subject to Article 22A of the San Francisco Health Code, also known as the Maher Ordinance, which is administered and overseen by the Department of Public Health (DPH). The Maher Ordinance applies to projects that will disturb 50 cubic yards or more and requires the project sponsor to retain the services of a qualified professional to prepare a Site History Report that meets the requirements of Health Code Section 22.A.6. If it is determined that the project will trigger applicability of the Maher Ordinance, the extent to which work completed to date fulfills the requirements of the ordinance will be evaluated in consultation with DPH.

The Site History Report required by the Maher Ordinance would determine the potential for site contamination and level of exposure risk associated with the project. Based on that information, the project sponsor could be required to conduct soil and/or groundwater sampling and analysis. Where such analysis reveals the presence of hazardous substances in excess of state or federal standards, the project sponsor is required to submit a site mitigation plan (SMP) to DPH or other appropriate state or federal agency(ies), and to remediate any site contamination in accordance with an approved SMP prior to the issuance of any building permit. The Port has already completed an extensive investigation of the entire Pier 70 site within which the proposed project is located, including a Site Investigation Report and Feasibility Study/Remedial Action Plan, and a Risk Management Plan covering the Pier 70 area has already been approved by the Regional Water Quality Control Board (Water Board). The Site Investigation Report fulfills the requirement for a Site History Report under Health Code Article 22A, and completed sampling and analysis that would typically be performed to meet the soil characterization requirements of Article 22A. Consequently, the RMP contemplates that a project sponsor may demonstrate that work completed to date fulfills the requirements of Article 22A on a project-specific basis.

In addition, numerous studies of environmental conditions in and around the project site have been undertaken by various parties. Those addressing all or portions of the project site include: a Phase I Environmental Site Assessment Report (ESA) prepared by Tetra Tech, Inc. for the Port⁵⁹, a Phase I ESA prepared by Ecology and Environment for the U.S. Environmental Protection Agency (EPA)⁶⁰, and a Phase II ESA prepared by Ecology and Environment, Inc. for the EPA.⁶¹ These reports collectively fulfill the requirement for a Site History Report. Evaluation of site history and other findings of the Phase I ESAs indicated that additional soil and groundwater characterization was warranted and would be required under voluntary oversight agreements with two agencies that have regulatory jurisdiction over site remediation in San Francisco: the Water Board and DPH.

Summary of Environmental Site Investigation

Building on information obtained from the earlier site assessments listed above, the Port undertook additional environmental investigation of the Pier 70 Master Plan Area, including the project site, in 2009 and 2010. The investigation included collection and analysis of soil, soil gas, and groundwater. Samples were analyzed for potentially hazardous constituents, both naturally occurring and related to historic industrial activities at the site. The site history information and other findings of previous site assessments, and sampling and analysis results from previous investigations were incorporated into the data set with the

⁵⁹ Tetra Tech, Inc. "Phase I Environmental Site Assessment- Pier 70 Mixed Use Opportunity Area, Corner of Illinois Street and 20th Street", August 1998.

⁶⁰ Ecology and Environment, Inc., "Phase I Brownfields Environmental Site Assessment Report - Pier 70 Maritime Use Area", March 2001.

⁶¹ Ecology and Environment, Inc., "Phase II Brownfields Targeted Site Assessment Report - Pier 70 Mixed Use Opportunity Area", November 2000.

results of the subsequent additional investigation by the Port. The resultant comprehensive site history and environmental investigation report prepared by Treadwell and Rollo, Inc., for the Port was published in 2011 and subsequently approved by the Water Board⁶²

The following are findings and conclusions from the site investigation:

- Shallow soil (<10 ft. below grade) within the project site contains metals, both naturally occurring and introduced, and petroleum hydrocarbons at concentrations that exceed site-specific cleanup levels.
- Some soil samples collected within the project site contained low concentrations (<1%) of naturally-occurring asbestos.
- Groundwater contains contaminants at concentrations that do not pose a significant risk of adverse impact to human health or the environment.
- Soil gas impacts are minimal and do not pose a significant risk to human health or the environment.
- Potential human health risk resulting from contaminants at Pier 70 results primarily from construction workers' exposure to soil and groundwater.

Feasibility Study and Remedial Action Plan

Building upon the findings of the site investigation, Treadwell & Rollo, Inc., developed a Feasibility Study and Remedial Action Plan (FS/RAP).⁶³ The FS/RAP followed methodology specified by applicable Federal and State regulatory guidance, and was conducted with oversight by the Water Board and DPH. The FS included the following:

- Identification of remedial actions that could be taken to reduce risks associated with contamination and their suitability for use at Pier 70, and analyzed a short list of five potentially feasible scenarios.
- Evaluation of each scenario with respect to nine federally-specified criteria, six state-specified criteria, and factors related to the environmental impact and sustainability of the remedial action itself.
- Identification of a preferred remediation scenario, and documented the basis for that selection.

The FS considered the extent to which remedial actions would protect human health and the environment under all anticipated future land uses at Pier 70: commercial/industrial, residential and recreational. Under the parcel-specific land uses envisioned in the Pier 70 Preferred Master Plan, only contaminated soil requires remediation. Consequently the FS focused on remedial alternatives for contaminated soil. The FS determined that "institutional controls and capping" scored highest of the feasible alternatives analyzed, and is the recommended alternative for mitigating risks associated with contaminants at the site.

The proposed RAP therefore consists of installation of durable covers over site soil, and adoption of institutional controls, monitoring, and maintenance. Durable covers would be designed to prevent future site users' exposure to underlying soil. Acceptable covers include new or existing buildings, streets and sidewalks, "hardscape" and paving, new landscaping installed with an appropriate thickness of clean soil, and stabilized shoreline areas.

The FS/RAP anticipated that remedial action would occur concurrent with site development and that a Risk Management Plan (RMP) would be developed for the entire site to specify management measures that would be implemented to protect human health and the environment during and after site development.

Institutional Controls to be imposed as part of the RAP would include, but may not be limited to:

⁶² Treadwell & Rollo, Inc., "Environmental Site Investigation Report – Pier 70 Master Plan Area", January 13, 2011.

⁶³ Treadwell & Rollo, Inc., Feasibility Study and Remedial Action Plan, Pier 70 Master Plan Area, May 2012.

- Activity restrictions prohibiting exposed native soil or growing produce in on-site soils.
- Prohibiting domestic or industrial use of groundwater, and limiting groundwater handling on-site to dewatering during construction activities.
- Management of soil and groundwater in accordance with an approved RMP.
- Requirement that soil removed from one portion of the site for re-use elsewhere within the site be placed under durable cover.
- Notification of tenants and contractors regarding contaminants and required compliance with RMP;
- Inspection and maintenance of covers in accordance with an approved RMP; and
- Right of access to the site by regulatory agency personnel for periodic inspections of durable covers.

The RAP is appropriate for commercial, industrial, residential and or recreational land uses, wherever they may be developed within the area evaluated by the FS/RAP, provided that development is implemented in accordance with the RMP. The RMP may require additional risk evaluation, and potentially additional measures to minimize or eliminate exposure to soil gas and/or groundwater if residential development is proposed in those limited areas where volatile contaminants may be present above residential cleanup levels.

The final FS/RAP document was published on May 31st, 2012 and approved by the Water Board on August 9th, 2012.

Risk Management Plan

Thereafter, Port staff and consultants developed a draft RMP for agency (Water Board and Department of Public Health), stakeholder, and public review, and submitted a final draft RMP⁶⁴ to the Water Board in July 2013. The Water Board approved that draft as the final RMP on January 24, 2014.

The RMP presents a decision framework and specific protocols for managing chemicals in soil and groundwater within the Pier 70 area, including the project site, to protect human health and the environment. These management measures are consistent with existing and future land uses, and appropriate for a phased redevelopment that is planned to occur over many years. The Port, future developers and tenants, including those in the 20th Street Historic Core, will use the RMP to manage potential risks associated with site conditions.

For the above reasons, the proposed project would not result in significant impacts related to hazards and hazardous materials that were not identified in the *Eastern Neighborhoods FEIR*.

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 17. MINERAL AND ENERGY RESOURCES—Would the project: | | | | | | |
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

⁶⁴ Treadwell & Rollo, Inc., “Pier 70 Risk Management Plan – Pier 70 Master Plan Area”, July 25, 2013.

| Topics: | Project-Specific Significant Impact Not Identified in PEIR | Significant Unavoidable Impact Identified in PEIR | Mitigation Identified in PEIR | PEIR Mitigation Applies to Project | PEIR Mitigation Does Not Apply to Project | No Significant Impact (Project or PEIR) |
|---|--|---|-------------------------------|------------------------------------|---|---|
| b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that the plan would facilitate the construction of both new residential units and commercial buildings. Development of these uses would not result in the use of large amounts of fuel, water, or energy in the context of energy use throughout the City and region. The energy demand for individual buildings would be typical for such projects and would meet, or exceed, current state and local codes and standards concerning energy consumption, including Title 24 of the California Code of Regulations enforced by the Port Department. The project area does not include any natural resources routinely extracted and the rezoning does not result in any natural resource extraction programs. Therefore, the *Eastern Neighborhoods FEIR* concluded that the project would not result in a significant impact to mineral and energy resources. No mitigation measures were identified in the FEIR.

No operational mineral resource recovery sites exist in the project area whose operations or accessibility would be affected by the proposed project. The energy demand for the proposed project would be typical for such projects and would meet, or exceed, current state or local codes and standards concerning energy consumption, including applicable portions of Title 24 of the California Code of Regulations and the Historic Building Code enforced by the Port Building Department. For the above reasons, the proposed project would not result in significant impacts on mineral and energy resources that were not identified in the *Eastern Neighborhoods FEIR*.

| Topics: | Project-Specific Significant Impact Not Identified in PEIR | Significant Unavoidable Impact Identified in PEIR | Mitigation Identified in PEIR | PEIR Mitigation Applies to Project | PEIR Mitigation Does Not Apply to Project | No Significant Impact (Project or PEIR) |
|--|--|---|-------------------------------|------------------------------------|---|---|
| 18. AGRICULTURE AND FOREST RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.— Would the project: | | | | | | |
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| <i>Topics:</i> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)) or timberland (as defined by Public Resources Code Section 4526)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in the loss of forest land or conversion of forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The *Eastern Neighborhoods FEIR* determined that no agricultural resources exist in the Plan Areas; therefore the rezoning and community plans, including the Central Waterfront Area Plan, would have no effect on agricultural resources. No mitigation measures were identified in the FEIR. The *Eastern Neighborhoods FEIR* did not analyze the effects on forest resources.

The existing project site is mostly covered by existing buildings and impervious surfaces, with the exception of small, weeded vegetated patches in front of Building 102, and is located within the Central Waterfront Area Plan analyzed under the *Eastern Neighborhoods FEIR*. Therefore, no agricultural uses, forest land, or timberland exist at the project site. For the above reasons, the proposed project would not result in significant impacts on agricultural or forest resources that were not identified in the *Eastern Neighborhoods FEIR*.

| <u>Topics:</u> | <i>Project-Specific Significant Impact Not Identified in PEIR</i> | <i>Significant Unavoidable Impact Identified in PEIR</i> | <i>Mitigation Identified in PEIR</i> | <i>PEIR Mitigation Applies to Project</i> | <i>PEIR Mitigation Does Not Apply to Project</i> | <i>No Significant Impact (Project or PEIR)</i> |
|--|---|--|--------------------------------------|---|--|--|
| 19. MANDATORY FINDINGS OF SIGNIFICANCE—Would the project: | | | | | | |
| a) Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Have impacts that would be individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The *Eastern Neighborhoods FEIR* identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Mitigation measures reduced all impacts to less than significant, with the exception of those related to land use (cumulative impacts on PDR use), transportation (traffic impacts at some intersections and transit impacts on some Muni lines), cultural (demolition of historical resources), and shadow (impacts on parks). The proposed project would include the renovation and reuse the 20th Street Historic Core and improvement of roadways, sidewalks, and parking lots within the project site. As discussed in this document, the proposed project would not result in new, significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the *Eastern Neighborhoods FEIR*.

Mitigation Measures

The following mitigation measures were identified in the *Eastern Neighborhoods FEIR* for implementation as part of the *Eastern Neighborhoods Rezoning and Area Plans*. The Project Sponsor has agreed to implement these mitigation measures as part of the proposed project at 400-600 20th Street:

Project Mitigation Measure 1 – Properties with No Previous Studies (Mitigation Measure J-2 in the *Eastern Neighborhoods FEIR*)

Based on the reasonable potential that archeological resources may be present within the project site, the following requirement shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of *construction* can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).

Archeological monitoring program (AMP). The archeological monitoring program shall minimally include the following provisions:

- The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to archaeological resources and to their depositional context;
- The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;
- The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with the archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;
- The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;
- If an intact archeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall, after

making a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, present the findings of this assessment to the ERO.

Consultation with Descendant Communities: On discovery of an archeological site⁶⁵ associated with descendant Native Americans or the Overseas Chinese an appropriate representative⁶⁶ of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.

If the ERO in consultation with the archeological consultant determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:

- A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or
- B) An archeological data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.

If an archeological data recovery program is required by the ERO, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The project archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- *Field Methods and Procedures.* Descriptions of proposed field strategies, procedures, and operations.
- *Cataloguing and Laboratory Analysis.* Description of selected cataloguing system and artifact analysis procedures.

⁶⁵ By the term "archeological site" is intended here to minimally included any archeological deposit, feature, burial, or evidence of burial.

⁶⁶ An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission and in the case of the Overseas Chinese, the Chinese Historical Society of America.

- *Discard and Deaccession Policy.* Description of and rationale for field and post-field discard and deaccession policies.
- *Interpretive Program.* Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.
- *Security Measures.* Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.
- *Final Report.* Description of proposed report format and distribution of results.
- *Curation.* Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

Human Remains, Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal Laws, including immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the human remains and associated or unassociated funerary objects.

Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

Project Mitigation Measure 2 – Traffic Signal Installation (Mitigation Measure E-1 in the *Eastern Neighborhoods FEIR*)

To mitigate the significant cumulative traffic impact at the intersection of 20th and Illinois Streets, an upgraded traffic signal would need to be installed at this intersection. With this new signal, the average vehicle delay would decrease, and the intersection would operate at LOS B. There are a number of proposed developments in the immediate vicinity of this intersection, most noticeably other development at Pier 70, that would contribute to growth in future traffic volumes and increased delays. Installation of a

traffic signal at the intersection of 20th and Illinois Streets could be linked to these and other proposed development projects.

The project sponsor shall pay its fair share contribution to mitigate the significant cumulative traffic impact at the intersection of 20th and Illinois Streets, which is approximately 9 percent of the cost of the traffic signal at this intersection. The amount and schedule for payment of the proposed project's fair share contribution to the mitigation shall be determined by SFMTA. The proposed project's fair share contribution to the 20th and Illinois Streets intersection mitigation measure would reduce the project's contribution to the *Eastern Neighborhoods FEIR* significant cumulative impact for the Central Waterfront area. However, due to the uncertainty that the remaining cost of the signal would be obtained, the cumulative traffic impact at the 20th and Illinois Streets intersection would remain significant and unavoidable.

Project Mitigation Measure 3 – Interior Noise Levels (Mitigation Measure F-3 in the *Eastern Neighborhoods FEIR*)

For new development including noise-sensitive uses located along streets with noise levels above 60 dBA (Ldn), as shown in Figure 18 of the Eastern Neighborhoods FEIR, where such development is not already subject to the California Noise Insulation Standards in Title 24 of the California Code of Regulations, the project sponsor shall conduct a detailed analysis of noise reduction requirements. Such analysis shall be conducted by person(s) qualified in acoustical analysis and/or engineering. Noise insulation features identified and recommended by the analysis shall be included in the design, as specified in the San Francisco General Plan Land Use Compatibility Guidelines for Community Noise to reduce potential interior noise levels to the maximum extent feasible.

Project Mitigation Measure 4 – Siting of Noise-Sensitive Uses (Mitigation Measure F-4 in the *Eastern Neighborhoods FEIR*)

To reduce potential conflicts between existing noise-generating uses and new sensitive receptors, for new development including noise-sensitive uses, the Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-generating uses within 900 feet of, and that have a direct line-of-sight to, the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to the first project approval action. The analysis shall be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels in the vicinity. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action, in order to demonstrate that acceptable interior noise levels consistent with those in the Title 24 standards can be attained.

Project Mitigation Measure 5 – Siting of Noise-Generating Uses (Mitigation Measure F-5 in the *Eastern Neighborhoods FEIR*)

To reduce potential conflicts between existing sensitive receptors and new noise-generating uses, for new development including commercial, industrial or other uses that would be expected to generate noise levels in excess of ambient noise, either short-term, at nighttime, or as a 24-hour average, in the proposed

project site vicinity, the Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-sensitive uses within 900 feet of, and that have a direct line-of-sight to, the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to the first project approval action. The analysis shall be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that the proposed use would comply with the use compatibility requirements in the general plan and Police Code section 2909, would not adversely affect nearby noise-sensitive uses, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels that would be generated by the proposed use. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action.

Project Mitigation Measure 6 – Construction Emissions Minimization (Based on Mitigation Measure G-1 in the Eastern Neighborhoods FEIR)

- A. *Construction Emissions Minimization Plan.* Prior to issuance of a construction permit, the project sponsor shall submit a Construction Emissions Minimization Plan (Plan) to the Environmental Review Officer (ERO) for review and approval by an Environmental Planning Air Quality Specialist. The Plan shall detail project compliance with the following requirements:
1. All off-road equipment greater than 25 hp and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:
 - a) Where access to alternative sources of power are available, portable diesel engines shall be prohibited;
 - b) All off-road equipment shall have:
 - i. Engines that meet or exceed either USEPA or ARB Tier 2 off-road emission standards, *and*
 - ii. Engines that are retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy (VDECS).⁶⁷
 - c) Exceptions:
 - i. Exceptions to A(1)(a) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that an alternative source of power is limited or infeasible at the project site and that the requirements of this exception provision apply. Under this circumstance, the sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation.
 - ii. Exceptions to A(1)(b)(ii) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that a particular piece of off-road equipment with an ARB Level 3 VDECS is: (1) technically not feasible, (2) would not produce desired emissions reductions due to expected operating modes, (3) installing the control device would create a safety hazard or impaired visibility for the operator, or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with an ARB Level 3 VDECS and the sponsor has submitted documentation to the ERO

⁶⁷ Equipment with engines meeting Tier 4 Interim or Tier 4 Final emission standards automatically meet this requirement, and therefore a VDECS would not be required.

that the requirements of this exception provision apply. If granted an exception to A(1)(b)(ii), the project sponsor must comply with the requirements of A(1)(c)(iii).

- iii. If an exception is granted pursuant to A(1)(c)(ii), the project sponsor shall provide the next cleanest piece of off-road equipment as provided by the step down schedules in Table A1 below.

**TABLE A1
OFF-ROAD EQUIPMENT COMPLIANCE STEP DOWN SCHEDULE***

| Compliance Alternative | Engine Emission Standard | Emissions Control |
|------------------------|--------------------------|-------------------|
| 1 | Tier 2 | ARB Level 2 VDECS |
| 2 | Tier 2 | ARB Level 1 VDECS |
| 3 | Tier 2 | Alternative Fuel* |

*How to use the table. If the requirements of (A)(1)(b) cannot be met, then the project sponsor would need to meet Compliance Alternative 1. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 2, then Compliance Alternative 3 would need to be met.

**Alternative fuels are not a VDECS

2. The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than *two* minutes, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing areas and at the construction site to remind operators of the two minute idling limit.
3. The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.
4. The Plan shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used.
5. The Plan shall be kept on-site and available for review by any persons requesting it and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the Plan and a way to request a copy of the Plan. The project sponsor shall provide copies of Plan to members of the public as requested.

- B. *Reporting.* Quarterly reports shall be submitted to the ERO indicating the construction phase and off-road equipment information used during each phase including the information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.
1. Within six months of the completion of construction activities, the project sponsor shall submit to the ERO a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.
- C. *Certification Statement and On-site Requirements.* Prior to the commencement of construction activities, the project sponsor must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.

Project Mitigation Measure 7 – Hazardous Building Materials (Mitigation Measure L-1 in the *Eastern Neighborhoods FEIR*)

The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

Improvement Measures

The following improvement measure was identified in the *Eastern Neighborhoods FEIR* for implementation as part of the *Eastern Neighborhoods Rezoning and Area Plans*.

Project Improvement Measure 1 – Develop Additional Pedestrian and Roadway Treatments

As an improvement measure to reduce any potential conflicts between pedestrians and freight/delivery vehicles maneuvering in and out of loading zones and within the courtyard area, the project sponsor should provide additional pedestrian treatments to assure safe passage of pedestrians throughout the project site and reduce and/or eliminate any vehicle-pedestrian conflicts. The project sponsor should provide:

- High-visibility crosswalks (e.g., continental, transverse, and/or ladder marking pattern) at the intersection of 20th Street and Georgia Street. Installation of crosswalks will provide enhanced pedestrian circulation and connectivity between buildings north and south of 20th Street;
- Installation of ADA-accessible ramps at all proposed crosswalk locations and at a safe distance from any on-street loading zone;
- Installation of STOP signs along the northbound Michigan Street approach and northbound Louisiana Street approach;

- Additional signage and notifications within the courtyard area to better guide pedestrians attempting to access various buildings from the courtyard area and to maintain a safe distance from any parked or moving vehicles within the courtyard area. Special pavement markings may be installed to delineate the pedestrian walkway within the courtyard area.
- Additional signage along the loading dock areas to inform non-authorized personnel that traversing these areas is strictly prohibited and proper signage should guide non-authorized personnel to the nearest appropriate path of travel.

All pedestrian treatments should be constructed in accordance with the California Manual on Uniform Traffic Control Devices (MUTCD). Such pedestrian treatments may require approvals by the Port of San Francisco, San Francisco Planning Department, Department of Public Works, and SFMTA's Livable Streets Subdivision, as appropriate.

Project Improvement Measure 2 – Designate Safe, Accessible, and Convenient Bicycle Parking

The proposed locations for bicycle parking within the project site have not been finalized and are subject to change. However, as an improvement measure to provide safe, accessible, and convenient bicycle parking for patrons (employees and visitors) and to reduce any potential conflicts with moving vehicles, the project sponsor should locate bicycle parking in an appropriate distance from nearby roadways or loading zones, install bicycle parking in locations that are highly visible for bicyclists, and design bicycle parking that allows for ease of access in and out of these bicycle parking areas. The project sponsor should encourage future building tenants to provide adequate space for Class 1 bicycle parking and to provide bicycle parking that is covered, secured and accessible for employees. The project sponsor should install Class 2 bicycle spaces along sidewalks and/or open space with adequate spacing and/or install bicycle corrals to provide an adequate number of bicycle parking spaces within a concentrated area that is at a safe, convenient distance from moving vehicles. Appropriate signage should also be installed to notify bicyclists of these on-site bicycle parking areas.

Project Improvement Measure 3 – Designate Loading Dock Manager

During the average and peak loading hour, not all freight/delivery vehicles may be accommodated in the off-street loading spaces within the project site. As a consequence, loading and unloading vehicles may need to wait, use on-street loading facilities or possibly double park. As an improvement measure to alleviate potential adverse effects to loading activities within the project site, the project sponsor should require each building tenant to designate a loading dock manager(s) to schedule and/or direct loading vehicles, as appropriate.

Project Improvement Measure 4 – Require Traffic Controllers/Flaggers for Larger Deliveries

During deliveries that require oversized vehicles that require the use of on-site loading dock facilities, or for deliveries that would occur in the presence of high volumes of pedestrian or bicycle traffic, the project sponsor should require tenants to use flaggers to guide vehicles through and/or around the loading zones as well as guide vehicles along public roadways (e.g., 20th, Michigan, Georgia, and Louisiana Streets). Such efforts would minimize potential conflicts with other users of the roadway, including other vehicles, pedestrians, and bicyclists circulating within the project site.

Project Improvement Measure 5 – Limit Peak Hour Truck Movements

Any project construction traffic occurring between 7:00 a.m. and 9:00 a.m. or between 3:30 p.m. and 6:00 p.m. would coincide with peak hour traffic and could temporarily impede traffic and transit flow, although it would not be considered a significant impact. Limiting truck movements to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by SFMTA) would further minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods.

Project Improvement Measure 6 – Develop Construction Management Plan

The project sponsor, the Port of San Francisco, and their construction contractor(s) could meet with the Sustainable Streets Division of the SFMTA, the Fire Department, Muni, and the Planning Department to determine feasible measures to reduce traffic congestion, including potential transit disruption, and pedestrian circulation impacts during construction of the project. To minimize cumulative traffic impacts due to project construction, the project sponsor would coordinate with construction contractors for any concurrent nearby projects (e.g., along Illinois Street, between 18th and 19th Streets, and other parts of Pier 70) that are planned for construction or which later become known.

Project Improvement Measure 7 – Encourage Transit Access for Construction Workers

As an improvement measure to minimize parking demand and vehicle trips associated with construction workers, the construction contractor could include methods to encourage transit use to the project site by construction workers in the Construction Management Plan.

Project Improvement Measure 8 – Provide Project Construction Updates

As an improvement measure to minimize construction effects on nearby businesses, the project sponsor could provide regularly-updated information (typically in the form of community meetings, website, news articles, on-site posting, etc.) regarding project construction and schedule, as well as contact information for specific construction inquiries or concerns.

Project Improvement Measure 9 – Transportation Management Plan

Metrics/Monitoring/Evaluation

- Orton Development, Inc. (ODI) or the Port will provide a TMP coordinator for the site to ensure the following TMP is implemented.
- ODI will require sub-tenant compliance with TMP to make sure employers on site are offering commuter check benefits to employees, per City requirements.
- ODI will work with SFMTA and/or the Planning Department to establish quantitative mode share or non-automobile share targets for all trip purposes for workers and visitors to the site.
- ODI will send out an annual travel behavior survey to employers and will share its report and collected responses with the City.

- In Port-operated lots that serve the project, parking operators will collect data on traffic and parking occupancy during peak commute and peak events annually and report to the Planning Department and/or SFMTA.

Transit and Ride Sharing Incentives

- ODI and the Port will require sub-tenants to adopt a transit-oriented program that promotes transit and ride sharing options before occupancy.
- ODI will encourage tenant employees and the general public to commute to work on Muni, Caltrain, and BART.
- ODI will require tenants to provide 1 partially- or fully-subsidized Muni Fast Pass or similar reasonable financial contribution to a transit Muni Fast Pass/Clipper Card for each employee in addition to the sub-tenant/employer compliance with the City's Commuter Benefits ordinance.
- ODI will require that all future tenants register for San Francisco's free Emergency Ride Home program.
- ODI will provide transit-planning tools (maps and Wayfinding information) in public spaces and common areas in coordination with site-wide wayfinding and historic interpretation.

Bicycling Incentives

- ODI will provide secure Class I and/or Class II bicycle parking in a manner that meets the planning code requirements.
- For this project, ODI will provide a minimum of 33 Class 1 bicycle parking spaces and 30 Class 2 bicycle parking spaces as required in SF Planning Code, Section 155.2 and 155.3.

The location of the bicycle parking is expected to be in the project courtyard and in areas north of Buildings 101, 102, and 104. The exact locations are being determined and will be submitted for Port schematic review. As required by Planning code 155.1(e)(4), "All plans will indicate the "location, dimensions, and type of bicycle parking facilities to be provided, including the model or design of racks to be installed and the dimensions of all aisle, hallways, or routes used to access the parking."

- The Port and ODI agree to coordinate with SFMTA and SF Bike Share representatives to discuss the potential of installing a Pier 70 20th Street Historic Buildings SF Bike Share Station.
- ODI will provide tire inflation and quick repair stations.
- ODI will provide on-site bicycles for subtenants and employers to use that are not open to the public.
- ODI will sponsor and promote on-site bicycle education and bicycle safety classes annually.

Car Sharing, Carpool, and Vanpool Incentives

- The Port operated parking lot at 20th and Illinois will provide premium parking locations for carshare vehicles to meet the requirements of San Francisco Planning Code

Ordinance 286-10, which states that projects that provide more than 10 spaces for non-residential uses must dedicate 5% of these spaces, rounded down to the nearest whole number, to short-term, transient use by vehicles from certified car sharing organizations per Section 166, which include vanpool, rideshare, taxis, or other co-operative auto programs.

- Once tenants are identified, ODI will work to encourage car share memberships and user discounts for on-site businesses.
- ODI and the Port will provide premium-parking locations for visiting carpool and vanpool on an off-site Port operated lot.
- ODI and the Port will provide premium passenger loading zone locations in the form of marked curbs.
- ODI will require tenants to utilize, when possible, car share programs such as Ride Share Match through 511.org.

Parking Management

- Parking will be unbundled from the leasing of commercial/office spaces.
- ODI and Port will charge market rates for all parking.
- ODI will coordinate with the Port of San Francisco to designate appropriate loading and unloading passenger zones as well as short-term parking zones to reduce congestion along 20th Street, Louisiana Street and Michigan Street. The Port will review and approve the final plan. The Port will approve the color curbs for this project.

Walking & Pedestrian Safety

- ODI will encourage future tenant employees to walk to work by providing wayfinding signage and clear and accessible information to walking maps.
- ODI will study dumpster and compost container locations and consider service and small truck delivery routes to reduce effects on pedestrian flow.
- ODI will coordinate with the Port to provide safe paths of travel for pedestrians along 20th, Georgia, Michigan, and Illinois, Streets. The Port will review and approve the final plan.
- Primary pedestrian path of travel to Buildings 114/115/116 and Building 14 will be through the Atrium in Building 113 that will be publicly accessible.
- ODI will include in its subleases rules on loading and truck use of the plaza to minimize effects on pedestrians while supporting industrial tenant needs for truck loading and unloading.

Emergency vehicles

- ODI will continue to coordinate with the Port Fire Marshal to meet turn-around requirements and coordinate emergency vehicle access with traffic and pedestrian flow.

Conclusion

The *Eastern Neighborhoods FEIR* incorporated and adequately addressed all potential impacts of the proposed 400-600 20th Street project. As discussed in this Community Plan Exemption Checklist, the 400-

600 20th Street project would not have any additional or peculiar significant adverse effects that were not examined in the *Eastern Neighborhoods FEIR*, nor has any new or additional information come to light that would alter the conclusions of the FEIR. Thus, the proposed project would not have any new significant or peculiar effects on the environment that were not previously identified in the *Eastern Neighborhoods FEIR*, nor would any environmental impacts be substantially greater than described in the FEIR. No mitigation measures previously found infeasible have been determined to be feasible, nor have any new mitigation measures or alternatives been identified but rejected by the project sponsor. Therefore, in addition to being exempt from environmental review under Section 15183 of the CEQA Guidelines, the proposed project is also exempt under Section 21083.3 of the California Public Resources Code.

DETERMINATION:

On the basis of this review, it can be determined that:

- The proposed project qualifies for consideration of a Community Plan Exemption based on the applicable General Plan and zoning requirements; **AND**
- All potentially significant individual or cumulative impacts of the proposed project were identified in the applicable programmatic EIR (PEIR) for the Plan Area, and all applicable mitigation measures have been or incorporated into the proposed project or will be required in approval of the project.
- The proposed project may have a potentially significant impact not identified in the PEIR for the topic area(s) identified above, but that this impact can be reduced to a less-than-significant level in this case because revisions in the project have been made by or agreed to by the project proponent. A focused Initial Study and MITIGATED NEGATIVE DECLARATION is required, analyzing the effects that remain to be addressed.
- The proposed project may have a potentially significant impact not identified in the PEIR for the topic area(s) identified above. An ENVIRONMENTAL IMPACT REPORT is required, analyzing the effects that remain to be addressed.



Sarah B. Jones
Environmental Review Officer
for
John Rahaim
Director of Planning

DATE May 7, 2014



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Case No.: 2015-001314ENV
Project Address: Crane Cove Park – East of Illinois between 19th and Mariposa Streets at Pier 70
Zoning: P (Public) and M-2 (Heavy Industrial) Use Districts
40-X and 65-X Height and Bulk District
Block/Lot: 4046/001, 002, 9900/068, 3941/001
Lot Size: Approximately 11 acres
Plan Area: Eastern Neighborhoods Area Plan
Project Sponsor: David Beaupre, Port of San Francisco, (415) 274-0539,
david.beaupre@sfport.com
Staff Contact: Melinda Hue, (415) 575-9041, Melinda.Hue@sfgov.org

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PROJECT DESCRIPTION

The project site (Crane Cove) is an approximately 11-acre area located at Pier 70 in San Francisco's Potrero Hill neighborhood and within the Central Waterfront area of the Eastern Neighborhoods Area Plans. The general boundaries of the project site are Illinois Street to the west, San Francisco Bay (Bay) to the east, Mariposa Street to the north, and 19th Street to the south. The project site includes six buildings (Buildings 49, 30, 50, 110, 248, 249) and a portion of Building 109 (Building 109 West), Slipways 1 through 4, and Cranes 30 and 14. The majority of the project site (south and east of Building 49) is located within the boundaries of the Union Iron Works National Register Historic District.

(Continued on next page.)

EXEMPT STATUS

Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

SARAH B. JONES

Environmental Review Officer

October 5, 2015

Date

cc: David Beaupre, Project Sponsor; Supervisor Malia Cohen, District 10; Rich Sucre, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

The proposed project would involve 1) the construction of a new, approximately 9.8-acre shoreline park (Crane Cove Park), 2) an extension of 19th Street for park access and circulation, 3) creation of Georgia Street which would connect 20th Street to the 19th Street extension, 4) the relocation of the BAE Shipyard entrance from 20th Street to the terminus of the 19th Street extension and rerouting BAE Shipyard truck traffic from 20th Street to the 19th Street extension, and 5) street improvements along the eastern side of Illinois Street.

The proposed project would involve the creation of a new park, including the following: a new sandy shoreline edge to allow access to of the Bay for human powered boats (e.g. kayaks and canoes) and swimmers; ancillary park uses such as café uses; multi-purpose lawn areas; a children's play area; shoreline paths; pile-supported look-out piers; site furnishings; and site interpretation elements. The project would involve the renovation of Building 109 West, Building 49, and Building 110, while Buildings 30, 50, 248, and 249 would be demolished. Slipway 4 would be rehabilitated as a plaza and Crane 14 would be relocated to the end of Slipway 4. Crane 30 would remain in its current location. The park would generally be open from sunrise to one hour after sunset, while the ancillary park uses (e.g. cafe) would generally operate between 11:00 a.m. to 6:00 p.m.

Several circulation and access improvements would be made to support the new park. The 19th Street extension would include a 15-foot shared-use bicycle/pedestrian path on the north side and a 10-foot sidewalk on the south side, two 12-foot travel lanes, street lighting, and utilities, and a 22-foot curb cut to provide vehicle access to the proposed parking for the park in Building 109 West. A new street (Georgia Street) would be constructed and include a 8- to 12-foot-wide sidewalk on the east side and a 14- to 16-foot wide shared use bicycle/pedestrian pathway on the east side, two 13-foot-wide travel lanes, street lighting, and utilities. The new intersection of Georgia Street and 20th Street would consist of stop control only for the southbound direction of 20th Street. Americans with Disabilities Act (ADA)-compliant curb ramps would be provided at the new crosswalk to be installed across the new north leg of Georgia Street. Also, the new intersection of Georgia Street and the 19th Street extension would form a three-way intersection consisting of all-way stop control and crosswalks with ADA-compliant curb ramps across all intersection approaches. The BAE Shipyard entrance would be moved approximately 100 feet north of the existing entrance to the terminus of the 19th Street extension and BAE Shipyard truck traffic would be rerouted from 20th Street to the 19th Street extension. A portion of the fence along Illinois Street would be removed to accommodate the 19th Street extension. A new 12-foot sidewalk would be provided along Illinois Street between 18th and 19th Street on the eastern side of the Illinois Street fence (within Port property). The existing sidewalk along Illinois between 18th and Mariposa Streets would be expanded to 12 feet. On-street parking along Illinois Street between 18th and 19th will not change with the proposed project; however curb parking between Mariposa Street and 18th Street would be modified to parallel parking.

The intersection at 19th and Illinois streets is currently a three-way intersection and the proposed project would turn this intersection into a four-way intersection. The proposed project would involve the installation of a stop control at this intersection for both the existing eastbound and proposed westbound direction of 19th Street. Additionally, if the proposed project is approved and constructed prior to the San Francisco Municipal Transportation Agency (SFMTA) Mission Bay Loop Project, the project would involve the installation of two new crosswalks across the south and west legs of the 19th Street and Illinois

Street intersection and the installation of ADA-compliant curb ramps serving these new crosswalks. The intersection at 18th and Illinois streets is currently a three-way intersection. The proposed project would require the three existing curb cuts along Illinois to be consolidated into a 22-foot curb cut at the 18th Street and Illinois Street intersection to allow vehicular access to the boat loading/unloading area next to Building 49. If the proposed project is approved and constructed prior to the SFMTA Mission Bay Loop Project, the project would involve the consolidation of the curb cuts and the installation of three new crosswalks at 18th Street and Illinois Street and the and the installation of ADA-compliant curb ramps serving these new crosswalks. In addition, the Crane Cove Project would construct ADA curb ramps and crosswalks across the remaining legs of the 18th Street/Illinois Street and 19th Street /Illinois Street intersections that are not a part of the Mission Bay Loop Project.

Construction of the proposed project is anticipated to occur in two phases, with the first phase lasting approximately 16 months and the second phase lasting approximately 12 months. Phase I would involve the construction of the majority of Crane Cove Park with the exception of improvements at Slipways 1 through 3 and the renovation of Buildings 10 and 109 West, and it would involve construction of the 19th Street extension, Georgia Street, and Illinois Street improvements. Construction of the project would require excavation between two to six feet below ground surface and approximately 9,800 cubic yards of excavation primarily at the shoreline areas to create a new sandy shoreline at the northern shoreline and a revegetated shoreline at Slipways 2 and 3.

PROJECT APPROVAL

The Approval Action for the proposed project would be approval by the San Francisco Port Commission of Port projects including the proposed project in the amount of \$8.7 million in the fourth and final sale of the 2008 Clean and Safe Neighborhood Parks General Obligation Bond. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

COMMUNITY PLAN EXEMPTION OVERVIEW

California Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the proposed project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)¹. Project-specific studies were prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{2,3}

In December 2008, after further public hearings, the Board of Supervisors approved and the Mayor signed the Eastern Neighborhoods Rezoning and Planning Code amendments. New zoning districts include districts that would permit PDR uses in combination with commercial uses; districts mixing residential and commercial uses and residential and PDR uses; and new residential-only districts. The districts replaced existing industrial, commercial, residential single-use, and mixed-use districts.

The Eastern Neighborhoods PEIR is a comprehensive programmatic document that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternative scenarios. The Eastern Neighborhoods Draft EIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a "No Project" alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR. The Eastern Neighborhoods PEIR estimated that implementation of the Eastern Neighborhoods Plan could result in approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,000 square feet of net non-residential space (excluding PDR loss) built in the Plan Area throughout the lifetime of the Plan (year 2025).

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan.

¹ Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048

² San Francisco Planning Department. Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (FEIR), Planning Department Case No. 2004.0160E, certified August 7, 2008. Available online at: <http://www.sf-planning.org/index.aspx?page=1893>, accessed August 17, 2012.

³ San Francisco Planning Department. San Francisco Planning Commission Motion 17659, August 7, 2008. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=1268>, accessed August 17, 2012.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at the Crane Cove project site at Pier 70 is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed Crane Cove Park project, and identified the mitigation measures applicable to the Crane Cove Park project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{4,5} The Eastern Neighborhoods PEIR identified the area east of Illinois Street and north of 20th Street at Pier 70, which includes the project site, to be potentially rezoned to a special Pier 70 Mixed-Use District which would “allow the flexibility to create a mix of arts-oriented, light industrial, research and development, institutional, and entertainment activities.”⁶ Additionally, the Eastern Neighborhoods PEIR noted that the Central Waterfront Area Plan “identifies specific sites for possible private or public acquisition and improvement including Pier 70 at the end of 18th Street...”, which is where the project site is located, for open space.⁷ Therefore, no further CEQA evaluation for the Crane Cove Park project is required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Exemption for the proposed project comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

To the east of the project site is a ship repair facility (BAE Shipyard) operating under a lease with the Port of San Francisco by BAE Systems. To the north of the site are commercial uses, including the Kneass building and Ramp Restaurant, and recreational boating uses. To the east is a mixture of residential, commercial, educational and PDR uses. The area to the south is the 20th Street Historic Core of Pier 70 (aka Orton), which is currently being redeveloped with office, commercial and light industrial uses. Further south is the Pier 70 Mixed-Use District project site, where new residential, commercial-office and retail-light industrial-arts uses are being proposed.

There are various public transportation options within a half mile of the project site. The San Francisco Municipal Railway (Muni) operates lightrail service along 3rd Street, which is one block west of the project site. Muni also operates buses that run on 18th, Tennessee, 20th, Illinois, 22nd, and Pennsylvania streets, and the Caltrain 22nd Street Station is located at 22nd and Iowa streets.

⁴ Adam Varat, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis, Crane Cove Park, July 30, 2015. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2015-001314ENV.

⁵ Elizabeth Watty, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Current Planning Analysis, Crane Cove Park, August 13, 2015. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2015-001314ENV.

⁶ Eastern Neighborhoods PEIR, p. 79. Planning Department Case No. 2004.0160E, State Clearinghouse No. 2005032048. Available online at: <http://www.sf-planning.org/index.aspx?page=1893>.

⁷ Ibid, p. 377.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed Crane Cove Park project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed Crane Cove Park project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. Implementation of the proposed project would result in the net loss of approximately 4,050 square feet of inactive PDR building space (currently vacant) and approximately 37,340 square feet of active PDR uses; this would contribute considerably to the significant cumulative land use impact related to loss of PDR uses that was identified in the Eastern Neighborhoods PEIR. In regards to historic architectural resources, the proposed demolition of two contributing buildings to the Union Iron Works National Register Historic District would not cause a significant adverse impact upon on a qualified historic resource and the proposed design features would be meet the Secretary of the Interior’s Standards for Rehabilitation. Since the proposed project would not adversely affect any of the character-defining features of the Historic District, it would not contribute to the significant historic resource impact identified in the PEIR. Implementation of the proposed project would contribute over five percent of traffic volumes at the intersection of 20th and Illinois streets, which is anticipated to operate at a Level of Service F under 2040 cumulative conditions; this would contribute considerably to the significant cumulative traffic impact that was identified in the Eastern Neighborhoods PEIR. The proposed project would not contribute to significant and unavoidable shadow impacts since the proposed project would not involve the development of new buildings or any new structures above 40 feet in height.

The Eastern Neighborhoods PEIR identified feasible mitigation measures to address significant impacts related to noise, air quality, archeological resources, historical resources, hazardous materials, and transportation. Table 1 below lists the mitigation measures identified in the Eastern Neighborhoods PEIR and states whether each measure would apply to the proposed project.

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

| Mitigation Measure | Applicability | Compliance |
|--|-----------------------------------|---|
| F. Noise | | |
| F-1: Construction Noise (Pile Driving) | Applicable: pile driving proposed | The project sponsor has agreed to implement noise and vibration attenuation measures associated with pile driving during construction |

| Mitigation Measure | Applicability | Compliance |
|---|---|--|
| F-2: Construction Noise | Applicable: temporary construction noise from use of heavy equipment | The project sponsor has agreed to develop and implement a set of noise attenuation measures during construction. |
| F-3: Interior Noise Levels | Not Applicable: noise-sensitive uses not proposed | N/A |
| F-4: Siting of Noise-Sensitive Uses | Not Applicable: noise-sensitive uses not proposed | N/A |
| F-5: Siting of Noise-Generating Uses | Not Applicable: noise-generating uses not proposed | N/A |
| F-6: Open Space in Noisy Environments | Not Applicable: private open space not proposed | N/A |
| G. Air Quality | | |
| G-1: Construction Air Quality | Not Applicable: superseded by Dust Control Ordinance and project site not located within an Air Pollutant Exposure Zone | N/A |
| G-2: Air Quality for Sensitive Land Uses | Not Applicable: Sensitive Land Use not proposed | N/A |
| G-3: Siting of Uses that Emit DPM | Not Applicable: proposed project would not emit substantial levels of DPM | N/A |
| G-4: Siting of Uses that Emit other TACs | Not Applicable: proposed project would not emit other TACs | N/A |
| J. Archeological Resources | | |
| J-1: Properties with Previous Studies | Not Applicable: project site is not within this mitigation area | N/A |
| J-2: Properties with no Previous Studies | Applicable: soil disturbance to approximately 6 feet below ground surface proposed in this mitigation area | The project sponsor has agreed to implement the Planning Department's Second Standard Mitigation Measure (Archeological Monitoring). |
| J-3: Mission Dolores Archeological District | Not Applicable: project site is not within this mitigation area | N/A |
| K. Historical Resources | | |

| Mitigation Measure | Applicability | Compliance |
|--|--|--|
| K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area | Not Applicable: plan-level mitigation completed by Planning Department | N/A |
| K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa) | Not Applicable: plan-level mitigation completed by Planning Commission | N/A |
| K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront) | Not Applicable: plan-level mitigation completed by Planning Commission | N/A |
| L. Hazardous Materials | | |
| L-1: Hazardous Building Materials | Applicable: project includes demolition of two structures | The project sponsor has agreed to ensure that any equipment containing polychlorinated biphenyls (PCBs) or mercury, such as fluorescent light ballasts, are removed and properly disposed, and that any fluorescent light tube fixtures, which could contain mercury, are similarly removed intact and properly disposed of. |
| E. Transportation | | |
| E-1: Traffic Signal Installation | Applicable: project would contribute over five percent of traffic volumes at the intersection of 20 th and Illinois streets, which is anticipated to operate at a Level of Service F under 2040 cumulative conditions | The project sponsor has agreed to pay its fair share contribution for the installation of a traffic signal at 20 th and Illinois Streets. |
| E-2: Intelligent Traffic Management | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-3: Enhanced Funding | Not Applicable: plan level mitigation by SFMTA & SFTA | N/A |
| E-4: Intelligent Traffic Management | Not Applicable: plan level mitigation by SFMTA & | N/A |

| Mitigation Measure | Applicability | Compliance |
|--|--|------------|
| | Planning Department | |
| E-5: Enhanced Transit Funding | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-6: Transit Corridor Improvements | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-7: Transit Accessibility | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-8: Muni Storage and Maintenance | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-9: Rider Improvements | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-10: Transit Enhancement | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-11: Transportation Demand Management | Not Applicable: plan level mitigation by SFMTA | N/A |

Please see the attached Mitigation Monitoring and Reporting Program (MMRP) for the complete text of the applicable mitigation measures. With implementation of these mitigation measures the proposed project would not result in significant impacts beyond those analyzed in the Eastern Neighborhoods PEIR.

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on June 25, 2015 to adjacent occupants and owners of properties within 300 feet of the project site. One comment letter and a phone call was received. Concerns raised by the public pertaining to the environmental effects of the proposed project include pedestrian circulation and access to the proposed park. These concerns are addressed in the Transportation and Circulation section of the CPE checklist. The proposed project would not result in significant adverse environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist⁸:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;

⁸ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2015-001314ENV.

2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

Therefore, the proposed project is exempt from further environmental review pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

Historic Resource Evaluation Response

Case No.: 2015-001314ENV
Project Address: Pier 70 Crane Cove Park
Zoning: M-2 (Heavy Industrial) Zoning District
40-X Height and Bulk District
Block/Lot: 4046/001 and 9900/068
Date of Review: September 15, 2015

Staff Contact: Richard Sucre (Preservation Planner)
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PART II: PROJECT EVALUATION

PRE-EXISTING HISTORIC RATING / SURVEY

On April 17, 2014, Pier 70 was listed in the National Register of Historic Places (National Register) as part of the "Union Iron Works Historic District." The Union Iron Works Historic District is significant under National Register Criterion A (Events) and Criterion C (Design/Construction) within the areas of maritime industry and industrial architecture. This district is significant at the national level under for its association with the development of steel shipbuilding in the United States. Union Iron Works is significant for its pioneering technological developments in shipbuilding, and the production of significant wartime vessels. The historic district is also significant as a physical record of the trends in industrial architecture from the late 19th-century through World War II. The period of significance begins in 1884, with the construction of the shipyard, and ends in 1945 at the close of World War II, when the yard was at its greatest build-out.

• This historic district contains:

- 38 Contributing Buildings (Building 2, 6, 11, 12, 14, 15, 16, 19, 21, 25, 30, 32, 36, 38, 40, 49, 50, 58, 64, 66, 101, 102, 103, 104, 105, 107, 108, 109, 110, 111, 113/114 (includes Building 23 and 24), 115/116, 117, 119, 120, 121, 122, and 123)
- 4 Non-Contributing Buildings (Building 41, 68, 127, and 141)
- 2 Contributing Sites (Irish Hill Remnant and Site of Slips 1, 2, and 3)
- 4 Contributing Structures (Slip No. 4; Cranes 14 and 30; Whirley Crane 27; and, Pier 68 Highwater Platform)
- 6 Non-Contributing Structures (Wharves 1, 3 and 4; Drydocks 2 and Eureka; Pier 70 Wharves 6, 7, and 8; Slips 5-8 Remnants; 20th Street Paving Stones; and, Rail Spur Remnants)

Other significant features include the fence on 20th and Illinois Streets.

The character-defining features of the historic district include:

- Waterfront location/shoreline
- Minimal planted vegetation
- Open areas that are either paved with asphalt or covered with gravel
- Streets that are improved without curbs and gutters, except for 20th Street, which has granite curbs
- Dense urban-industrial character
- Variation in materials, styles, rooflines, and window types
- Variation in height and scale, with resources that range from one to six stories (80 feet) in height, some with large footprints of 60,000 to 100,000 square feet.
- Certain groupings of buildings, such as the entry promenade along 20th Street and the Building 12 complex
- Features such as cranes, wharves and piers
- Ship repair activities
- Yard layout and plan

Any resource listed in the National Register is automatically designated in the California Register of Historical Resources (California Register).

Based on its designation in the California Register, Pier 70 is considered a "Category A - Historical Resources" for the purposes of the Planning Department's California Environmental Quality Act (CEQA) review procedures.

PROPOSED PROJECT

Demolition

Alteration

New Construction

PER DRAWINGS DATED:

n/a

PROJECT DESCRIPTION

The proposed project (Crane Cove Park) entails the creation of a nine-acre waterfront park that overlaps with the Union Iron Works Historic District. Generally, the park is bound by Illinois Street on the west, an eastward extension of 19th Street on the south, and the existing ship repair facility on the east. On the north, the park extends around a trapezoidal parcel containing the Kneass Building (which is outside the park boundary), terminating at the south edge of the building at 855 Terry A Francois Boulevard (The Ramp Restaurant). The northern portion of the park is outside the UIW Historic District. Currently, the district boundary extends along the northern side of Building 49 then runs northeasterly to the bay. The park will be constructed in at least two phases.

Crane Cove Park will consist of five sub-areas:

- *Northern Shoreline and Uplands:* The existing shoreline consisting of formed and dumped concrete will be replaced with a sandy shoreline edge to allow access to the bay for human powered boaters. Additional elements of the northern shoreline area include: a new pile-supported look

out pier; a seating area just south of the Ramp Restaurant; a shoreline path; a formal and informal children's play area; native planting areas and lawn; and vehicle drop off/pick up area for boaters with small water craft.

- *Open Green:* The portion of the site along Illinois street between 18th and 19th Streets will be transformed into a multi-purpose lawn. To accommodate access, the lawn will be graded so as to match the grade of Illinois Street on the west and slope downward in the eastward direction to match the elevation of the slipway. At 19th Street, Illinois Street is currently 8-feet above the proposed lawn site.
- *Keel Park:* Slip No. 4 will be rehabilitated and adapted into a public plaza.
- *19th Street Entry and Crane Plaza:* 19th Street will be extended eastward to serve as the primary park and vehicular entry. Along the northern side of the 19th Street extension, a plaza will step down to the inshore end of Slip No. 4. The stepped plaza is intended to provide a variety of seating areas, some of which will be defined by reusing concrete cribbage and keel blocks that formerly occupied Slip No. 4.
- *Slipways 1-3:* In Phase 2 of the project, the former slipways will be converted to a shoreline park characterized by native plantings and informal pathways. A former welding pad along the eastern edge of Slip No. 4 will be converted to a patio/sun deck area.

The project proposes the following treatments to contributing resources within the Union Iron Works Historic District:

- **Building 30 (Template Warehouse)** will be demolished.
- **Building 49 (Galvanizing Shop)** will be rehabilitated and adapted for reuse as an aquatic center for human powered boating, boat storage and public restrooms.
- **Building 50 (Substation No. 2)** will be demolished.
- The western portion of **Building 109 (Plate Shop No. 1)**, which does not have walls on the south, west and east sides, will be rehabilitated to accommodate vehicle parking, site interpretation and a park pavilion. The eastern portion of Building 109 is outside the project boundary and not part of the Crane Cove Park. No change to that portion of the building is proposed.
- **Building 110 (Yard Washroom/Locker Room)** will be shuttered until Phase 2 of the project. Shuttering will entail boarding up the exterior of all windows and doors to prevent entry to the building. In Phase 2 of the project, the building will be rehabilitated and adapted for reuse as a restaurant or café with park restrooms.
- **Slip No. 4** will be resurfaced and used as a paved plaza space. This space will accommodate a significant historic interpretive program, including demarcation of the silhouettes of two major historic ships built at the slipway.
- **Cranes 14 and 30** will be stabilized and retained on-site. Crane 14 will be moved towards the outshore end of Slip No. 4, to a position that aligns with 19th Street.
- The **freight and crane rail lines** will be retained, where covered by soil or asphalt, exposed.

- The iron fence along Illinois Street will be repaired in place. Rehabilitation of the fence will include removing non-historic attachments, repairing broken fasteners, repairing deformed sections, and replacing missing finials. The fence will also be repainted. A portion of the fence will be removed to accommodate the eastward extension of 19th Street into the property. The existing gate near Building 49 will be retained.
- During Phase 2 of the project, the site of Slips 1, 2 and 3 will be used to accommodate an informal shoreline park area. This area will be characterized by native plantings with informal pathways that provide public access to interpreted historic ship building relics.

To assist in the evaluation of the historic district, Architectural Resources Group, a historic preservation consultant, prepared an *Historic Resource Evaluation, Crane Cove Park, San Francisco* (dated August 2015) for the proposed project.

PROJECT EVALUATION

If the property has been determined to be a historic resource, please check whether the proposed project would materially impair the resource and identify any modifications to the proposed project that may reduce or avoid impacts.

Subject Property/Historic Resource:

- The project will not cause a significant adverse impact to the historic resource as proposed.
- The project will cause a significant adverse impact to the historic resource as proposed.

Department staff finds that the demolition of two contributing buildings within the Union Iron Works Historic District would not cause a significant adverse impact upon any qualified historic resource. The district would retain a high number of contributing resources, and many of the demolished buildings are ancillary and/or repetitive relative to the district's history and significance. The Department also finds that the rehabilitation of the contributing resources, including Buildings 49, 109, 110, Slip No. 4, and Cranes 14 and 30, would meet the Secretary of the Interior's Standards for Rehabilitation. Further, the new construction anticipated for the project site would have a less-than-significant impact upon the larger historic district, since the new construction would be appropriately designed to preserve the district's character-defining feature, while also accommodating for new design features. Overall, the Department concurs with the provided consultant report, its analysis and conclusions.

Project-Specific Impacts

As noted within the consultant report:

...the Crane Cove Park design does not adversely affect any of the character-defining features identified in the NR Nomination for the UIW Historic District as a whole. Indeed, the project will make many of those character-defining features more visible to, and more easily appreciated by, the public. As a result, the design of the park as a whole is in conformance with the Secretary of the Interior's Standards for Rehabilitation.

As noted within the consultant report, the project is consistent with the Secretary of the Interior's Standards for Rehabilitation. The Department concurs with this analysis and incorporates this report and its conclusions by reference.


Cumulative Impact-Demolition within Union Iron Works Historic District:

This Historic Resource Evaluation Report incorporates by reference the cumulative impact analysis provided in the Historic Resource Evaluation Response for the Pier 70 BAE Ship Repair Project (Case No. 2014.0713E). This analysis examined the demolition of the contributing resources planned for all current and future projects within the Union Iron Works Historic District. As previously noted, the collective anticipated demolitions planned within the Union Iron Works Historic District would not impair the integrity of the surrounding district. Therefore, the project would result in a less-than-significant cumulative impact upon historic resources present on the project site.

Summary

As currently proposed, the project will have a less-than-significant impact upon a historic resource, as defined by CEQA.

PART II: SENIOR PRESERVATION PLANNER REVIEW

Signature: 
Tina Tam, *Senior Preservation Planner*

Date: 9/15/2015

cc: Melinda Hue, Environmental Planning
I:\Cases\2015\2015-001314ENV

IMAGES



Aerial View, Pier 70
(Source: Google Maps, 2015; Accessed August 13, 2015)

MITIGATION MONITORING AND REPORTING PROGRAM
 (Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|--|----------------------------|--|--|
| MITIGATION MEASURES | | | | |
| F. Noise | | | | |
| <p><i>Project Mitigation Measure 3: Construction Noise (Mitigation Measure F-1 in the Eastern Neighborhoods PEIR)</i></p> <p>For subsequent development projects within proximity to noise-sensitive uses that would include pile-driving, individual project sponsors shall ensure that piles be pre-drilled wherever feasible to reduce construction-related noise and vibration. No impact pile drivers shall be used unless absolutely necessary. Contractors would be required to use pile-driving equipment with state-of-the-art noise shielding and muffling devices. To reduce noise and vibration impacts, sonic or vibratory sheetpile drivers, rather than impact drivers, shall be used wherever sheetpiles are needed. Individual project sponsors shall also require that contractors schedule pile-driving activity for times of the day that would minimize disturbance to neighbors.</p> | Project Sponsor along with Project Contractor of each subsequent development project undertaken pursuant to the Eastern Neighborhoods Rezoning and Area Plans Project. | During construction | Each Project Sponsor to provide Planning Department with monthly reports during construction period. | Considered complete upon receipt of final monitoring report at completion of construction. |
| <p><i>Project Mitigation Measure 4: Construction Noise (Mitigation Measure F-2 in the Eastern Neighborhoods PEIR)</i></p> <p>Where environmental review of a development project undertaken subsequent to the adoption of the proposed zoning controls determines that construction noise controls are necessary due to the nature of planned construction practices and the sensitivity of proximate uses, the Planning Director shall require that the sponsors of the subsequent development project develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:</p> <ul style="list-style-type: none"> • Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; • Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site; • Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing | Project Sponsor along with Project Contractor of each subsequent development project undertaken pursuant to the Eastern Neighborhoods Rezoning and Area Plans Project. | During construction | Each Project Sponsor to provide Planning Department with monthly reports during construction period. | Considered complete upon receipt of final monitoring report at completion of construction. |

MITIGATION MONITORING AND REPORTING PROGRAM
 (Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|---|--|---|--|
| sensitive uses; • Monitor the effectiveness of noise attenuation measures by taking noise measurements; and • Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed. | | | | |
| J. Archeological Resources | | | | |
| <p><i>Project Mitigation Measure 1: Archeological Monitoring (Mitigation Measure J-2 in the Eastern Neighborhoods PEIR)</i></p> <p>Based on the reasonable potential that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of <i>construction</i> can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p> <p><i>Archeological monitoring program (AMP).</i> The archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> ▪ The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities | The Project Sponsor | Prior to issuance of grading or building permits | Project Sponsor shall retain archaeological consultant to undertake archaeological monitoring program in consultation with ERO. | Complete when Project Sponsor retains qualified archaeological consultant. |
| (Continuation of text from previous row) | The Project Sponsor and archaeological consultant | Prior to any soils disturbance | Consultation with ERO on scope of AMP | After consultation with and approval by ERO of AMP. |

MITIGATION MONITORING AND REPORTING PROGRAM
 (Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|---|---|--|---|---|
| <p>pose to archaeological resources and to their depositional context;</p> <ul style="list-style-type: none"> ▪ The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource; ▪ The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with the archeological consultant, determined that project construction activities could have no effects on significant archeological deposits; ▪ The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis <p>If an intact archeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, present the findings of this assessment to the ERO.</p> | <p>The archaeological consultant, Project Sponsor and project contractor.</p> | <p>Monitoring of soils disturbing activities.</p> | <p>Archaeological consultant to monitor soils disturbing activities specified in AMP and immediately notify the ERO of any encountered archaeological resource.</p> | <p>Considered complete upon completion of AMP.</p> |
| <p>If the ERO in consultation with the archeological consultant determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <ol style="list-style-type: none"> A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or B) An archeological data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible. | <p>ERO, archaeological consultant, and Project Sponsor.</p> | <p>Following discovery of significant archaeological resource that could be adversely affected by project.</p> | <p>Redesign of project to avoid adverse effect or undertaking of archaeological data recovery program.</p> | <p>Considered complete upon avoidance of adverse effect</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
 (Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
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| <p>If an archeological data recovery program is required by the ERO, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The project archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements</p> <ul style="list-style-type: none"> ▪ Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations. ▪ Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures. ▪ Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies. ▪ Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. ▪ Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. ▪ Final Report. Description of proposed report format and distribution of results. ▪ Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. | <p>Archaeological consultant in consultation with ERO</p> | <p>After determination by ERO that an archeological data recovery program is required</p> | <p>Archaeological consultant to prepare an ADRP in consultation with ERO</p> | <p>Considered complete upon approval of ADRP by ERO.</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
 (Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
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| <p><i>Human Remains, Associated or Unassociated Funerary Objects.</i> The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal Laws, including immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines, Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the human remains and associated or unassociated funerary objects.</p> <p><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.</p> | <p>Archaeological consultant or medical examiner</p> <p>Archaeological consultant</p> | <p>Discovery of human remains</p> <p>Following completion of cataloguing, analysis, and interpretation of recovered archaeological data.</p> | <p>Notification of County/City Coroner and, as warranted, notification of NAHC.</p> <p>Preparation of FARR</p> | <p>Considered complete on finding by ERO that all State laws regarding human remains/burial objects have been adhered to, consultation with MLD is completed as warranted, and that sufficient opportunity has been provided to the archaeological consultant for scientific/historical analysis of remains/funerary objects. FARR is complete on review and approval of ERO</p> |
| L. Hazardous Materials | | | | |
| <p>Project Mitigation Measure 5: Hazardous Building Materials (Mitigation Measure L-1 in the Eastern Neighborhoods PEIR)</p> <p>The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.</p> | <p>Project Sponsor/project archeologist of each subsequent development project undertaken pursuant to the Eastern Neighborhoods Areas Plans and Rezoning</p> | <p>Prior to approval of each subsequent project, through Mitigation Plan.</p> | <p>Planning Department, in consultation with DPH; where Site Mitigation Plan is required, Project Sponsor or contractor shall submit a monitoring report to DPH, with a copy to Planning Department and DBI, at end of construction.</p> | <p>Considered complete upon approval of each subsequent project.</p> |

MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|--|-----------------------------------|---|-----------------------------------|
| E. Transportation | | | | |
| <p><i>Project Mitigation 2: Traffic Signal Installation (Mitigation Measure E-1 in the Eastern Neighborhoods PEIR)</i></p> <p>To mitigate the 2025 No Project traffic impacts, a To mitigate the significant cumulative traffic impact at the intersection of 20th and Illinois Streets, an upgraded traffic signal would need to be installed at this intersection. With this new signal, the average vehicle delay would decrease, and the intersection would operate at LOS F during the weekday PM peak hour and LOS D during the weekday MID peak hour. The LOS F condition is due to a number of proposed developments in the immediate vicinity of this intersection, most noticeably at Pier 70, that would contribute to growth in future traffic volumes and increased delays. Installation of a traffic signal at the intersection of 20th and Illinois Streets could be linked to these and other proposed development projects.</p> <p>The project sponsor shall pay their fair share contribution to mitigate the significant cumulative traffic impact at the intersection of 20th and Illinois Streets. The amount and schedule for payment of the proposed project's fair share contribution to the mitigation shall be determined by SFMTA.</p> | San Francisco Municipal Transportation Agency (SFMTA); project sponsor; Port of San Francisco. | To be determined by SFMTA. | SFMTA; Port of San Francisco. | Upon Signalization. |
| IMPROVEMENT MEASURES | | | | |
| <p><i>Project Improvement Measure 1: Monitoring and Abatement of Queues</i></p> <p>It shall be the responsibility of the owner/operator of any off-street parking facility with more than 20 parking spaces (excluding loading and car-share spaces) to ensure that recurring vehicle queues do not occur on the public right-of-way. A vehicle queue is defined as one or more vehicles (destined to the parking facility) blocking any portion of any public street, alley or sidewalk for a consecutive period of three minutes or longer on a daily or weekly basis.</p> <p>If a recurring queue occurs, the owner/operator of the parking facility shall employ abatement methods as needed to abate the queue. Appropriate abatement methods will vary depending on the characteristics and causes of the recurring queue, as well as the characteristics of the parking facility, the street(s) to which the facility connects, and the associated land uses (if applicable).</p> <p>Suggested abatement methods include but are not limited to the following:</p> | Project Sponsor; Owner or Operator of the parking facility | Ongoing during parking operations | Port of San Francisco | Ongoing during parking operations |

MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
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| <p>redesign of facility to improve vehicle circulation and/or on-site queue capacity; employment of parking attendants; installation of LOT FULL signs with active management by parking attendants; use of valet parking or other space-efficient parking techniques; use of off-site parking facilities or shared parking with nearby uses; use of parking occupancy sensors and signage directing drivers to available spaces; travel demand management strategies such as additional bicycle parking, customer shuttles, delivery services; and/or parking demand management strategies such as parking time limits, paid parking, time-of-day parking surcharge, or validated parking.</p> <p>If the Planning Director, or his or her designee, suspects that a recurring queue is present, the Department shall notify the property owner in writing. Upon request, the owner/operator shall hire a qualified transportation consultant to evaluate the conditions at the site for no less than seven days. The consultant shall prepare a monitoring report to be submitted to the Department for review. If the Department determines that a recurring queue does exist, the facility owner/operator shall have 90 days from the date of the written determination to abate the queue.</p> | | | | |
| <p>Project Improvement Measure 2: Installation of Traffic Calming Devices at Parking Lot Exiting Lane</p> <p>It shall be the responsibility of the owner/operator to install appropriate traffic calming devices (e.g., speed bump, rumble strips, "slow speed" signage, etc.) at the exiting travel lane along the garage driveway to reduce vehicle speeds of exiting vehicles traveling out of the parking lot and to further reduce and/or eliminate potential vehicle-pedestrian conflicts.</p> | Project sponsor; Owner or Operator of the parking facility | Design measures to be incorporated into project design; prior to issuance of a building permit. | Port of San Francisco: Planning Department; Department of Public Works (DPW); SFMTA | Considered complete upon installation and implementation of traffic calming features |
| <p>Project Improvement Measure 3: Convert On-Street Parking Spaces and Install Freight/Delivery Loading Zone along Illinois Street</p> <p>To reduce the potential for parking of freight/delivery vehicles within the travel lane adjacent to the curb lane on Illinois or 19th Street (in the event that the on-street parking spaces are occupied), the Project Sponsor shall seek approval from the SFMTA to convert two (2) regular, on-street parking spaces to yellow-striped loading parking spaces. The location of these two spaces shall be located along the east side of Illinois Street, adjacent to the project site.</p> | Project sponsor. | Loading zone to be incorporated into project design; prior to issuance of a building permit. | Port of San Francisco: Planning Department; Department of Public Works (DPW); SFMTA | Considered complete upon installation and implementation of loading zone |

MITIGATION MONITORING AND REPORTING PROGRAM
(Including the Text of the Mitigation Measures and Proposed Improvement Measures)

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| <p><i>Project Improvement Measure 4: Coordination of Freight/Loading Activities for Park and Park Related Retail</i></p> <p>To reduce the potential for parking of delivery vehicles within the travel lane adjacent to the curb lane on Illinois or 19th Street or during peak commute periods (between 7:00 a.m. and 9:00 a.m. and 4:00 p.m. and 6:00 p.m.), freight/loading activities shall be scheduled and coordinated through Port of San Francisco staff and shall be restricted to occur between the hours of 9:00 a.m. and 4:00 p.m., and no deliveries shall occur between 7:00 a.m. and 9:00 a.m. or between 4:00 p.m. and 6:00 p.m.</p> <p>The Project Sponsor shall enforce strict truck size regulations for use of the on-street loading spaces in the proposed freight/delivery loading area. Truck lengths exceeding 40 feet shall be prohibited from entering the loading zone and shall utilize other on-street parking spaces, if available. The Project Sponsor shall notify Port of San Francisco staff, and café tenants of imposed truck size limits in the proposed freight loading area.</p> <p>In the event freight/delivery vehicles exceed the 40-foot length and are in need to occupy the recommended the on-street loading space (see improvement measure above), appropriate traffic control measures shall be enforced to avoid and/or eliminate any conflicts with moving vehicles or other users along Illinois Street or sidewalk areas adjacent to the project site. Such measures shall include but not limited flaggers, cones, and signage to notify drivers and others of freight/delivery activities</p> | Project sponsor; building tenant(s) | Ongoing during building operations for oversized delivery vehicles or during higher volumes of pedestrian or bicycle activity in the project area. | Port of San Francisco. | Ongoing during building operations. |
| <p><i>Project Improvement Measure 5: Construction Truck Deliveries During Off-Peak Periods</i></p> <p>Any construction traffic occurring between 7:00 a.m. and 9:00 a.m. or between 3:30 p.m. and 6:00 p.m. would coincide with peak hour traffic and could temporarily impede traffic and transit flow, although it would not be considered a significant impact. Limiting truck movements to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by SFMTA) would further minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods.</p> <p>As required, the Project Sponsor and construction contractor(s) shall meet with the Sustainable Streets Division of the SFMTA, the Fire Department, Muni, and the Planning Department to determine feasible measures to reduce traffic congestion, including potential transit disruption, and pedestrian circulation impacts during construction of the project. To minimize</p> | Project sponsor; Project contractor(s) | Prior to construction activity. | Port of San Francisco | Upon completion of project construction |

MITIGATION MONITORING AND REPORTING PROGRAM
 (Including the Text of the Mitigation Measures and Proposed Improvement Measures)

| | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
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| cumulative traffic impacts due to project construction, the Project Sponsor shall coordinate with construction contractors for any concurrent nearby projects that are planned for construction or which later become known. | | | | |
| <p>Project Improvement Measure 6: Construction Management Plan</p> <p>In addition to items required in the Construction Management Plan, the project sponsor shall include the following:</p> <ul style="list-style-type: none"> • Carpool and Transit Access for Construction Workers – As an improvement measure to minimize parking demand and vehicle trips associated with construction workers, the construction contractor shall include methods to encourage carpooling and transit use to the project site by construction workers in the Construction Management Plan contracts. • Project Construction Updates – As an improvement measure to minimize construction impacts on nearby businesses, the project sponsor shall provide regularly-updated information (typically in the form of website, news articles, on-site posting, etc.) regarding project construction and schedule, as well as contact information for specific construction inquiries or concerns. | Project sponsor; Project contractor(s) | Prior to construction activity. | Port of San Francisco | Upon completion of project construction |

MEMORANDUM

May 9, 2014

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Mel Murphy
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of the Second Amendment to Exclusive Negotiation Agreement with Orton Development, Inc., a California corporation, to extend the term of the ENA until December 31, 2014, in connection with the rehabilitation and redevelopment of the six 20th Street Historic Buildings (located on or near 20th and Illinois Streets at Pier 70). (Resolution No. 14-32)

Request Adoption of California Environmental Quality Act Findings and a Mitigation Monitoring and Reporting Program and Approval of the (1) Lease Disposition and Development Agreement, and (2) Lease No. L-15814 for a term of 66 years, both with Orton Development, Inc. or its affiliate, Historic Pier 70, LLC, a California limited liability company, and (3) Schematic Drawings, all in connection with the lease, rehabilitation and redevelopment of the six 20th Street Historic Buildings (located on or near 20th and Illinois Streets at Pier 70). (Resolution No. 14-33)

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolutions

EXECUTIVE SUMMARY

This Memorandum covers the above items, which will be presented together at the May 13, 2014 Port Commission hearing. The Port Commission is requested to (1) adopt findings under the California Environmental Quality Act ("CEQA") and to adopt the Mitigation Monitoring and Reporting Program, and (2) approve Lease Disposition and

THIS PRINT COVERS CALENDAR ITEM NO. 12A

Development Agreement, Lease No. 15814, other transaction documents contemplated in such agreements (collectively, "**Transaction Documents**"), and the Schematic Drawings in connection with the lease of the six 20th Street Historic Buildings and the historic rehabilitation and redevelopment of same ("**Project**") by Orton Development, Inc. or its affiliate, Historic Pier 70, LLC, a California limited liability company ("**Developer**").

An Informational Presentation on the proposed project was provided during the Port Commission's last meeting on April 22, 2014 and accompanied by a Memorandum dated April 19, 2014. Material updates to the April 19, 2014 Memorandum are presented herein as underlined text.

The Project will return these cherished historic buildings to vibrancy. On October 9, 2012, the Port Commission endorsed the Term Sheet establishing the conceptual agreement between the parties of the terms of a transaction to realize the Project¹. Subsequently on December 4, 2012, the Board of Supervisors also endorsed the term sheet and conceptual Project plans.

The Project includes an aggregate of approximately 267,000 square feet spread throughout 6 existing buildings. The Project will add up to approximately 70,000 square feet of new space, primarily in the build out of new mezzanines. Once rehabilitated, these historic office and industrial buildings will be used for a range of businesses including light industrial, technology, life science, office, artisan/artist studios and showrooms, and restaurant uses. The Project will also create an indoor lobby/atrium in Building 113, and an outdoor plaza/venue, both of which would be made accessible to the public.

The Project's many public benefits include the re-use of the Site to support rehabilitation of Pier 70's unique and important historic resources. This has been a fundamental goal around which the Port has been able to build community consensus for the land use changes and development necessary to finance historic rehabilitation, public open space, infrastructure and other amenities. Developer has committed to rehabilitate the 20th Street Historic Buildings in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties and adaptively reuse the buildings for office and light industrial uses. Additionally, Developer will provide access into and around these buildings for the public to experience the historic district.

BACKGROUND

Pier 70 History

The Pier 70 area is one of the most important intact maritime industrial complexes west of the Mississippi. It is the oldest continuously operating shipyard on the west coast. For over 150 years, some portion of the Pier 70 site has been in use for shipbuilding

¹ Background on Term Sheet as well as the land use planning, competitive solicitation, and ENA authorization prior to the Term Sheet with Developer, as discussed in Item 9C on the October 9, 2012 agenda: <http://www.sfport.com/index.aspx?page=2132>

and repair, steel production, and supporting heavy industrial uses. With the arrival of the Union Iron Works (“**UIW**”) in the 1880s, the site became a major national and international shipbuilding center, launching, for example, the first steel-hulled ship built on the Pacific Rim. The shipyard at Pier 70, later acquired by the Bethlehem Steel Corporation, built both merchant ships and warships, and was a major supplier for the United States Navy during the Spanish-American War and both world wars. Its development was a key step in the spread of industrialization to the Pacific Coast. Ships built at Pier 70 served the United States military from the Spanish-American War in the late-1800s through the two World Wars and into the 1970s. Previous uses include: Main Office/Administration Building, Power House, UIW Headquarters, UIW Machine Shop, foundry, new foundry and mold room, and warehouse. In the 1980s, Bethlehem Steel sold the shipyard to the Port of San Francisco for one dollar. Since 2004, the Project Site has been largely vacant with the exception of a few minor interim uses.

Pier 70 Planning

In April 2010, the Port published its Preferred Master Plan (“**Master Plan**”) for the approximately 65-acre Pier 70 area after an extensive community planning and technical feasibility analysis effort. The Pier 70 Master Plan provides a vision balancing sustained ship repair, historic preservation, new waterfront parks, and new development. On May 11, 2010, the Port Commission authorized two efforts to attract development partners for Pier 70 (Resolution 10-27).²

As described in more detail below, Developer’s Project adheres to the Master Plan vision by rehabilitating six historic structures, preserving the important industrial and maritime contributions of this site and honoring the skilled labor that helped build a city and nation. The Project will support 650 construction jobs and 400 to 600 permanent, on-site jobs while creating new public access showcasing the Port’s rich maritime history in a renovated and rejuvenated industrial environment.

Historic District and Plan Implementation

The Port’s effort to create a historic district at Pier 70 is in part intended to assist its development partners, including Developer, by availing access to the Federal Rehabilitation Tax Credit Program to provide an important financing tool for rehabilitation of Pier 70’s historic buildings. This builds on the Port’s successes in the northern waterfront with the creation of the Embarcadero Historic District and rehabilitation of a number of historic pier facilities, including the Ferry Building, Pier 1, Piers 1½, 3 & 5 and the Exploratorium at Pier 15. The Union Iron Works Historic District (which includes all of the Project Site) has been officially listed in the National Register of Historic Places in April of this year.

Developer Solicitation Process

In this context, on October 4, 2011, the Port issued a RFP for the 20th Street Historic Buildings to ten pre-selected parties. Four parties responded to the RFP as presented to the Port Commission on January 20, 2012³. On February 28, 2012, the Port

2 Item 10B on this agenda: <http://www.sfport.com/index.aspx?page=1412>

3 Item 9B on this agenda: <http://www.sfport.com/index.aspx?page=1983>

Commission awarded the opportunity to Developer ⁴ and directed staff to negotiate an Exclusive Negotiating Agreement (“**ENA**”) for the Project. On April 24, 2012, the Port Commission approved the ENA terms⁵.

These buildings are in poor condition at the present with two red-tagged and none currently leased. Given the conditions of these buildings the RFP did not set a minimum rent or any other minimum financial requirements. In fact, it acknowledged the urgency and import of saving these buildings and that public funding sources could be required for this effort.

On July 10, 2012, Developer presented its project concept to the Port Commission⁶ and received supportive feedback on its approach to this site. The uses proposed – light industrial, education, recreation, office, and commercial – are, with the addition of potential education and recreation components, the same as the proposal that the Port Commission considered when selecting Developer.

PROJECT DESCRIPTION

The purpose of this Project is to rehabilitate the 20th street Historic Buildings, identified as the Historic Core in Exhibit A attached to this Memorandum (the “**Project Site**”) and make them once again a vibrant, integral part of the surrounding community. Developer will return the buildings to profitable use while maintaining their historic fabric. The proposed work includes repair and maintenance, seismic and structural upgrades, security measures to combat an atmosphere of neglect and criminal opportunity, and abatement of hazardous environmental conditions.

The Project Site is located along northern and southern portions of 20th Street between Illinois Street in San Francisco’s Central Waterfront. The Project Site spans several parcels and currently contains eight buildings and four small associated structures. These twelve buildings on the Project Site range in size from approximately 535 square feet to 93,330 sq. ft.

The previous uses, current uses and occupancy of the 6 buildings included in the Project vary. The current uses and building sizes include the following, but generally include approximately 267,000 gross square feet (GSF) of vacant PDR space.

Table 1 - North of 20th Street

| Location | Year Built | Existing Use | Existing Sq. Ft. | Proposed Use | Proposed Sq. Ft. |
|--|------------|-------------------------------------|---|------------------------------------|----------------------|
| Building 101-Bethlehem Steel Office Building | 1917 | Vacant– formerly office use and one | 475 (residential) and 56,925 (office) = | New residential unit New office | 58,300 sq. ft. total |

4 Item 10 C on this agenda: <http://www.sfport.com/index.aspx?page=2003>

5 Item 9B on this agenda: <http://www.sfport.com/index.aspx?page=2063>

6 Item 9B on this agenda: <http://www.sfport.com/index.aspx?page=2088>

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|---------------------------------|------|-------------------------|----------------------|--|-----------------|
| | | residential unit | 57,400 sq. ft. total | use | |
| Building 102 – Power House | 1912 | PDR ¹ | 11,265 sq. ft. | New restaurant or New other commercial | 16,405 sq. ft. |
| Building 104 – UIW Headquarters | 1896 | Vacant–formerly PDR use | 43,000 sq. ft. | New medical and office | 44,590 sq. ft. |
| TOTAL | | | 111,665 sq. ft. | | 119,295 sq. ft. |

South of 20th Street

| Location | Year Built | Existing Use | Existing Sq. Ft. | Proposed Use | Proposed Sq. Ft. |
|---|------------|------------------------------|------------------|---|------------------|
| Building 14 | 1941 | Storage – formerly warehouse | 16,315 sq. ft. | PDR/"New American Workplace" ² | 22,780 sq. ft. |
| Building 113/114- Union Iron Works Machine Shop | 1885/1886 | Vacant, formerly PDR use | 93,300 sq. ft. | PDR/"New American Workplace" | 126,580 sq. ft. |
| Building 115/116 | 1916/1917 | Storage – formerly warehouse | 37,550 sq. ft. | PDR/"New American Workplace" | 48,815 sq. ft. |
| Plaza | N/A | Courtyard | 45,000 sq. ft. | Publically accessible open space, loading | 45,000 sq. ft. |
| TOTAL | | | 192,165 sq. ft. | | 243,175 sq. ft. |

Notes:


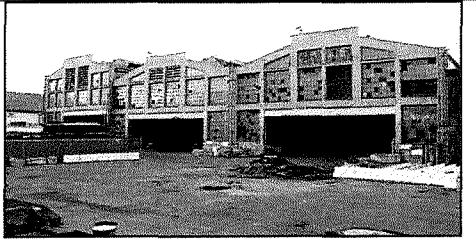
1. PDR (**Production, Distribution and Repair**): Refers to a very wide variety of activities which have traditionally occurred in industrially zoned areas.
2. PDR/"New American Workplace": Expands on PDR to include additional industrial uses such as food, technology, life science, biotech, education and arts production centers, similar to the high quality "maker" type businesses currently existing in the adjacent Dogpatch neighborhood, with ancillary office, showroom, and retail. Such flexible hybrid-use space consolidates all business activities (design, prototyping, manufacturing, wholesaling, office, and sales/retail) under one roof.



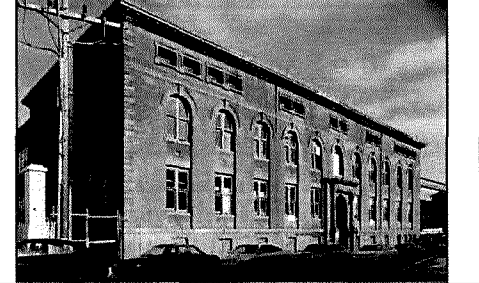

In general, the proposed Project will rehabilitate the 20th Street Historic Buildings to satisfy seismic, structural, and code requirements, implement security measures to combat an atmosphere of neglect and criminal opportunity, and abate hazardous

environmental conditions. The Project will meet the Secretary of the Interior Standards for Treatment of Historic Buildings (the “**Secretary’s Standards**”) and other codes, and all other applicable requirements. The proposed Project could add up to approximately 70,000 GSF of new space, primarily in interior mezzanines for a total of 318,780 GSF onsite.

Once rehabilitated, these historic office and industrial buildings will be subleased to a range of businesses, including light industrial, technology, life science, office, artisan/ artist studios and showrooms, and restaurant uses (see table 2 below). Developer has aggressively marketed the Project to a diverse group of prospective tenants. In addition, Developer has had continued discussions with manufacturers including members of SF Made, with a goal of incorporating variously sized, local manufacturing uses on portions of the site.

The proposed Project will also create an indoor lobby/atrium in Building 113, and an outdoor plaza/venue (“**Plaza**”), both of which will be made accessible to the public. The Plaza will be a multi-use space available for public plaza uses, loading, tenant yard uses (including loading docks, cooling towers and other outdoor equipment) and special events. Finally, the proposed Project will demolish approximately 1,500 GSF of existing structures, including two small structures known as Buildings 23 and 24 appended to the eastern side of Building 113.

| Table 2 – Building Rehabilitation Plans | |
|---|--|
| <p>Building 113/114 The Union Iron Works Machine Shop consists of two masonry buildings built from 1885-1888, later joined by a concrete connector in 1914. The brick sections of Building 113 will be split into two wings and be used as light industrial/flex space with ancillary office, showroom, and retail uses, while the historic foundry (Building 114) will remain a separate space for light manufacturing with ancillary office and retail. The center connector building will become a publically accessible lobby and walkway to an exterior Plaza.</p> |  |
| <p>Buildings 115/116 The Union Iron Works Foundry & Warehouse was constructed in 1916/1917 and comprises a three-bay reinforced concrete structure. The spaces will return to industrial use as light manufacturing with ancillary retail and office.</p> |  |

| | |
|--|---|
| <p>Building 101 Building 101, the 61,311 square foot former Bethlehem Steel Office building, will return to office use on the top four floors. The historic commissary on the park level floor is expected to return to industrial food production use or ancillary office uses.</p> |  |
| <p>Building 102 Building 102, the 11,266 square foot former Compressor House, currently houses BAE Ship Repair's electrical distribution. The Port has the responsibility to remove the electrical facilities, following that Developer will redevelop the building as a restaurant.</p> |  |
| <p>Building 104 The 45,237 square foot former Union Ironworks office building was built in 1896 and will return to single tenant office or medical office use.</p> |  |
| <p>Building 14 Building 14 is a 16,315 square foot double-gable metal warehouse constructed in 1944. The space will return to industrial use as a warehouse with ancillary office space.</p> |  |

CEQA

California Environmental Quality Act ("CEQA") Guidelines Section 15183 provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an environmental impact report ("EIR") was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the proposed project or its site. Section 15183 specifies that examination of such a project's environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

The proposed Project is within the Eastern Neighborhoods Community Plan Area, for which the San Francisco Planning Commission certified the *Eastern Neighborhoods*

Rezoning and Area Plans Final EIR (“EN FEIR”) (Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048). Thus, the Planning Department reviewed the proposed Project to determine if a community plan exemption under CEQA Guidelines Section 15183 would be appropriate and determined that the EN FEIR incorporated and adequately addressed all potential impacts of the proposed Project. The Planning Department determined that the proposed Project would not have any additional or significant adverse effects that were not examined in the EN FEIR, nor has any new or additional information come to light that will alter the conclusions of the EN FEIR. Thus, the proposed Project will not have any new effects on the environment that were not previously identified, nor will any environmental impacts be substantially greater than described in the EN FEIR. No mitigation measures previously found infeasible have been determined to be feasible, nor have any new mitigation measures or alternatives been identified but rejected by Developer. Therefore the Project is exempt from further environmental review under CEQA.

Thus, the San Francisco Planning Department prepared a Community Plan Exemption (“CPE”) for the proposed Project, which was approved on May 7, 2014. A copy of the approved CPE is on file with the Port Commission Secretary and is also available online at http://sfmea.sfplanning.org/2013.1168E_CPE.pdf. All applicable mitigation measures from the EN FEIR have been incorporated into the proposed Project or will be required as conditions of approval through the Port Commission’s adoption of the Mitigation Monitoring and Reporting Program (“MMRP”) attached as part of Exhibit B.

MITIGATION MONITORING AND REPORTING PROGRAM (MMRP)

The CPE identifies certain mitigation measures identified in the FEIR to avoid potential significant negative effects. The Port will be responsible for implementing and in certain instances monitoring the following measures which are fully described in the MMRP attached as Exhibit B to this Memorandum:

- Traffic Signal Installation
- Interior Noise Levels
- Siting of Noise-Generating Uses
- Hazardous Building Materials
- Develop Additional Pedestrian and Roadway Treatments
- Designate Safe, Accessible, and Convenient Bicycle Parking
- Designate Loading Dock Manager
- Require Traffic Controllers/Flaggers for Larger Deliveries
- Limit Peak Hour Truck Movements
- Develop Construction Management Plan
- Adopt Transportation Management Plan

PUBLIC TRUST ANALYSIS

In 2011, California’s Legislature passed Assembly Bill 418, introduced by Assembly

member Tom Ammiano and signed into law by Governor Brown. This bill authorized several changes at Pier 70 including allowing non-trust uses of historic buildings if necessary to finance rehabilitation of the buildings consistent with the Secretary Standards. This authorization was subject to findings from the State Lands Commission (“**State Lands**”) Executive Officer that the reuse and rehabilitation included ample public access to these buildings and a finding that rehabilitation of the building is not economically feasible solely based on trust uses.

All the historic buildings related to the Project are used for Port storage needs or are currently vacant, shuttered and not suitable for occupancy in their current state. Some of the historic buildings are in such disrepair that immediate seismic and structural reinforcement are needed. The Port sought a third party analysis regarding the feasibility of reuse based solely on trust uses. This analysis found that a reuse program reliant upon trust uses is not economically viable. These historic buildings are not built for nor are conducive to current maritime or public trust uses. Almost all maritime industrial uses in San Francisco Bay require close access to the waterfront (such as a berthing facility to load/unload materials/ equipment). There is limited demand for maritime tenants and those tenants have limited needs for these industrial shed/warehouse facilities due to condition and location. Historic buildings at Pier 70, particularly the Union Ironworks buildings, are much larger than will be needed by most maritime tenants.

Port staff has sought feedback regarding the proposed public access from State Lands staff. Based on their initial review of the Access Map, State Lands staff is comfortable with the level of public access allowing the public to experience the interior and exterior of the historic Buildings on 20th Street in conjunction with the Plaza including public access connecting Louisiana Street to the Plaza. State Lands staff supports this public access plan with requirements to:

- Include interpretive signage that help educate the public about the historic buildings and their contribution to the maritime history of Pier 70
- Include signage that alerts the public to the interior public access
- Expand the interior public access space, if feasible
- Additional lobbies built in the office buildings (Buildings 101 and 104), if any, should include glass walls or large windows to help expand access to views of the interior of the historic structures, based on tenanting and feasibility

Based on third party analysis and feedback from State Lands staff, rehabilitation of the buildings consistent with the Secretary Standards is not feasible with only public trust uses. Additionally, State Lands staff has noted that the Project includes ample public access to these buildings.

SUMMARY OF FINANCIAL/BUSINESS TERMS

The financial terms of Transaction Documents obligates Developer to rehabilitate and operate the Project buildings, including securing needed investment, in exchange for a 66-year lease and a \$1.5 million capital contribution from the Port. Up to an additional \$250,000 may be contributed from a State grant secured by the Port. Revenues from the Project will first fund operating costs, then debt service and, until Developer’s equity

is recovered, Developer will receive a 14% return (on a simple interest basis) on its investment. Developer and the Port will share equally in net cash flow on a 50/50 basis after Developer's equity and return and Port's \$1.5 million and return are repaid.

Regardless of the schedule of Developer equity repayment, an annual minimum rent of \$240,000 will commence no later than 20 years after commencement of the Lease. This structure achieves the Port's long-envisioned goal of rehabilitating these buildings as soon as possible and provision of new workplaces for up to 600 jobs.

The Port Commission endorsed the Term Sheet with Developer in October 2012. A summary of key financial terms that remain primarily unchanged include:

- Developer will rehabilitate the buildings to meet the Secretary's Standards. Given the age and dilapidation of the structures, this involves extensive repair and replacement of building systems, structural upgrades, and life safety improvements. Developer is also providing public access in the Plaza and atrium of Building 113.
- The Port will redeploy the \$1.5 million of capital funding budgeted in FY2011/12 for interim shoring of the Union Ironworks Machine Shop (Building 113) as a contribution to the full seismic retrofit for this structure. (A grant secured in 2013 increases the Port's contribution to \$1.75 million.)
- Developer will invest up to \$14 million of equity in the Project and secure Project debt and historic tax credit investors for the remaining funds.
- Net revenue from the Project after debt service will
 - first pay Developer a 14% return (on a simple interest basis)
 - then repay Developer's equity
 - then repay Port's equity and associated return
 - and finally be split equally with the Port ("**Participation Rent**").
- Port will participate in equal participation through equal sharing of any refinancing proceeds and in 10% participation in the net proceeds from a sale or assignment of the Lease.
- Port will receive anticipated annual minimum rent in Year 20 of \$240,000, even if Developer has not yet recovered its equity investment.
- Parking for the Project will be provided as part of an area parking strategy on sites to be determined and the Port, not Developer, will receive parking income from off-premises parking.
- The Port is responsible for the costs of relocating the electrical systems now in Building 102 that serve the shipyard. Such costs are estimated at between \$3 and \$5 million depending on the relocation site and other engineering variables.

In the 18 months since endorsement of the Term sheet, staff and Developer have continued to negotiate transaction terms. A summary of financial terms that reflect new concepts developed or fill in areas unaddressed by the Term Sheet include:

- In February 2013, the ENA was amended to defer payment of Port's transaction

costs in excess of \$80,000 until Project revenues can support repayment on par with payments to Developer, which obligations are further refined in the Lease. Deferring Developer's reimbursement obligation reduces the Project front-end costs and lowers the required equity investment that would accrue at a 14% return.

- As a protection from unknown Project elements that could not have been discovered through reasonable due diligence, provisions have been included to remove buildings from the Project and/or defer the minimum rent if unforeseen conditions are discovered. Unforeseen conditions must meet a threshold of \$1 million.
- Port is responsible for upgrades of adjacent streets and sidewalks ("**Public Realm**") to accommodate the Project. Port will use infrastructure financing district funds, if available, to fund this Public Realm work. Developer can undertake Port Public Realm construction efforts, as a mutual option, and be repaid first from a credit against deferred transaction costs and second over time from the Port's Participation Rent.
- Additional costs for tenant build-outs over and above "cold shell" will be funded: 1) through a side agreement between Developer and subtenant (thus reducing the sublease rent), or 2) amortized over the sublease term at Developer's cost of funds.
- After repayment of Developer Equity, the Port will receive repayment of its \$1.5 million contribution over 10 years in equal installments that includes a return on Port's capital equivalent to the Port revenue bond interest rate as of May 2014 (not to exceed 7%). Developer has the right to pre-pay outstanding Port Equity and return. Minimum rent will be delayed if Port Equity is outstanding.
- If the Port Participation Rent exceeds the amounts forecast in the Port approved proforma and attached to the Lease, Developer receives an incentive payment of 20% of the excess above these projections. This bonus only applies after Developer's equity is repaid and is only in effect after a 2 year construction period for 20 years of the Lease.

PROJECTED SOURCES AND USE OF FUNDS

Based on further investigation and engineering analysis, Developer has refined the Project cost estimates and anticipates total Project cost of \$74 million (an increase from the prior \$58 million estimate). Hard construction costs have increased due to three factors:

- 1) addition of \$1.8 M of costs for the Plaza and site work,
- 2) additional building repair complexity after further due diligence and analysis, and
- 3) rising construction costs in the market.

Even with the increased costs, Developer anticipates that the combination of strong revenues and pre-leasing of a significant portion of the Project will allow them to secure favorable debt terms, allowing the Project to remain feasible despite the higher costs.

Table 3 below shows the sources and uses of funds for the Developer Project. Notable additions consist of (i) participation in the City's Seismic Safety Loan Program, discussed below as a source, and (ii) the greater Port contribution of \$1.75 million, reflecting State grant proceeds of \$250,000. At this time, Developer is arranging its bank and other financing so the table combines debt and equity until debt terms are refined.

Table 3 - Sources and Uses

| Sources | \$ Millions |
|---|--------------------|
| <u>Port Capital Funds+\$250,000 grant</u> | <u>1.75</u> |
| Seismic Safety Loan | 20.2 |
| Historic Tax Credit Equity | 14.9 |
| Private Debt & Equity | 37.8 |
| <hr/> Total Sources | <hr/> \$74.65 |
| Uses | |
| <u>Hard Costs</u> | |
| Building 101 | 10.3 |
| Building 102 | 2.5 |
| Building 104 | 7.7 |
| Building 113 | 20.0 |
| Building 114 | 4.2 |
| Building 115 | 2.4 |
| Building 116 | 4.7 |
| Building 14 | 2.3 |
| Site/Plaza | 1.9 |
| <hr/> Total Hard Costs | <hr/> 56.0 |
| Soft Costs | 11.5 |
| Financing Costs | 6.2 |
| Deferred Port Transaction Costs | 0.8 |
| <hr/> Total Uses | <hr/> \$74.5 |

Notes:

Source Developer cost estimate and pro-forma. Values continually being refined.

Port funds include a State Grant of \$250,000

Construction costs do not include tenant specific improvements.

Seismic Safety Loan Program

In recognition of the economic benefits of lower cost financing, Developer is applying for a loan from the City's Unreinforced Masonry Building (URM) Seismic Safety Loan Program (SSLP), which is administered through the Mayor's Office of Housing and

Community Development (“MOHCD”).

The interest rate on the Seismic Loan, currently assumed at 7.5% for pro forma purposes, is much lower than the 14% return on Developer equity specified in the Term Sheet. The Seismic Loan proceeds will be used to fund the majority of the seismic upgrade costs for Buildings 113/114 and 104, the former Union Ironworks Machine Shop and office building respectively. Those costs are currently estimated at \$26 million.

The SSLP was established through a 1992 voter approved general obligation (“G.O.”) bond measure to provide loans to private owners of unreinforced masonry buildings. To provide funds for borrowers, the City issues G.O. bonds. The loan is to be used for seismic strengthening costs plus a 25% allowance for disabled access/life safety improvements. Eligible soft costs include legal, title/escrow, permit fees, architecture/engineering, and environmental site investigations. Seismic Loans for non-residential buildings, including these Pier 70 buildings, fall under the program’s Market Rate Loan program. The following are some of the key criteria for Market Rate Loan underwriting:

Table 4. Seismic Loan Market Rate Term Summary

| | |
|-----------------------------|---------------------------|
| Loan Term | 20 years fully amortizing |
| Interest Rate | City’s cost of funds + 1% |
| Loan to Value | 90% to 95% LTV |
| Debt Service Coverage Ratio | 1.05x to 1.10x |

Developer is requesting authorization for a total Seismic Loan up to approximately \$26 million which is the maximum based on eligible development costs. However, Developer’s pro forma currently assumes a Seismic Loan amount of approximately \$20 million based on the loan to value and debt service coverage requirements of the program.

The Seismic Loan committee typically provides a conditional loan commitment subject to the borrower satisfying key Project milestones such as submitting the final appraisal, securing building permits for the construction work, having firm commitments from all sources of Project financing and obtaining signed leases from major building tenants. Final approval of the loan and the actual amount of the loan will therefore be determined subsequent to the loan committee’s initial, conditional approval at such time as Developer has satisfied the loan conditions and construction is ready to begin. This is expected to occur in August 2014. Specifically, the Project still has several key milestones to achieve before the Project is ready to begin construction:

- An appraisal that supports the underwriting criteria specified for Seismic Loans;
- Financing commitments equal to or exceeding the total development cost of the Project;

- The construction loan and Seismic Loan have closed or will close simultaneously with close of escrow and delivery of the Lease;
- All required insurance is in place;
- Building permits are ready to be issued;
- A performance bond or completion guaranty is in place;
- A guaranteed maximum price construction contract is in place for the proposed rehabilitation of the Project;
- A minimum level of preleasing of the buildings has been secured.

The current estimated interest rate is 7.5% assuming a taxable G.O. bond issue at 6.5%. The use of this loan will result in payments to the City greater than the costs to repay the bonds, avoiding any impact on the General Fund. The loan will be secured by Developer's leasehold interest with the Port, but subordinate to any senior lender. The Seismic Loan will provide a critical portion of the Project's total funding requirement since this loan can provide construction financing for the seismic components, replacing costly developer equity.

Before MOHCD can enter into a loan agreement with Developer, and in advance of the City selling new G.O. bonds, the following actions will need to occur:

- 1) Seismic Loan committee review and consideration of the loan application to determine the application meets statutory underwriting requirements
- 2) Capital Planning Committee approval of the bond issuance
- 3) CEQA clearance of the Project
- 4) Port Commission and Board of Supervisors review and approval of the Lease
- 5) Board of Supervisors review and approval of the use of the SSLP and the required bond indebtedness
- 6) Developer meets all development agreement requirements and loan committee conditions, and enters into the Lease

INFRASTRUCTURE FINANCING DISTRICT

State law authorizes the establishment of a Port Infrastructure Financing District (IFD) to finance public improvement projects along the San Francisco waterfront. The Port IFD may finance the same types of improvement projects that are financed by non-Port IFDs (open space, parks, and street improvements), as well as projects specific to the Port, including removal of bay fill, storm water management facilities, shoreline restoration, and maritime facility improvements. Increased property tax revenues resulting from certain Port development projects (tax increment) may be redirected from the General Fund to the Port IFD in order to finance public improvements, subject to Board of Supervisors approval. In 2013, the Board of Supervisors approved a resolution of intention (1) to establish the Port IFD consisting of eight project areas; and (2) directing the Port Executive Director to prepare a financing plan, subject to Board of Supervisors' approval.

The Port intends to submit the IFD proposal for the proposed development of the 20th Street Historic Buildings to the Board of Supervisors for approval concurrent with the

LDDA and Lease in the coming months. To that end, Port staff, assisted by a team of consultants led by Keyser Marston Associates (“**KMA**”), is currently preparing an infrastructure financing plan (IFP), which will be the foundation of an IFD to be formed pursuant to State and local IFD legislation to fund a portion of public infrastructure improvements supporting the rehabilitation of the historic buildings at Pier 70 related to this lease. The IFP is expected to fund the following improvements with a combined estimated cost of approximately \$5 million:

- Upgrade traffic signal at 20th and Illinois Street
- Temporary pedestrian access along Georgia, Michigan and Louisiana Streets
- Repair of sidewalk along 20th and Illinois Streets
- Street lighting and ADA access ramps on each of the streets above
- Shoring and repair of Building 105 (to allow safe access to 20th Street south sidewalk to Louisiana Street)
- Replacement of the electrical equipment serving the BAE shipyard (currently in Building 102).

The Project is expected to generate an estimated \$450,000 annually in property taxes. Many of the improvements listed above need to be in place when the Project opens and before significant tax increment is generated. The Port and Developer may have to advance funds for these improvements and be repaid from IFD funds generated after the Project is opened.

TRANSACTION DOCUMENTS

Developer Entity Signing the Documents

The ENA contemplates that Developer may assign its rights under the ENA to an affiliate owned or controlled by Orton Development, Inc. or J.R. Orton, III. J.R. Orton, III is the President of Orton Development, Inc. Such assignment can take place without the Port’s prior consent. Accordingly, the Transaction Documents may be entered into between Port and an affiliate of Orton. Orton is proposing that Historic Pier 70, LLC, an entity that is or will be newly formed by Orton, be the signatory to the Transaction Documents. Port staff will confirm prior to entering into any of the Transaction Documents with an entity other than Developer, that such entity is a Developer affiliate.

Legal Effect of the Documents

The Lease Disposition and Development Agreement will be signed by the Port following its approval by the Port Commission and following approval of the form of Lease No. 15814 (“**Lease**”) by the Port Commission and Board of Supervisors. The LDDA will go into effect immediately upon execution by the Port and Developer, but the Lease will not go into effect until certain conditions are met. Once these conditions have been satisfied, the Lease will be executed and delivered to both parties through an escrow. Some of the conditions are discussed below.

The Lease will become effective immediately upon delivery to Developer and expire 66 years after the commencement date. The LDDA will expire upon completion of

construction and recording of a Certificate of Completion. Until the recording of the Certificate of Completion, both the Lease and the Development Agreement will be in effect.

Lease Disposition and Development Agreement (“LDDA”)

The purpose of the LDDA is to set forth the requirements for the rehabilitation and re-development of the Site, and the conditions for delivery of the Lease to the Developer. The Port will deliver the Lease to Developer if the conditions are satisfied. The LDDA provides Developer with the certainty it needs to invest further in the design, construction documents and approval process for the Project and to finalize the Project financing. The LDDA protects the Port because the Port is not obligated to deliver the Lease unless and until the conditions in the LDDA are satisfied or waived by Port. After Developer completes construction of the improvements described in the Scope of Development, the Port will issue a Certificate of Completion, which upon recordation will terminate the LDDA. Port Commission approval of the LDDA is required because it concerns a major development on Port property and sets forth requirements for delivering the Lease.

Development of the Site

Under the LDDA, Developer will have the following obligations for development of the Site:

1. Accept the Site in its "as is" condition, perform due diligence investigations, , comply with laws and regulations and obtain all regulatory approvals necessary to undertake the planned development;
2. Construct the improvements in conformance with the Scope of Development and Schematic Drawings and within the timeframes set forth in the Schedule of Performance. These documents will be attached as Exhibits to the LDDA. The improvements must comply with the Secretary's Standards;
3. Secure a Letter of Intent from a major bank for \$35- \$40 million construction finance loan secured by a personal guaranty from J.R. Orton, III, an individual, also known as Eddie Orton, the President of Orton Development, Inc., and subject to ongoing liquidity requirements of J.R. Orton, III;
4. Comply with the Mitigation Monitoring and Reporting Program;
5. Carry insurance and indemnify the Port;
6. Reimburse the Port for costs of staff time and legal fees incurred during the term of the LDDA and any outstanding costs incurred during the term of the ENA;
7. Furnish Port with "Record Documents" documenting all improvements after completion of the improvements;
8. If the LDDA terminates prior to close of escrow (for any reason other than a title defect, casualty or a termination caused by a Port event of default), Developer will be required to pay a termination fee of \$200,000 to the Port;

Conditions to Close of Escrow

The following conditions, among others, must be satisfied in order for escrow to close, at which time the Lease and Site will be delivered to Developer:

1. The Port Commission shall have approved the Transaction Documents, and the

Board of Supervisors shall have approved the Lease;

2. The Port shall have approved the development budget and evidence of adequate financing for the Project, including evidence of Developer's ability to meet debt service obligation(s) and evidence of a commitment letter from a lender, if applicable. The Port also must have approved Developer's statement of sources and uses of funds, which must be sufficient to demonstrate that Developer has or will have funds equal to or exceeding the total development cost of the improvements and that such funds have been spent for uses described in the development budget or are committed and available for that purpose;
3. The Port shall have approved Developer's guaranteed maximum price contract for construction of the improvements;
4. The Port shall have approved the Schematic Drawings, materials and color samples and Final Construction Documents and is ready to issue a building permit;
5. Developer shall have submitted evidence satisfactory to Port that the improvements are consistent with the Secretary's Standards;
6. Developer shall have obtained all regulatory approvals required to commence construction of the improvements. These approvals include a letter of determination from the Executive Officer of the State Lands Commission ("State Lands") that the restoration and preservation of any of the historic buildings within the Project where non-Public Trust uses are contemplated cannot be feasibly financed with available Public Trust uses, and that the non-Public Trust uses or Lease are part of an overall program that furthers Public Trust purposes.-
7. Developer shall have deposited exaction fees that are required to be paid prior to close of escrow; and
8. J.R. Orton, III shall have provided a personal guaranty to the Port guaranteeing the completion of core and shell improvements for each of the buildings within the leased premises.

Phasing

In lieu of Port leasing to Developer the entire historic core at close of escrow, Developer will initially lease buildings 113, 114, 115, and 116 (the "Initial Site"). The LDDA contemplates that the Initial Site will be expanded to include the other buildings within the historic core (each an "Expansion Site") within three years following Lease execution, with construction to follow soon thereafter. Developer may, however, remove one of the Expansion Sites if there is an unforeseen condition that would increase the cost by \$1 million or more to develop that specific Expansion Site.

Key Exhibits to the LDDA

The following exhibits to the LDDA highlight key enforceable instruments that delineate Developer's obligations to Port.

Scope of Development

The Scope of Development sets forth the improvements that are to be constructed on the Site by Developer.

Schedule of Performance

The Schedule of Performance sets forth the deadlines by which the parties are required to submit or approve documents prior to close of escrow and deadlines by which the parties are required to act during the construction phase of the Project. All deadlines are subject to force majeure.

Schematic Drawings

Schematic Drawings, consisting of site plans and elevations, will be attached to the LDDA. The full set of Schematic Drawings is on file with the Port Commission Secretary.

Development Budget

The Development Budget for the Project, showing a total development cost of \$75 million.

Lease (“Lease”)

The Lease between the Port and Developer will be delivered through an escrow when the conditions of the LDDA are satisfied. Port Commission approval of the Lease is required because it concerns a major development on Port property and has a term of 66 years. Developer will be referred to in this section as “Tenant.”

The following business terms have been negotiated between Port Staff and Tenant:

Term

66 years.

Commencement Date

The Lease commences when the Project closes escrow.

Termination Date

66 years from the Commencement Date.

Premises

Initial Site: Buildings 113, 114, 115 and 116 and the adjacent Plaza.

Expansion Site: As provided in the LDDA, the Premises may be expanded from time to time to include additional land and buildings within the historic core

The “Premises” means collectively the Initial Site and any Expansion Sites that are added to the Premises in accordance with the LDDA.

Uses

Tenant will use the Premises for the following uses and for no other use without the prior written approval of Port, not to be unreasonably withheld, which Permitted Uses may include:

Building 101: general office use, cafeteria, showroom, PDR, arts and arts production, research, development, design, restaurant, or industrial kitchen, and residential use of an existing penthouse residential unit located on the top floor, and related ancillary uses only.

Building 104: general office or medical office use showroom, PDR, arts and arts production, research, development, design, and related ancillary uses.

Building 102: restaurant or commercial uses, food production, industrial kitchen use, showroom and related ancillary uses.

Buildings 113, 114, 115, 116 and 14: Design, production (which may include any non-office uses that integrate multimedia, information technology, or software development functions;), light manufacturing, research, recreation, education, life science, warehousing, manufacturing, industrial kitchen and food production, and arts-related activities and related ancillary uses, including ancillary office, showroom, and retail.

Atriums and Plazas: Public and private events, food service, loading, and retail. Retail and other ancillary uses would be allowed in ancillary structures or shipping containers subject to review of the Port staff. The Lease rules and guidelines would allow up to 100 major event days annually with up to 25 event days with complete closure of the Plaza and 15 events days resulting in complete closure of the Atrium. The Port would need to review and consent to any additional events proposed by the Tenant. A portion of the building edge of the Plaza (one third of the frontage) would be allowed for use by subtenant yard activities subject to Port review and the provisions of the Lease.

A Project office for Tenant's use may be located within any one of the on the Premises.

Subleasing

Tenant will not Sublease any portion of the Premises without the prior written consent of Port, which consent will not be unreasonably withheld. However in the Lease the Port pre-approves a broad range of subleases so long as they are arm's length transactions and structured at market rental rate and comply with the provisions of the Lease. In addition to pre-approved subleases, Port retains sublease approval rights for subleases of greater than 100,000 square feet in the aggregate to a single user or Subtenant and its affiliates. The Port also retains sublease approval rights of initial Subleases to be executed for all or substantially all of the east and west wings of Building 113.

Signs

Tenant does not have the right to place, construct or maintain any Sign on the exterior of any Buildings within the Premises without Port's prior written consent.

Required Public Access Areas

Tenant must maintain throughout the Term, dedicated public access areas within the Premises, including areas within the Buildings where non-Public Trust uses are contemplated in compliance with the California State Lands Commission's Executive Officer's determination related to the Project, to permit the public to view the interior and exterior historic architectural amenities, the Historic Fabric, and other amenities to educate the public about such Historic Building and its contribution to maritime history.

Minimum Rent

An annual minimum rent of \$240,000 will commence no later than 20 years after commencement of the Lease.

Adjustments to Minimum Rent:

5-Year Adjustment to Minimum Rent: On each Adjustment Date, the Minimum Rent payable under this Lease will be adjusted to equal the greater of (i) the Minimum Rent in effect immediately prior to such Adjustment Date, or (ii) one hundred percent (100%) of the amount determined by multiplying the Minimum Rent in effect immediately prior to such Adjustment Date by a fraction, the numerator of which is the Current Index and the denominator of which is the Prior Index.

Periodic 10-Year Adjustment to Minimum Rent:

On each Periodic 10-Year Adjustment Date, the Minimum Rent payable under this Lease will be adjusted to equal the higher of (i) the Minimum Rent then in effect, or (ii) the amount obtained by adding all of the Participation Rent due for the five (5) year period immediately prior to the applicable Periodic 10-Year Adjustment Date as further described in the Lease.

Application of Net Revenues Until Repayment in Full of Developer Equity and Return & Port Capital Contribution and Return.

One hundred percent (100%) of net revenues will be applied to pay off outstanding Developer Equity and return, any deferred Port transaction costs, and outstanding Port equity and return, until fully paid,

Participation Rent

From and after the Developer Equity Repayment Date and repayment in full of Port Capital Contribution and Port Capital Return and throughout the Term thereafter, subject to a cash flow bonus, Tenant will pay to Port participation rent on a monthly basis equal to (i) fifty percent (50%) of Net Revenues (ii) less the Minimum Rent due and payable for the applicable calendar quarter ("**Participation Rent**").

Cash Flow Bonus

If Tenant meets all of the following conditions, Tenant will be entitled to a Cash Flow Bonus from the Net Revenues generated from the Premises equivalent to 20% of the excess above pro forma projections until the calendar year that includes the 22nd Anniversary Date (the "**Potential Bonus Period**") subject to the following conditions:

(i) Tenant has complied with its agreement with the Contract Monitoring Division and CityBuild regarding the hiring of LBEs and local residents in connection with the development of the Project.

(ii) All outstanding Developer Equity and return has been fully repaid;

(iii) All outstanding Deferred Port Transaction Costs and any Transaction Costs due and payable to Port under the LDDA have been fully repaid;

(iv) All outstanding Port Capital and return has been fully repaid;

(v) Net Revenues exceed the Cash Flow Bonus Threshold; and

(vi) There is no uncured or outstanding Tenant Event of Default.

During the Potential Bonus Period, Tenant will include (i) in each Monthly Net Revenues Statement, Tenant's estimate of the amount of Cash Flow Bonus it will be entitled to at the end of the applicable calendar year, and (ii) in each Annual Net Revenues Statement, the actual amount of Cash Flow Bonus Tenant is entitled to for the applicable calendar year, accompanied by documentation to support its position. Subject to Port receiving the Annual Net Revenue Statement in accordance and in compliance with the Lease, Tenant will be entitled to a Cash Flow Bonus set forth in such Annual Net Revenue Statement. The Cash Flow Bonus will be deducted from Net Revenues immediately prior to calculating the Participation Rent due to Port at the end of each calendar year. In no event will the amount of Net Revenues or the Cash Flow Bonus Threshold used to calculate Cash Flow Bonus include any Transfer Proceeds.

Port's Participation in Transfer Proceeds

Tenant and all subsequent assignees will pay to Port ten percent (10%) of the Net Transfer Proceeds, if any, from a Transfer of the Lease that occurs during the Term.

Port Participation in Refinancing Proceeds

Tenant and all subsequent assignees will pay to Port fifty percent (50%) of the Net Refinancing Proceeds, if any, from close of escrow for each Refinancing that occurs during the Term.

Improvements & Subsequent Construction

Tenant is obligated to construct the improvements set forth in the Scope of Development and has the right to construct additional improvements throughout the term of the Lease. All improvements must comply with the Secretary's Standards.

Repairs and Maintenance

Throughout the Term, Tenant will maintain and repair the Premises and all Improvements thereon in substantially the condition the Improvements were completed pursuant to the terms and conditions of the LDDA, less reasonable wear and tear,

Management and Operating Covenants

Tenant is required to: (i) manage and operate the Premises at no cost to Port and to maintain the Premises consistent with a first-class light industrial/restaurant project located in San Francisco; (ii) keep the atrium open to the public during business hours; (iii) install and fly a Port flag on the all roofs; (iv) obtain Port's consent for exterior improvements; (v) obtain Port's consent for outdoor exhibits unless certain criteria defined in the Lease are met, in which case prior Port consent is not required; (vi) remove graffiti promptly from the Premises; (vii) abide by the Mitigation Monitoring and Reporting Program attached to the Lease; and (viii) comply with the Pier 70 Risk Management Plan attached to the Lease.

Subleasing of Premises and Reporting of Leasing Activity

Tenant will engage one or more leasing agents for the subleasing of the Premises in accordance with the Lease. Tenant will provide Port with monthly leasing activity reports at the Site.

Utilities

Tenant is responsible for providing all utilities to the Premises, including installation and connection, and for separating utilities from adjacent properties.

Insurance

Tenant will be required to carry a complete package of insurance on the Premises, which has been approved by the City's Risk Manager.

Damage or Destruction

In the event of a casualty, Tenant may not terminate the Lease or stop paying rent, and must restore the Premises, except in the following circumstances: if there is a "major casualty" (meaning the cost of damage exceeds 60% of the cost to replace) occurring in the last ten years of the term, or if there is an "uninsured casualty" (as defined in the Lease) occurring anytime during the term, then Tenant may elect either to restore the Premises or terminate the Lease.

Security Deposit

Tenant shall pay to Port a security deposit for the Premises in an amount equal to \$40,000 equivalent to the 2 months of the projected \$240,000 annual minimum rent at year 20 of the Lease.

Environmental Financial Performance Deposit

Tenant will deliver to Port an environmental financial performance deposit in an amount to be determined by Port as adequate for protecting the Port from the increased potential environmental liability arising out of Tenant's activities.

Environmental Oversight Deposit

Tenant will deliver to Port an environmental oversight deposit in cash, in an amount equaling Ten Thousand Dollars (\$10,000), as security for Port's recovery of costs of inspection, monitoring, enforcement, and administration of Tenant's performance of its obligations relating to hazardous materials.

Assignment

Tenant may not assign the Lease without the prior written consent of the Port (which consent may be withheld in Port's sole discretion prior to issuance of the Certificate of Completion and in Port's reasonable discretion after issuance of the Certificate of Completion) except to a permitted mortgagee, to an entity for the purpose of taking advantage of historic preservation tax credits or tax-exempt bonds, or to an entity affiliated with Tenant.

Indemnification and Waiver:

The Lease contains standard general indemnification and hazardous materials indemnification provisions.

Defaults and Remedies

If Tenant defaults under the Lease, Port has all rights available at law or in equity, including the right to keep the Lease in effect and collect rent and the right to terminate

the Lease. If the Port defaults under the Lease above, Tenant has the exclusive right to offset or deduct only from the Rent becoming due hereunder, the amount of all actual damages incurred by Tenant as a direct result of the Port Event of Default, but only after obtaining a final, unappealable judgment in a court of competent jurisdiction for such damages in accordance with applicable Law and the provisions of this Lease, or equitable relief.

Leasehold Mortgages

Tenant will be permitted to mortgage its leasehold interest (but not the fee) in the Premises, with Port's prior consent. A mortgage may be given only to an institutional lender or a lender approved by Port in its sole discretion.

City Requirements

Tenant is required to comply with all City policies and ordinances now in effect.

Other Transaction Documents

Port and Developer anticipate executing other documents including licenses for Port property adjacent to the Project, such documents being necessary to provide Developer with means of ingress and egress to the Project and for other purposes required by the Project.

Second Amendment to Exclusive Negotiation Agreement ("Amended ENA")

Port and Developer previously entered into an Exclusive Negotiation Agreement ("ENA") dated as of May 16, 2012 setting forth the terms and conditions under which Port and Developer would negotiate a Term Sheet, a LDDA, a Lease and other Transaction Documents required to implement the Project. The Port and Developer amended the ENA by the First Amendment dated as of March 20, 2013. The ENA term currently expires on June 20, 2014.

Port and Developer now seek a Second Amendment to extend the term of the ENA to provide adequate time to secure all required project approvals necessary to execute the LDDA. The term of the Amended ENA will be extended and shall expire upon the earlier of December 31, 2014, or the effectiveness of the LDDA, as further described in the ENA on file with the Port Commission Secretary.

LOCAL CONTRACTING AND HIRING COMMITMENTS

Developer is working with the City's CityBuild program and the Contract Monitoring Division to ensure that local disadvantaged businesses ("LBE") and local residents participate in this Project.

The Seismic Safety Loan Program requires 25% of total worker hours be completed by economically disadvantaged workers earning 50% or less of the local median income; this requirement will apply for the estimated \$20 million of Project costs funded through the loan. Developer has agreed to use local workers for 25% of total worker hours and a LBE participation goal of 17%.

The SSLP requires the Developer to seek at least one bid for the structural work from a Local Business Enterprise (LBE), certified as such by the Contract Monitoring Division.

However, while the loan program does not require a specific target for LBE participation in the Project, the Contract Management Division reviewed the types of construction work needed for this specialized Project and after review by CMD and Developer, the Developer has agreed to the aforementioned 17% goal for all Project work to be performed by LBEs.

The Lease will require Developer and its subtenants to participate in the City's First Source Hiring Program (San Francisco Administrative Code Sections 83.1 et seq.) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry-level positions.

COMMUNITY OUTREACH

Since being selected as the Port's development partner for the Project, Developer has met on numerous occasions with neighbors and stakeholders. Comments and observations generated through these outreach efforts have shaped and informed the Project plans.

On March 19, 2014, Developer provided a Project update to the Central Waterfront Advisory Group ("**CWAG**"). On April 16, 2014 Developer presented CWAG further details on prospective tenanting plans and parameters for the publically-accessible portions of the Project – the Plaza and atrium. The membership is very interested in the Project and on April 22, 2014, the CWAG submitted an email to the Port Commission supporting the Project, copy of which is attached as Exhibit C to this Memorandum.

On March 18, 2014, Developer met with San Francisco Architectural Heritage ("**Heritage**") to present the Project's approach to preserving the historic fabric of the site. On April 21, 2014, Heritage staff submitted a letter to the Port Commission offering its support for the Project, a copy of which is attached as Exhibit D to this Memorandum.

Developer has also met with the Dogpatch Neighborhood Association, the Potrero Boosters and the Heritage Preservation Commission. These groups and numerous individual members of the neighborhood have expressed enthusiastic and wide-spread support for the Project.

FISCAL ANALYSIS

Development Economics

Since being selected as the successful respondent to the RFP in 2012, Developer has been performing predevelopment due diligence with regard to the development economics of the Project. These activities have included: (1) working with their design and engineering team to develop an approach to the rehabilitation of the buildings, (2) working with Developer's general contractor, Nibbi Brothers, to refine the construction cost estimate, (3) estimating market rental rates and operating expenses, and (4) assembling the necessary financing. Developer has made significant progress in understanding the Project's economics and has prepared a development pro forma that contains their best estimates of Project economics as they stand today. The pro forma is designed to err on the conservative side; going forward Developer will continue to refine the cost and revenue projections based on further due diligence. Therefore, the

final development economics of the Project will likely deviate somewhat from those summarized in this Memorandum.

Development Costs

The Project's development costs can be broken down into the following main categories: (1) direct costs of construction, (2) indirect or soft costs, and (3) financing costs. In total, the Project is estimated to cost approximately \$74 million (as shown on Table 3 above) to complete or \$279 per square foot of gross building area.

The direct construction cost estimate is based on estimates from Developer's general contractor, Nibbi Brothers, ("**Nibbi**") and includes standard general contractor costs such as general conditions, contractor insurance, and contractor overhead/profit.

The rehabilitation of the Project buildings is required to be consistent with the Secretary of the Interior's standards for historic buildings. The construction costs are based on build out of the space to a cold shell condition (i.e. individual tenants will have to install additional improvements to suit their needs). Subsequent lease negotiations with individual tenants will ultimately determine what level of tenant improvements will be made. Developer has included in their pro forma a tenant allowance of roughly \$5 per square foot to be provided to tenants for specialized build-out of their space.

In the subsequent months leading up to the targeted summer construction start, the Project will go out to bid, after which there will be a guaranteed maximum price (GMP) construction contract. In addition, the LDDA will require that the Project have a performance and payment bond from Nibbi and a completion guaranty furnished by J.R. Orton, III in order to protect against the Project not being completed.

Operating Income

Operating income from the Project will be derived from leasing of the buildings to light industrial, office, retail and restaurant tenants. Based on their discussions with prospective tenants and on current market conditions for similar space, Developer is projecting total gross rental income from the Project at approximately \$5.97 million per year. This equates to almost \$25 per square foot of net leaseable area on average. Higher rents are projected for the office and restaurant space and lower rents to the light industrial space.

Sources of Funds

The following is a brief summary of the various sources of funds in the financing plan (in no particular order):

- *Port Contribution.* The Port is committing a \$1.5 million capital contribution for the Project and an additional \$250,000 in grant funds from the California Cultural Equity Endowment. In addition, the Port is deferring most of its transaction-related costs until they can be repaid from Project cash flow.
- *Developer Equity.* Developer is committing up to \$14 million in equity. However, it is advantageous for the financing plan to utilize lower cost financing when

available. The current financing plan includes approximately \$6 million in Developer equity during construction, which is repaid out of a combination of operating cash flow and permanent (take-out) financing.

- *Historic Tax Credits & Bridge Loan.* Because the buildings are listed on the National Historic Register, the Project can qualify for historic tax credits to fund a portion of the rehabilitation costs. Developer estimates that approximately \$13 million in historic tax credit equity can be raised. A bank bridge loan might be used as temporary construction financing until the tax credit equity is in place.
- *Bank Construction Loan.* A \$35 million bank construction loan will fund nearly half of the Project's costs. The bank will require a personal guaranty from J.R. Orton, III and certain pre-leasing requirements prior to funding of the loan.
- *Seismic Safety Loan Program (Seismic Loan).* This City sponsored financing source is described in detail in the following section of this report. Currently MOHCD's loan committee is underwriting a \$20 million loan. Developer may utilize this loan as construction financing (taking draws based on ongoing construction expenditures) but the pro forma presumes that the loan will remain in place for a total of eight years after which it will be repaid with permanent take-out financing.
- *Permanent Take-Out Financing.* Once the Project is complete and the operating income stabilized, Developer will take out the bank construction loan with permanent financing. Developer is proposing to utilize industrial revenue bonds for permanent take-out financing, which generally offers more favorable terms for long-term debt. As currently projected, there will be two tranches of permanent financing. The first tranche is estimated to be available immediately following construction completion (estimated in 2017) and will be used to repay the bank construction loan. The second tranche will be used to repay the Seismic Loan in 2021 (approximately eight years into the 20-year Seismic Loan term, in order to conform to the City's requirement that eight years pass before bond-backed debt is repaid). If the Seismic Loan is not prepaid prior to the 20-year term, the second tranche of permanent financing would not be required.

Projected Port Rent

Base Rent

The Lease requires minimum base rent of \$240,000 per year no later than 20 years after Lease execution (projected to be in 2034).

Participation Rent

The Port will also receive Participation Rent based on net Project income after Developer has been repaid its equity and has received a 14% simple return on its equity investment. Based on current projections, the Participation Rent will begin as early as 2022 and will far exceed the amount of the Base Rent. Based on the "base case" pro forma projection, Developer will provide an upfront approximate \$6 million equity investment into the Project which will be repaid by 2022 from net debt Project cash flow

and residual permanent financing proceeds. Once Developer's equity and return have been paid, and Port's Capital and return have been paid, the Project's net income is split 50/50 with the Port.

Based on the base case pro forma, Port Equity repayment and Participation Rent will commence in 2022. Port Equity and Return will amount to \$298,000 annually for ten years and Port's Participation Rent is estimated at \$115,000 in 2022, rising to \$930,000 in 2034. The net present value discounted at 6% of all Port revenue including Port Equity and Returns, and Base and Participation Rent is estimated at \$18.6 million for the 66 year term of the Lease.

Risk Analysis

A development project of the complexity of the Project has many challenges that could affect the financial outcomes to the Port. In recognition of the fact that the Project's ultimate development economics can vary from the pro forma, Developer has run sensitivity analyses to test the economic impacts of changes to certain pro forma assumptions. The three risk factors tested were: (A) delayed construction of Buildings 101, 102, and 104, (B) 15% higher rehabilitation costs, and (C) 15% lower rents. These sensitivity analyses are based on the March 2014 pro forma analysis and were reviewed by KMA.

- *Sensitivity A: Delayed Phasing.* As mentioned, the first phase of the Project must include Buildings 113, 114, 115, and 116 (the industrial buildings on the south side of 20th Street) but not buildings 101, 102, and 104 on the north side of 20th. Since the base case pro forma and underwriting is based on the whole Project being built in one phase, this scenario results in a delay in Project revenues. The results of this sensitivity are that the Port's rent would be delayed by eight years (to 2030) and total rent would be about 10% less than currently projected.
- *Sensitivity B: 15% Higher Cost.* This sensitivity tests the impacts of a 15% increase in capital costs, or a roughly \$10.8 million increase. Barring other sources of funds that might be identified, this change would require Developer to contribute about \$8.4 million more equity to complete the Project (the difference is made up mostly from higher tax credits, which are tied directly to costs). Since the Port's Participation Rent is calculated after Developer has achieved its equity return, in this scenario the Port's rent would be delayed by 12 years (2034) and total rent would be about 40% less than currently projected. Per the Term Sheet, the Port's Base Rent would begin no later than Year 20 of the Lease regardless of whether Developer has received its equity return.
- *Sensitivity C: 15% Lower Rents.* In this scenario gross rental income is assumed to be 15% lower than projected. The results of this scenario would be that the Port's rent would be delayed by 12 years (2034) and total rent would be about 60% less than currently projected.

DEVELOPER FINANCIAL CAPACITY

The Developer has secured a Letter of Intent from a major bank for \$35- \$40 million

construction finance loan secured by a personal guaranty from J.R. Orton, III and subject to ongoing liquidity requirements of J.R. Orton, III. As described above, MOHCD's loan committee is currently underwriting a \$20 million seismic safety loan. Between these capital sources, the Port's commitment of up to \$1.75 million and the Developer's commitment of up to \$14 million, the Developer has secured ample financing for the Project as summarized below:

| | |
|------------------------------------|--------|
| Port Capital Funds+\$250,000 grant | \$1.75 |
| Seismic Safety Loan | 20.2 |
| Historic Tax Credit Equity | 14.9 |
| Private Debt & Equity | 37.8 |

KMA has undertaken a review of the latest annual financial statements provided for J.R. Orton, III and Orton Development, Inc. As of December 31, 2013, J.R. Orton, III had cash or cash equivalent assets sufficient to: (1) fund the \$14 million maximum equity contribution for the 20th Street Historic Buildings, and (2) satisfy the liquidity requirements of the proposed bank construction loan. Port staff conducted additional due diligence to assess the financial wherewithal of J.R. Orton, III and it has concluded the KMA analysis remains relevant to date.

The financial statements list liabilities representing a small percentage of total listed assets. Additionally there are some contingent liabilities in the form of J.R. Orton, III personal guarantees for several property loans in his property portfolio. These personal guarantees represent of small portion of the overall asset base analyzed. As discussed above, prior to the Close of Escrow, Developer will:

1. Have Port approve the development budget and confirm evidence of adequate financing for the Project, including evidence of Developer's ability to meet debt service obligation(s) and evidence of a commitment letter from a lender, if applicable;
2. Have Port approve its statement of sources and uses of funds, which must be sufficient to demonstrate that it has or will have funds equal to or exceeding the total development cost of the improvements and that such funds have been spent for uses described in the development budget or are committed and available for that purpose;
3. Have Port approve its guaranteed maximum price contract for construction of the improvements;
4. Have Port approve the Schematic Drawings, materials and color samples and Final Construction Documents and confirm Port is ready to issue a building permit;
5. Have deposited exaction fees that are required to be paid prior to close of escrow; and
6. J.R. Orton, III shall have provided a personal guaranty to the Port guaranteeing the completion of core and shell improvements for each of the buildings within the leased premises.

In summary, the Developer has demonstrated adequate capital sources for the Project and the financial capacity to deliver its commitments under the LDDA and Lease.

NEXT STEPS

If the Port Commission confirms the CEQA findings and approves the Transaction Documents, the following additional steps need to happen for final approval of the Project, including the Seismic Loan and IFD:

- 1) May 2014: Seismic Loan committee review and consideration of the loan application to determine the application meets statutory underwriting requirements;
- 2) May or June 2014: Capital Planning Committee approval of the IFD, Seismic Loan, and bond issuance;
- 3) June or July 2014: The Board's Budget and Finance Committee consideration of the Project including review of the Lease, IFD, Seismic Loan and the required bond indebtedness by the Budget Analyst;
- 4) July 2014 Board of Supervisors review and approval of the Lease, IFD, Seismic Loan and the required bond indebtedness; and
- 5) August 2014 If Developer meets all LDDA requirements and loan committee conditions, then Port and Developer enter into the Lease.

PROJECT BENEFITS

Rehabilitation of these historic structures and enabling of their reuse and public enjoyment is both the primary outcome of the project and the primary community benefit. The challenging nature of the Pier 70 project as a whole, with a particular focus on the historic resources, was well understood by the public and policymakers in November 2008 when 68 percent of voters supported Proposition D amending San Francisco's Charter to facilitate the Pier 70 project. As discussed above, Developer's project will include a public plaza and spaces to foster the community's enjoyment of Pier 70's heritage.

These buildings will provide 400-500 jobs when the project is complete and leased. Construction of the project, over a two year period, will employ an estimated 250 workers (full time equivalents). In both the construction of the project and in its long-run operation, Developer is committed to working closely with the City to employ San Franciscans and use local businesses to accomplish the following important goals:

1. Saving an extraordinary collection of historic buildings from potential collapse. The Port's Capital plan has approximately \$110 million of unfunded costs for these structures. Transferring responsibility for these buildings to Developer will reduce the Port's unfunded capital requirements and positively affect the Port's credit outlook.
2. Adding to the value of Port Property. This effort will create about \$50 - \$60 million of new assessed value that would provide up to \$40 million of future

tax increment that can be reinvested in Pier 70 through the infrastructure financing district.

3. Improving the Port's operating cash flow.
4. Reducing the Port's security costs and repair costs due to vandalism of these buildings.
5. Providing Port revenue, in the longer-term.

CONCLUSION:

Today's hearing and Port Commission's action is a major step forward in the process of returning the Pier 70 historic core to use as a vibrant part of the waterfront. The benefits of enlivening these buildings with active, new uses will be enjoyed for many generations by workers, residents and visitors alike. The Port's dilapidated facilities will be rehabilitated and add vitality to the neighborhood. Approval today will allow the Project approvals to proceed to the Board of Supervisors for review and approval and to move forward to obtain other required approvals.

Thanks are due to the Port Commission and to many members of Port Staff who assisted on this Project.

RECOMMENDATION:

As more fully described above, Port staff respectfully request:

- 1) Approval of the Second Amendment to ENA;
- 2) Adoption of the environmental findings under CEQA and the Mitigation Monitoring and Reporting Program; and
- 3) Approval of the Transaction Documents, in conformance with the terms described above; and
- 4) Approval of the Schematic Drawings; and

Prepared by: Phil Williamson, Project Manager
James Hurley, Feasibility Analyst

Through: Jonathan Stern, Assistant Deputy Director
Waterfront Development

For: Byron Rhett, Deputy Director
Planning & Development

Exhibits

- A. Location Map and Premises
- B. Mitigation Measures and Mitigation Monitoring and Reporting Program
- C. Email of Support from Central Waterfront Advisory Group, April 22, 2014
- D. Letter of Support from SF Heritage, April 21, 2014

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 14-32**

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and
- WHEREAS, By Resolution No. 10-27, the Port Commission authorized Port staff to issue a Request for Proposals (the "**RFP**") to solicit proposals from qualified parties to rehabilitate the Pier 70 historic core, consisting of six historic buildings on 20th Street within the "Historic Core" of Pier 70, as further described on Exhibit A attached to the Memorandum for Agenda Item 12A for the Port Commission meeting on May 13, 2014 (the "**Project Site**"); and
- WHEREAS, The RFP was issued on October 4, 2011, and two respondents submitted timely proposals, including Orton Development, Inc, ("**Orton**"); and
- WHEREAS, The two submitted proposals were reviewed and analyzed by Port staff, an independent real estate economics consultant, and an evaluation review panel with experience in real estate economics, land use planning and architecture/urban design; and
- WHEREAS, The Port Commission (i) reviewed and evaluated the summary and analyses of each of the two proposals prepared by Port staff, its independent real estate economics consultant, and the evaluation panel, (ii) reviewed the Port staff recommendations set forth in the Memorandum accompanying Resolution 12-18, (iii) considered the public testimony on Orton's proposal given to the Port Commission, and (iv) awarded to Orton an exclusive right to negotiate with the Port to develop the Project Site; and
- WHEREAS, On April 24, 2012, by Resolution 12-36, the Port Commission authorized the Executive Director to enter into an Exclusive Negotiating Agreement (as may be amended from time to time, "**ENA**") with Orton. Port and Orton entered into the ENA dated in May of 2012. The ENA sets forth the process, terms and conditions upon which the Port and Orton agree to negotiate certain transaction documents for the development of the Project Site and requires the Port and Orton to negotiate a Term Sheet to describe the basic elements of the proposed project, site plan, use program, economic parameters, and other fundamental terms that serves as the basis for negotiating the transaction documents; and
- WHEREAS, By Resolution 13-11, the Port Commission approved a First Amendment

to the Exclusive Negotiating Agreement for the purposes of extending the ENA term and deferring payment of Port's transaction costs incurred during the ENA term; and

WHEREAS, The term of the ENA expires on June 20, 2014, and Orton has requested an extension of the ENA term in order to give the parties sufficient time to obtain all required Project approvals necessary to execute a lease disposition and development agreement; and

WHEREAS, The parties have negotiated a Second Amendment to the ENA ("**Second Amendment**"), a copy of which is on file with the Commission Secretary, extending the ENA term to the earlier of December 31, 2014 or the effectiveness of the LDDA, unless in each case, such dates are extended or terminated in accordance with the Second Amendment; and

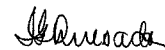
WHEREAS, Port staff recommends that the Port Commission approve the Second Amendment, which amendment is outlined in the in the Memorandum for Agenda Item 12A for the Port Commission meeting of May 13, 2014; now, therefore be it

RESOLVED, That the Port Commission hereby approves the terms of the Second Amendment and authorizes and directs the Executive Director of the Port, or her designee, to execute the Second Amendment, with the understanding that the final terms and conditions of any lease disposition and development agreement, lease or related documents negotiated between the Port and Orton during the exclusive negotiation period will be subject to the approval of the Port Commission and as required, the Board of Supervisors; and be it further

RESOLVED, That approval of the Second Amendment does not commit the Port Commission to approval of the transaction documents and that the Port Commission shall not take any discretionary actions committing it to the Project until the Port Commission has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA); and be it further

RESOLVED, That the Port Commission hereby extends the Exclusive Negotiation Period to the earlier of December 31, 2014 or the effectiveness of the lease disposition and development agreement, unless in each case, such dates are extended or terminated in accordance with the Second Amendment.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 13, 2014.



Secretary

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 14-33

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and
- WHEREAS, By Resolution No. 10-27, the Port Commission authorized Port staff to issue a Request for Proposals (the "**RFP**") to solicit proposals from qualified parties to rehabilitate the Pier 70 historic core, consisting of six historic buildings on 20th Street (the "**Project Site**"); and
- WHEREAS, The RFP was issued on October 4, 2011, and two respondents submitted timely proposals, including Orton Development, Inc, ("**Orton**"); and
- WHEREAS, The submitted proposals were reviewed and analyzed by Port staff, an independent real estate economics consultant, and an evaluation review panel with experience in real estate economics, land use planning and architecture/urban design; and
- WHEREAS, The Port Commission (i) reviewed and evaluated the summary and analyses of the two proposals prepared by Port staff, its independent real estate economics consultant, and the evaluation panel, (ii) reviewed the Port staff recommendations set forth in the Staff Report accompanying Resolution 12-18, (iii) considered the public testimony on Orton's proposal given to the Port Commission, and (iv) awarded to Orton an exclusive right to negotiate with the Port to develop the Project Site (the "**Project**"); and
- WHEREAS, On April 24, 2012, by Resolution 12-36, the Port Commission authorized the Executive Director to enter into an Exclusive Negotiating Agreement, (as may be amended from time to time, "**ENA**") with Orton. Port and Orton entered into the ENA in May of 2012. The ENA sets forth the process, terms and conditions upon which the Port and Orton agreed to negotiate certain transaction documents for the development of the Project Site and requires the Port and Orton to negotiate a Term Sheet to describe the basic elements of the proposed project, site plan, use program, economic parameters, and other fundamental terms that serves as the basis for negotiating the transaction documents; and
- WHEREAS, On October 9, 2012, by Resolution No. 12-78, the Port Commission approved the Term Sheet containing the business terms for the proposed Project; and

- WHEREAS, Port staff and Orton have negotiated the terms of the (1) Lease Disposition and Development Agreement (“**LDDA**”), (2) form of Lease No. L-15814, and (3) such other documents related to the Project as contemplated in the foregoing documents and (4) the Schematic Drawings (collectively, the “**Transaction Documents**”), described in the Memorandum for Agenda Item 12A for the Port Commission meeting of May 13, 2014, copies of which are on file with the Commission Secretary; and
- WHEREAS, City and Port staff and consultants have conducted substantial economic analysis of the Project impacts and benefits on the Port and City; and
- WHEREAS, The Project will generate additional significant public benefits for the Port and the City, including: (i) the rehabilitation and reuse of historic buildings that are currently vacant and dilapidated; (ii) the creation of new public access areas within historic buildings; (iii) the creation of significant new jobs and economic development; and (iv) both minimum rent and ongoing participation in the Project’s revenue stream for the Port to help the Port continue to promote Public Trust uses and purposes; and
- WHEREAS, In order to develop the proposed Project, the Executive Officer of the California State Lands Commission (“**State Lands**”) must have made a determination that the restoration and preservation of any of the historic buildings within the Project where non-Public Trust uses are contemplated cannot be feasibly financed with available Public Trust uses, and that the non-Public Trust uses or lease are part of an overall program that furthers Public Trust purposes; and
- WHEREAS, Based on the third party analysis and feedback from State Lands staff, the rehabilitation of the buildings within the Project Site consistent with the Secretary Standards is not feasible with only public trust uses; and
- WHEREAS, Port and Orton have identified public financing mechanisms described herein, as additional funding sources for the Project including: (1) the submittal by Orton of an application to the City’s Seismic Safety Loan Program (“**SSLP**”) to fund the seismic work for Buildings 113/114 and 104, and (2) the adoption of an Infrastructure Financing Plan (“**IFP**”) to fund public realm enhancements within the Pier 70 subarea of the Port wide Infrastructure Financing District (“**IFD**”)
- WHEREAS, The Project is within the Eastern Neighborhoods Community Plan Area, for which the San Francisco Planning Commission certified the *Eastern Neighborhoods Rezoning and Area Plans Final EIR* (“**EN FEIR**”) (Planning Department Case No. 2004.0160E); and

WHEREAS, The Planning Department reviewed the Project and determined that a community plan exemption under CEQA Guidelines Section 15183 would be appropriate because the Project is within the scope of the EN FEIR and would not have any additional or significant adverse effects that were not examined in the EN FEIR, nor has any new or additional information come to light that will alter the conclusions of the EN FEIR and the proposed Project will not have any new effects on the environment that were not previously identified in the EN FEIR, nor will any environmental impacts be substantially greater than described in the EN FEIR and no mitigation measures previously found infeasible have been determined to be feasible, nor have any new mitigation measures or alternatives been identified but rejected by Developer; and

WHEREAS, The San Francisco Planning Department prepared a Community Plan Exemption for the proposed Project, which exemption was approved on May 7, 2014, and which this Port Commission has reviewed; and

WHEREAS, A copy of the Community Plan Exemption is on file with the Port Commission Secretary and is also available online at http://sfmea.sfplanning.org/2013.1168E_CPE.pdf; and

WHEREAS, All applicable mitigation measures from the EN FEIR have been incorporated into the proposed Project or will be required as conditions of approval through the adoption of the attached Mitigation Monitoring and Reporting Program (“**MMRP**”); and

WHEREAS, The proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31; now, therefore be it

RESOLVED, That the Port Commission adopts and incorporates by reference as though fully set forth herein the MMRP, attached as Exhibit B to the Memorandum for Agenda Item 12A for the Port Commission meeting on May 13, 2014; and be it further

RESOLVED, That the Port Commission approves the form and the substance of the Transaction Documents, including all attachments and exhibits thereto, and the transactions and other agreements which such Transaction Documents contemplate, incorporating the material business terms set forth in the Memorandum for Agenda Item 12A for the Port Commission meeting on May 13, 2014; and be it further

RESOLVED, That the Port Commission hereby approves the Schematic Drawings of the proposed Project on file with the Port Commission Secretary and the representative Schematic Drawings of the buildings within the Project Site, as shown in the attachment to the Memorandum for Agenda Item 12A for the Port Commission meeting on May 13, 2014, and authorizes the Executive Director to approve non-material changes in

the Schematic Drawings; and be it further

RESOLVED, That the Port Commission authorizes and directs the Executive Director of the Port ("**Executive Director**") to forward Lease No. L-15814 to the Board of Supervisors for approval pursuant to its authority under Charter Section 9.118, and upon the effectiveness of such approval, to execute the LDDA, and subject to the terms of the LDDA, as applicable, execute the Lease in substantially the form of such agreements on file with the Port Commission Secretary, and in such final form as is approved by the Executive Director in consultation with the City Attorney; and be it further

RESOLVED, That the Port Commission hereby endorses the use of public financing mechanisms described herein, including: (1) the submittal by either Orton of an application to the City's SSLP administered by the Mayor's Office of Housing and Community Development, and (2) the adoption of an IFP to fund public realm enhancements within the Pier 70 subarea of the Port wide IFD; and authorizes and directs the Executive Director of the Port, or her designee, to present the IFP to the Board of Supervisors for their approval; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director to enter into other agreements, encroachment permits, easement agreements, and other related covenants and property documents necessary to implement the transactions contemplated by the Transaction Documents, and to enter into any additions, amendments or other modifications to the Transaction Documents including preparation and attachment of, or changes to, any or all of the attachments and exhibits that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not materially decrease the benefits or otherwise materially increase the obligations or liabilities of the City or Port, and are necessary or advisable to complete the transactions that the Transaction Documents contemplate and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of such other agreements, easement agreements and other related covenants and property documents, and/or additions, amendments or other modifications to the Transaction Documents; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director and any other appropriate officers, agents or employees of the City to take any and all steps (including the execution and delivery of any and all certificates, agreements, notices, consents, escrow instructions, closing documents and other instruments or documents) as they or any of them deems necessary or appropriate, in consultation with the City Attorney, in order to consummate the transactions contemplated under the Transaction Documents, in accordance with this resolution, or to

otherwise effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by any such person or persons of any such documents; and be it further

RESOLVED, That the Port Commission approves, confirms and ratifies all prior actions taken by the officials, employees and agents of the Port Commission or the City with respect to the Transaction Documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 13, 2014.



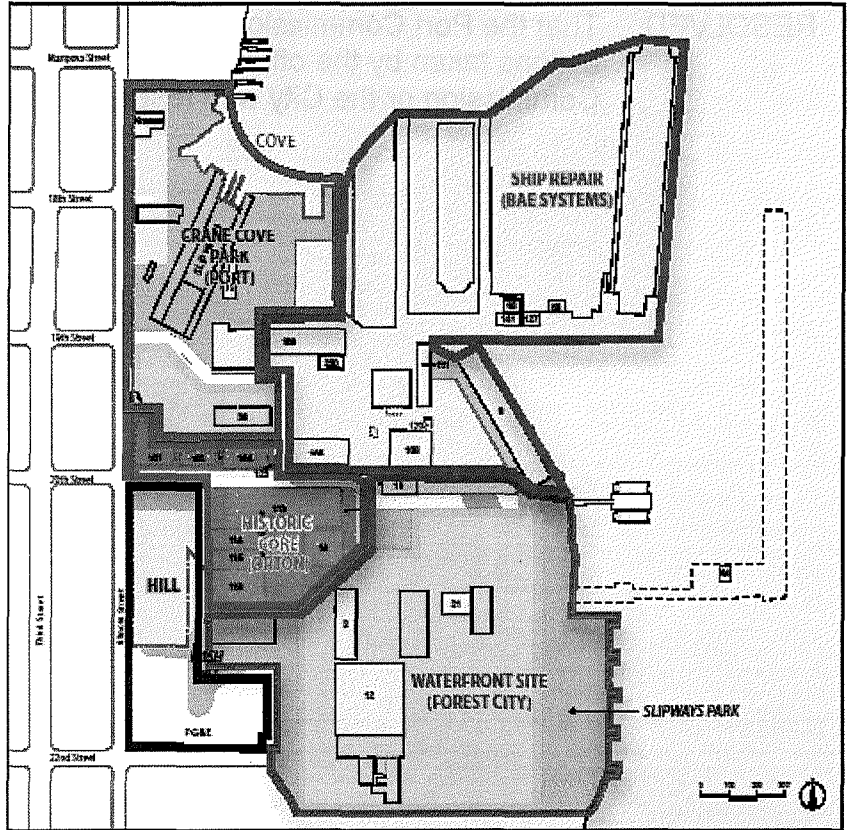
Secretary

EXHIBIT A: PIER 70 PROJECTS

| | |
|--|---------------------------------------|
| | HISTORIC BUILDINGS |
| | SHIP REPAIR (HISTORIC USE) |
| | OFFICE, BIOTECH, COMMERCIAL, R&D, PDR |
| | MIXED USE- RESIDENTIAL ALLOWED |
| | COMMERCIAL/SPECIAL USE- HISTORIC CORE |
| | OPEN SPACE |
| | BUILDING PROPOSED FOR REMOVAL |
| | PIER 70 AREA BOUNDARY |

| PIER 70 PROJECT SUB-AREAS | |
|---------------------------|------------------------------|
| | SHIP REPAIR |
| | FOREST CITY WATERFRONT SITE* |
| | ORTON - HISTORIC CORE* |
| | COVE |
| | HILL |

* NOTE: BOUNDARIES BETWEEN PROJECTS ARE CONCEPTUAL. VARY SLIGHTLY FROM THE EXCLUSIVE NEGOTIATING AGREEMENT TERMS, AND WILL BE REFINED AS LEASE DETAILS ARE NEGOTIATED.



SEPTEMBER 2012

MEMORANDUM

October 8, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval i) of the Crane Cove Park project; ii) to include \$8,695,000 in the fourth sale of 2008 Clean and Safe Neighborhood Parks General Obligation Bonds for the Crane Cove Park project; and iii) of adoption of California Environmental Quality Act Findings and a Mitigation Monitoring and Reporting Program in connection with the construction of Crane Cove Park project (located within the Pier 70 area and portions of Sea Wall Lot 345, east of Illinois Street between 19th and Mariposa Streets) (This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code)

DIRECTOR'S RECOMMEDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

Port staff is seeking authorization from the Port Commission to approve the Crane Cove Park Project (Project) and issue bonds through the City's Office of Public Finance, pursuant to voter authorization of the 2008 General Obligation Clean and Safe Parks (CSP) Bonds. This will be the Port's fourth and final sale of the Series 2008 CSP Bonds and net proceeds from the sale will be allocated towards construction of Crane Cove Park. Crane Cove Park is to be located within the Pier 70 area and is one of the signature new parks within the Port's portion of the Blue Greenway.

Strategic Plan Objective: The Project is consistent with the Port's strategic plan objective identifying and prioritizing the Pier 70 and Blue Greenway projects as vehicles to create vibrant new neighborhoods for residents, commercial and industrial/production

THIS PRINT COVERS CALENDAR ITEM NO. 10C

distribution and repair (PDR) businesses. The Blue Greenway project, which includes Crane Cove Park, incorporates major new parks and public access while maintaining the integrity of industrial maritime berthing and ship repair operations.

BACKGROUND

On February 5, 2008, San Francisco’s voters approved a \$185 million General Obligation bond measure entitled the 2008 Clean and Safe Neighborhood Parks General Obligation Bond (“2008 GO Bond”) of which \$33.5 million is allocated to the Port for waterfront parks. The Bond Ordinance (No. 237-07), passed on October 24, 2007 which placed the 2008 GO Bonds on the ballot, requires that the Port Commission approve each project prior to expenditure of bond funds.

The purpose of this item is to request Port Commission approval to apply the remaining funds from the 2008 GO Bond measure to the Project (*see Exhibits 1 - 5, Crane Cove Park Schematic Plan and Perspective Views*) and for the Port Commission to approve the Project. If approved, this would be the fourth and final sale of Series 2008 bonds, which the City expects to take place in November of 2015 (*for more details see Exhibit 6 Bond Accountability Report, 4th Sale, September 2015*).

The 2008 GO Bond project allocations were initially planned as follows:

| | |
|--|-------------------------|
| Pier 43 ½ Promenade | \$ 7,655,330 |
| Brannan Street Wharf | 2,941,050 |
| Blue-Greenway Projects | 22,114,772 |
| o Bayfront Park | |
| o Tulare Park | |
| o Crane Cove Park | |
| o Bayview Gateway | |
| o Warm Water Cove | |
| o Heron’s Head Park | |
| o Blue-Greenway Design Guidelines | |
| o Blue Greenway Signage and Site Furnishings | |
| CEQA Review and Permitting | 444,040 |
| Total Project Allocations: | 33,155,192 |
| Bond Issuance Costs | <u>344,808</u> |
| <i>Total Allocation to Waterfront Parks Projects</i> | <i>\$33,500,000</i> |

Through the Blue Greenway community planning process and the development of the Blue Greenway Planning and Design Guidelines, specific funding amounts were appropriated for each of the Blue Greenway projects. The Tulare Park and Warm Water Cove projects were deprioritized because of cost, the need for coordination with sister city agencies on underground utilities and a determination that the investment is too early based upon surrounding land use conditions.

On July 8, 2008, the Port Commission approved the Port's projects for inclusion in the City and County of San Francisco's first issuance of the 2008 GO Bonds, which took place in August 2008. The Port received in the first issuance \$3.64 million. Those bond proceeds funded all required environmental review for each Port project and certain pre-construction costs, with the exception of the Brannan Street Wharf project.

On December 8, 2009, the Port Commission authorized the issuance of the second sale of 2008 GO Bonds¹. The Port received \$10.62 million for the Pier 43 Bay Trail Link, Blue Greenway and the Bayfront Park shoreline projects. The bond sale occurred in March of 2010. This bond sale funded the majority of the construction of both Pier 43½ and Bayfront Park edge, as well as complete purchase and installation of all signage and wayfinding for the Blue-Greenway, completing the Blue-Greenway Design Standards project.

On January 20, 2012, the Port Commission authorized the issuance of the third sale of 2008 GO Bonds². The Port received \$10.39 million for the Brannan Street Wharf and Blue Greenway projects. The bond sale occurred in March of 2012. This bond sale primarily funded the construction of the Brannan Street Wharf, Heron's Head Park, and the Bayview Gateway, with additional funding allocated towards the design of Crane Cove Park and the Blue Greenway Public Art.

| Bond Sale | Date | Amount |
|------------------|-----------------------------|------------------------|
| 1 | August, 2008 | \$ 3.64 million |
| 2 | March, 2010 | \$10.62 million |
| 3 | March, 2012 | \$10.39 million |
| 4 | November, 2015 ³ | \$ 8.69 million |
| Total | | \$33.34 million |

To date, the Port has spent or encumbered 95% of the \$24.66 million in bond proceeds from the first, second, and third sales.

Crane Cove Park Construction for the Fourth Bond Sale

Port staff proposes that the bond proceeds be used for the construction of Crane Cove Park in the amount shown below:

| | |
|--------------------------|--------------------|
| Crane Cave Park | \$8,499,467 |
| Bond Issuance Costs | 178,534 |
| CSA Audit Fee | 16,999 |
| Total Fourth Sale | \$8,695,000 |

¹ See Port Commission Staff report at: <http://www.sfport.com/ftp/uploadedfiles/meetings/supporting/Item%20B%20AGO%20Bond%20Report.pdf>

² See Port Commission Staff report: <http://www.sfport.com/modules/showdocument.aspx?documentid=3233>

³ Sale anticipated for November 2015

The table below shows the total project budgets, and contributions from the four issuances of 2008 General Obligation Clean and Safe Parks Bonds, including the upcoming 4th and final sale.

**2008 Clean and Safe Neighborhood Park G.O. Bond
Waterfront Parks Program Revenue and Bond Sale Summary**

| Project Name | Current Budget (All Sources) | 2008 Clean and Safe Parks Bond | | | | Bond Issue Total |
|--|------------------------------|--------------------------------|----------------------|----------------------|----------------------|-------------------|
| | | 1 st Sale | 2 nd Sale | 3 rd Sale | 4 th Sale | |
| Pier 43 Bay Trail Link | 10,169,038 | 1,293,946 | 6,333,584 | 27,800 | - | 7,655,330 |
| Brannan Street Wharf Park | 25,004,079 | - | - | 2,941,050 | - | 2,941,050 |
| Blue Greenway Design Standards | 325,472 | 325,472 | - | - | - | 325,472 |
| Blue Greenway Signage and Site Furnishings | 998,912 | 275,195 | - | 723,717 | - | 998,912 |
| Blue Greenway Improvements | | | | | | |
| Bayfront Park | 2,330,367 | 426,043 | 1,904,324 | | - | 2,330,367 |
| Tulare Park | 199,853 | - | 65,016 | 134,837 | - | 199,853 |
| Crane Cove Park | 31,259,058 | 155,389 | 1,269,013 | 608,779 | 8,499,467 | 10,532,648 |
| Bayview Gateway | 4,792,520 | 174,353 | 869,375 | 3,648,792 | - | 4,692,520 |
| Heron's Head Park | 2,397,861 | 550,000 | - | 1,801,000 | - | 2,351,000 |
| Blue Greenway Public Art | 684,000 | - | 175,000 | 509,000 | - | 684,000 |
| CEQA Review and Permitting | 444,040 | 444,040 | - | - | - | 444,040 |
| Bond Issuance Costs* | 344,808 | 32,509 | 50,579 | 66,187 | 195,533 | 344,808 |
| WATERFRONT PARKS PROGRAM TOTAL | 78,950,008 | 3,676,947 | 10,666,891 | 10,461,162 | 8,695,000 | 33,500,000 |

*Includes \$16,999 for the City Services Auditor (CSA) Audit fee

CRANE COVE PARK PROJECT PLAN AND DESIGN

The Crane Cove Park project (the Project) has undergone thorough review by the Port Commission, the public and was approved by the City's Waterfront Design Advisory Committee and the San Francisco Bay Conservation and Development Commission (BCDC) Design Review Board in July 2014.

The project will be constructed in two or more phases with an initial phase budget of \$31,475,904 as described in more detail below. The Port anticipates putting the project out for the first bid packages for construction in early 2016, and having final awards bid in August of 2016 (see *Delivery* section below for more discussion).

The Project is a long-standing project of the Port, and was first identified as a project in the Port's Waterfront Land Use Plan adopted in 1997. The project was further articulated in the Port's Pier 70 Preferred Master Plan endorsed by the Port Commission in 2010, the City's Eastern Neighborhoods, Central Waterfront Plan approved by the Planning Commission in 2008 and the Blue Greenway Planning and Design Guidelines.

The Port Commission has received periodic updates as to the status of the Crane Cove Park Project including at the September 14, 2014 Port Commission meeting.⁴

⁴ (see Port Commission Staff Report: <http://www.sfport.com/modules/showdocument.aspx?documentid=8678>)

The park program includes adaptive reuse of the ship building slipway and cranes as a plaza and park entry, construction of a sandy shoreline for human powered boats, a human powered boating aquatic center, a large multi-purpose lawn, children’s play areas, park pavilion, native planting areas and an extension of 19th Street to serve as a park entrance and access for the ship repair yard and future connection of the Blue Greenway to the eastern shoreline of Pier 70 (see Exhibits 1-5 Schematic Design and Perspective Views). Phase I will deliver approximately five acres of an eventual 10 acre park. Once completed the park will serve a variety of users including boaters, children, families, bicyclists, historians, light recreation and could host a variety of special events.

The design of the project takes into consideration future Sea Level Rise (SLR). The current design elevations of the Crane Cove Park project responds to projected SLR calculations based upon 16” rise by 2055 and 55” by 2100 with an expected project design of 50 years thus accommodating sea level rise to a minimum of 2065 (+28”). The project design anticipates that beginning in 2065 some park access restrictions, and significant maintenance, will be required during and after extreme storm events during high tides. To some extent, improvements at Crane Cove Park will also help in protecting other City assets including Illinois Street and properties to the west.

The initial phase of the project is to construct the western portions of the site, including the adaptive reuse of slipway #4 (See Exhibit 7, Proposed Phasing Plan).

PROJECT FUNDING, DELIVERY AND SCHEDULE

Funding

The Crane Cove Park Project will be delivered in multiple phases with the first phase of funding coming from the following sources:

| | |
|---|---------------------------|
| • 2008 G.O. Parks Bond | \$10,532,648 ⁵ |
| • 2012 G.O. Parks Bond | \$14,300,000 |
| • Transbay Cable Community Benefits Funds | \$ 4,353,139 |
| • Pier 70 Sediment Cap | \$ 300,000 |
| • MTC Priority Conservation Area Grant | \$ 1,000,000 |
| • Pier 70 Federal Economic Developmental Administration Funds | \$ 535,663 |
| • 2008 Parks Bond Interest | <u>\$ 454,454</u> |
| Total | \$31,475,904 |

The total Crane Cove Park project is currently estimated at \$61 million in 2015 dollars. Port staff will continue to pursue various funding options to complete future phases of Crane Cove Park, including use of Tax Increment Financing through the creation of an Infrastructure Financing District within Pier 70, future G.O. Bonds and potentially grants or philanthropic resources.

Delivery

The Project is complex due to scope and site conditions, which include the rehabilitation of the historic resources, the geotechnical constraints of being on bay fill, site and sediment contamination which requires remediation and shoreline improvements. Due

⁵ \$1,837,648 sold at the 3rd Bond sale remaining; \$8,695,000 to be sold in 4th (this) sale

to this complexity, the Port is considering multiple delivery options, including through the use of: 1) Construction Management - General Contractor (CMGC) delivery mechanism similar to how the Port delivered the Pier 27 James R. Herman Cruise Terminal and Cruise Terminal Plaza; 2) multiple design/bid/build construction contract packages; and 3) utilizing standard city practice of a single design/bid/build construction contract.

The CMGC method improves the ability to design and deliver a project within the established budget and schedule by engaging a contractor during the design process that can assist in constructability and cost estimating, thereby reducing design and bidding risk. Using a traditional approach, multiple bid packages can accelerate the overall schedule by allowing work to begin on grading and ground improvement while design of topside improvements is being finalized. Additionally, this method allows work to begin on certain areas of the park that do not require United States Army Corps of Engineer Permits (USACOE) that could potentially cause schedule delays. Bidding some work early would be particularly beneficial on portions of the site that need to be surcharged to address and reduce future site settlement due to geotechnical conditions. The standard single bid process results in the latest project delivery date.

Schedule

The project schedule is dependent upon the project delivery method chosen as described above and the securing of necessary permits as described further below. The Port anticipates putting the first bid packages out in early 2016 with completion by late 2017. The 2008 GO Bond proceeds will be directed to this early work.

PERMITS AND APPROVALS

The Crane Cove Park project requires three regulatory permits: a Major Permit from BCDC anticipated to be issued in February 2016; a 401 Water Quality Certificate from the California Bay Area Regional Water Quality Control Board (RWQCB) which is expected by September 2016; and an Individual Project Permit from the USACOE, which is expected by November 2016. All three permits are required for in-water work; in addition the BCDC permit is required for improvements within 100' of the shoreline as measured from Mean High Water. Portions of the project fall outside of these permit jurisdictions, which would allow some work to occur prior to issuance of these permits.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

California Environmental Quality Act Guidelines Section 15183 provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an environmental impact report (EIR) was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the proposed project or its site. Section 15183 specifies that examination of such a project's environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR; or d) are previously identified in the

EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

The proposed Project is within the Eastern Neighborhoods Community Plan Area, for which the San Francisco Planning Commission certified the *Eastern Neighborhoods Rezoning and Area Plans Final EIR* (EN FEIR) (Planning Department Case No.2004.0160E and State Clearinghouse No.2005032048). Thus, the Planning Department reviewed the proposed Project to determine if a community plan exemption under CEQA Guidelines Section 15183 would be appropriate and determined that the EN FEIR incorporated and adequately addressed all potential impacts of the proposed Project. The Planning Department determined that the proposed Project would not have any additional or significant adverse effects that were not examined in the EN FEIR, nor has any new or additional information come to light that will alter the conclusions of the EN FEIR. Thus, the proposed Project will not have any new effects on the environment that were not previously identified, nor will any environmental impacts be substantially greater than described in the EN FEIR. No mitigation measures previously found infeasible have been determined to be feasible, nor have any new mitigation measures or alternatives been identified but rejected by the Port. Therefore the Project is exempt from further environmental review under CEQA.

Thus, the San Francisco Planning Department prepared a Community Plan Exemption (CPE) for the proposed Project, which was approved on October 5, 2015. A copy of the approved CPE is on file with the Port Commission Secretary and is also available online through the Planning Department's web page. All applicable mitigation measures from the EN FEIR have been incorporated into the proposed Project or will be required as conditions of approval through the Port Commission's adoption of the Mitigation Monitoring and Reporting Program (MMRP) attached herein Exhibit 8.

The CPE identifies certain mitigation measures identified in the EN FEIR to avoid potential significant negative effects. The Port will be responsible for implementing and in certain instances monitoring the measures which are fully described in the MMRP attached as Exhibit 8 to this Memorandum.

The Community Plan Exemption was issued for all phases of the project and included Mitigation and Improvement Measures (*see Exhibit 8, MMRP*). This CPE concludes the environmental review of the project consistent with CEQA and allows the Port Commission to take action on the Project.

If the Port Commission approves the proposed Project through the attached Resolution based on the CPE, its action constitutes the "Approval Action" (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13). As such, the CPE prepared in support of this Approval Action will be subject to

appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action.⁵

ACTION REQUESTED

Port staff request that the Port Commission approve the attached resolution approving the Project for inclusion in and authorizing the fourth and final sale of the 2008 General Obligation Clean and Safe Parks Bonds and the allocation of proceeds towards construction of Crane Cove Park.

Prepared by: James Hurley, Feasibility Analyst, Planning & Development
David Beaupre, Waterfront Planner, Planning & Development

For: Elaine Forbes, Deputy Director, Finance and Administration
Byron Rhett, Deputy Director, Planning and Development

Exhibits:

- 1 – 5. Crane Cove Park Schematic Plan and Perspective Views
6. Bond Accountability Report, 4th Sale, September 2015
7. Crane Cove Park Phasing
8. Crane Cove Park CPE MMRP

⁵ For information on filing an appeal under Chapter 31, see the Port Commission agenda under NOTICES and contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-38

- WHEREAS, On February 5, 2008 San Francisco's voters approved a \$185 million Clean and Safe Neighborhood Parks General Obligation bond measure (the "2008 GO Bonds"); and
- WHEREAS, the Crane Cove Park project (Project) (located within the Pier 70 area and portions of Sea Wall Lot 345, east of Illinois Street between 19th and Mariposa Streets) is consistent with the Port's strategic plan objective to prioritize the Pier 70 and Blue Greenway projects; and
- WHEREAS, the 2008 GO Bonds include \$33.5 million for waterfront park projects on Port property; and
- WHEREAS, the 2008 Parks Bond Ordinance (No. 237-07) which placed the question on the February 5, 2008 ballot requires Port Commission review and approval of projects prior to the expenditure of bond funds; and
- WHEREAS, the fourth and final 2008 GO Bond issuance will include \$8,695,000 for Crane Cove Park inclusive of issuance and City Services Auditor (CSA) audit costs; and
- WHEREAS, the Project is a long standing project of the Port and was first identified as a project in the Port's Waterfront Land Use Plan adopted in 1997; and
- WHEREAS, the Project has undergone thorough review by the Port Commission, the public and was approved by the City's Waterfront Design Advisory Committee and the San Francisco Bay Conservation and Development Commission Design Review Board in July 2014; and
- WHEREAS the Project was further articulated in the Port's Pier 70 Preferred Master Plan endorsed by the Port Commission in 2010 and the Blue Greenway Planning and Design Guidelines; and
- WHEREAS the Project includes adaptive reuse of the ship building slipway and cranes as a plaza and park entry, construction of a sandy shoreline for human powered boats, a human powered boating aquatic center, a large multi-purpose lawn, children's play areas, park pavilion, native planting areas and an extension of 19th Street to serve as a park entrance and access for the ship repair yard; and
- WHEREAS, The Project is within the Eastern Neighborhoods Community Plan Area, for which the San Francisco Planning Commission certified the

Eastern Neighborhoods Rezoning and Area Plans Final EIR (EN FEIR)
(Planning Department Case No. 2004.0160E); and

- WHEREAS, The Planning Department reviewed the Project and determined that a community plan exemption under CEQA Guidelines Section 15183 would be appropriate because the Project is within the scope of the EN FEIR and would not have any additional or significant adverse effects that were not examined in the EN FEIR, no new or additional information came to light that will alter the conclusions of the EN FEIR and the proposed Project will not have any new effects on the environment that were not previously identified in the EN FEIR, the environmental impacts will not be substantially greater than described in the EN FEIR and no mitigation measures previously found infeasible have been determined to be feasible, and no new mitigation measures or alternatives been identified but rejected by the Port; and
- WHEREAS, The San Francisco Planning Department prepared a Community Plan Exemption (2015-001314ENV) for the proposed Project, which was approved on October 5, 2015, and which this Port Commission has reviewed; and
- WHEREAS, A copy of the Community Plan Exemption is on file with the Port Commission Secretary and is also available online at the SF Planning department; and
- WHEREAS, All applicable mitigation measures from the EN FEIR have been incorporated into the proposed Project or will be required as conditions of approval through the adoption of the attached Mitigation Monitoring and Reporting Program (MMRP); and
- WHEREAS, The proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31; now, therefore be it
- RESOLVED, That the Port Commission adopts and incorporates by reference as though fully set forth herein the MMRP, attached as Exhibit 8 to the Memorandum for Agenda Item 10D for the Port Commission meeting on October 13, 2015; and be it further
- RESOLVED, that the Port Commission hereby approves the Crane Cove Park project and the allocation to the project of \$8,695,000 of proceeds from the fourth and final sale of the 2008 GO Bonds.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 13, 2015.

Amy Quesada Digitally signed by Amy Quesada
DN: cn=Amy Quesada, o=Port of San Francisco, ou=Port
Executive, email=amy.quesada@portofsanfr.com, c=US
Date: 2015.12.09 14:02:48 -0800

Secretary

MEMORANDUM

November 5, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation on the proposed Infrastructure Financing Plan for Pier 70 Subarea G-1 encompassing the Pier 70 - Historic Core and approval of the Port-Controller Memorandum of Understanding to implement the Pier 70 - Historic Core Infrastructure Financing Plan

DIRECTOR'S RECOMMENDATION: Informational Presentation; Approve Attached Resolution

Executive Summary

As part of the approvals for Lease No. L-15814 between the Port of San Francisco and Orton Development, Inc. and its affiliate Historic Pier 70, LLC ("Orton") for the development and lease of six historic buildings along 20th Street ("20th Street Historic Building Project" or "Pier 70 - Historic Core"), the Port Commission and the Board of Supervisors directed Port staff to develop an Infrastructure Financing Plan ("IFP") to finance improvements to facilitate the rehabilitation of the Pier 70 - Historic Core and to fund phase 2 of Crane Cove Park at Pier 70. A map of the Pier 70 – Historic Core is included as Exhibit A.

This staff report includes an overview of the proposed Pier 70 - Historic Core IFP and the legislation required to adopt the IFP, including a resolution approving a Memorandum of Understanding between the Port, the Controller and the Treasurer/Tax Collector ("Port-Controller-Tax Collector MOU"). The attached resolution requests Port Commission approval for Port staff to negotiate and execute the Port-Controller-Tax Collector MOU as described in this report.

THIS PRINT COVERS CALENDAR ITEM NO. 11C

The Pier 70 - Historic Core IFP addresses the Port's Strategic Plan objectives of Renewal and Stability by (1) creating a vibrant new neighborhood at Pier 70 for residents, commercial and industrial/PDR businesses and employees, (2) expanding the Port's necklace of public open spaces and creating a major new waterfront park and (3) advancing solutions to the Port's capital funding gap by maximizing external investment capital including IFD funds.

Background

Since 2005, Port has been seeking the authority to capture property tax growth to fund public improvements along the San Francisco waterfront. In 2005, the California Legislature approved SB 1085 (Senator Carole Migden), which authorized the Board of Supervisors ("Board") to form infrastructure financing districts ("IFD") that include Port property and in 2010 the Legislature approved AB 1199 (Assemblymember Tom Ammiano) which authorized the Port to capture the State's share of property (or possessory interest) tax at Pier 70 (collectively, "Port IFD Law").

In 2012, the Board of Supervisors authorized the formation of Port Infrastructure Financing District #2 ("Port IFD"), encompassing Port property. In 2013, by Resolution 123-13, the Board of Supervisors adopted Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land.

As part of the approval of the 20th Street Historic Building Project, the Port Commission and the Board of Supervisors both directed Port staff to seek approval of an IFP for the Pier 70 - Historic Core. Board of Supervisors Resolution 273-14 approving Lease No. L-15814 states:

"FURTHER RESOLVED, That this Board directs Port staff to seek Board adoption of an ordinance to create the Port Infrastructure Financing District and approval of an Infrastructure Financing Plan for public realm improvements within and adjacent to the leasehold, installation of new electrical service to service the Pier 70 Shipyard and removal of old transformers from Building 102, and Phase 2 of Crane Cove Park including sediment remediation following completion of any necessary environmental documentation prepared in compliance with CEQA with respect to the foregoing improvements; and, be it [emphasis added]"

Accordingly, staff is seeking approval of the Board of Supervisors to form an IFD subarea ("Appendix G-1", as shown on Exhibit A) that includes Orton's 20th Street Historic Building Project at Pier 70.

Port Infrastructure Financing Districts

Port IFD Law operates in much the same way as former redevelopment law: when approved by the Board of Supervisors, the Port may form an infrastructure financing district and establish a base year, after which the Port may capture growth in property or possessory interest¹ taxes ("Tax Increment"), either annually ("pay-go") or through the

¹ Possessory interest taxes are property tax levied against leasehold interests. Port tenants are responsible for paying possessory interest taxes to the City.

issuance of bonds, to fund facilities of “communitywide significance” as part of an approved Infrastructure Financing Plan.

The Port’s 10-Year Capital Plan has included projected proceeds from a Port IFD to fund major capital improvements since 2007. Subject to approval by the Board of Supervisors, the proposed Pier 70 - Historic Core IFP will be the first time the Port implements the Port IFD Law and realizes funding to address Port capital needs.

Within the Port IFD, the Port establishes “project areas” encompassing each project site, but only when the related development has been approved by the Board. Port IFD Law generally allows the capture of property or possessory interest taxes for periods of up to 45 years; establishing different project areas allows the Port to set different 45 year “clocks” for each project area, thus maximizing capture of Tax Increment.

Port IFD law allows the following uses of Tax Increment:

- Repairs and upgrades to piers, docks and wharves and the Port’s seawall
- Installation of piles, both to support piers and to support buildings where soil is subject to liquefaction
- Parks and shoreline improvements, where the Port has been unable to secure General Obligation bond funding to fund new parks
- Utility infrastructure, including utility requirements to comply with standards imposed by the Regional Water Quality Control Board and/or the Bay Area Air Quality Management District
- Streets and sidewalks
- Seismic upgrades and improvements to the City’s seawall and other measures to address sea level rise
- Environmental remediation
- Historic rehabilitation
- Improvements to Port maritime facilities

The City’s *Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land* establish the following strategic criteria for the use of Port IFDs:

- **Use IFDs where other Port moneys are insufficient.** Waterfront districts should be used to construct public facilities when the Port does not otherwise have sufficient funds to finance the improvements.
- **Use IFDs strategically to leverage non-City resources.** Waterfront districts should be used as a tool to leverage additional regional, state and federal funds. For example, IFDs may prove instrumental in securing matching federal or state dollars for transportation projects.
- **Continue the “best-practices” citizen participation procedures used to help City agencies prioritize implementation of public facilities funded by a waterfront district.** Staff has made several presentations and engaged regularly with local advisory and stakeholder groups including the Central Waterfront Advisory Group.

Consistent with the “best practices” citizen participation described above, Port staff presented the proposed Pier 70 - Historic Core IFP to the Central Waterfront Advisory Group at its October 2015 meeting.

Port IFD Legislative Process

The legislative process to form an IFD on Port property is time-consuming and provides the public with multiple opportunities to provide input to the Board of Supervisors.

On October 6, 2015, Mayor Edwin M. Lee and Supervisor Malia Cohen sponsored two proposed resolutions to initiate the process to form the Pier 70 - Historic Core IFD. The sponsors introduced substitute legislation for the second of the resolutions on October 20, 2015. These resolutions included:

1. A resolution Further Amending Resolution of Intention to Establish Infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco (File No. 151006).
2. Resolution of Intention to Issue Bonds in an Amount Not to Exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) (File No. 151007).

These resolutions provide the public with notice of the City’s intent to form a Port IFD at Pier 70 and to issue bonds repaid by Tax Increment and direct City staff to prepare the Pier 70 - Historic Core IFP, which includes a detailed expenditure plan for available Tax Increment. On Wednesday, October 28, 2015, the Board of Supervisors Budget and Finance Committee recommended approval of these resolutions to the Board of Supervisors. On Tuesday, November 3, 2015, the Board of Supervisors approved the resolution of intention to issue bonds but continued the resolution further amending the resolution of intention to establish IFD No. 2 until November 17, 2015.

Subsequently, Port staff will work with the City Attorney, the Controller and the Tax Collector to finalize drafts of the following legislation, which will approve the formation of the Pier 70 - Historic Core IFP:

- Ordinance Forming the Infrastructure Financing District and Adopting the Infrastructure Financing Plan
- Resolution Authorizing the Issuance of Bonds
- Resolution Approving the Memorandum of Understanding between the Port, Controller and Tax Collector

Pier 70 - Historic Core IFP

With the assistance of Keyser-Marston Associates, Port staff has developed an IFP for the Pier 70 - Historic Core that describes the sources and uses of funding for the project. The funding plan for the Pier 70 - Historic Core IFP is shown in Table 1 below. The proposed IFP anticipates that Orton will initially fund public right-of-way improvements and the Port will fund replacement of electrical infrastructure (including removal of PCB transformers) in Building 102, and that Port will be, and Orton may be, repaid by the proposed Pier 70 - Historic Core IFD. The remaining Tax Increment will fund a portion of Crane Cove Park Phase 2.

| Table 1: Pier 70 - Historic Core IFP Funding Plan | | |
|--|--------------------------------|-----------------------------------|
| Anticipated Uses | Est. Cost, 2015 Dollars | Target Completion Schedule |
| Crane Cove Park - Phase 2 | \$13,899,000 | Based on funding availability |
| Bldg. 102 electrical relocation/ improvements | 3,090,000 | FY 2016/17 |
| Street, sidewalk, traffic signal improvements | <u>1,271,000</u> | FY 2016/17 – FY 2017/18 |
| Total | \$18,260,000 | |

The Pier 70 - Historic Core sub-project area (Orton’s leasehold for the 20th Street Historic Building project) will generate approximately \$720,000 annually in Tax Increment to the IFD at stabilization in FY 2019-20, which will increase overtime. The project is scheduled to be fully built-out and attain financial stabilization in 2021. At this point, the Port anticipates issuing bonds supported by the Tax Increment. Current estimates indicate the increment supports net bond proceeds of approximately \$6.6 million (in 2015 dollars).

The form of bonds issued to support the IFP will be a later decision for the Board of Supervisors, based on recommendations from the Port Commission. The Port IFD Law permits issuance of IFD bonds, but these bonds have not yet been issued in the State of California. Lease No. L-15814 between the Port of San Francisco and Orton anticipates the possible use of Community Facilities District (“CFD”) bonds under the Mello-Roos Act, which may be part of a broader Pier 70 strategy that the Port Commission may pursue.

| Table 2: Pier 70 - Historic Core IFP Sources and Uses | |
|--|---------------------|
| Sources / Uses | 2015 Dollars |
| Port, developer advance, net of bonds | \$1,762,363 |
| Bond proceeds | 6,558,879 |
| Allocated Tax Increment, portion | <u>15,090,670</u> |
| Total Sources | \$23,411,912 |
| | |
| Projects funded by debt* | \$8,321,242 |
| Projects funded by pay-go* | 9,938,434 |
| Interest expense | <u>5,152,236</u> |
| | |
| Total Uses | \$23,411,912 |

**Projects funded by debt and pay-go equal \$18.26 million consistent with Table 1*

A preliminary version of the IFP was presented to Capital Planning Committee on October 19, 2015. Consistent with the City's *Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land*, the final IFP will be subject to review and a recommendation from the Capital Planning Committee to the Board of Supervisors prior to its vote on whether to adopt the IFP.

Port-Controller Memorandum of Understanding

The proposed Port-Controller-Tax Collector MOU ("MOU"), a copy of which is on file with the Port Commission Secretary, sets forth the roles and responsibilities of the Port, Controller and Treasurer/Tax Collector and will govern the distribution of funds for the specific improvements in the Infrastructure Financing Plan related to Sub-Project Area G-1 and allow for the use of one or more CFDs in the territory of the Pier 70 – Historic Core. Table 3 below describes the key terms of the proposed MOU:

Table 3: Port-Controller-Tax Collector MOU Key Provisions

| Provision | Description |
|--------------------------------|--|
| Term | <p>Under Charter Section Charter B7.320 (Port Agreements), the MOU is a multiple-year agreement which will terminate at the later of:</p> <ol style="list-style-type: none"> 1) when all of the IFD Tax Increment from Sub-Project Area G-1 has been disbursed in accordance with IFD Law and Appendix G-1; 2) the last date on which CFD special taxes may be levied within a corresponding CFD; and 3) when all debt issued under the IFD and CFD financing documents has been defeased and the proceeds of such debt have been expended. |
| Cooperation | <p>The Port, the Controller and the Treasurer-Tax Collector will cooperate with respect to implementing the IFD (including project subarea G-1) and any CFD, including a maintenance or facility CFD, and any judicial validation action to affirm the City's actions.</p> |
| Controller | <p>Authorizes and directs the Controller to allocate, budget, and appropriate Sub-Project Area G-1 tax increment to the IFD, avoiding the need for discretionary annual appropriations. The MOU includes a similar commitment with respect to the CFDs, when formed.</p> |
| Treasurer/Tax Collector | <p>Authorizes the Treasurer-Tax Collector to levy and collect tax increment in Sub-Project Area G-1 and any special taxes for a CFD, and provides that the Treasurer-Tax Collector agrees to do so. The Treasurer-Tax Collector and the Controller also agree not to dispute any statement of indebtedness related to Sub-Project Area G-1.</p> |
| Port | <p>Establishes the Port as the agent of the IFD with respect to Sub-Project Area G-1 and any CFD. Authorizes the payment of any Port, Controller or Treasurer-Tax Collector administrative expenses by the IFD and CFD**.</p> |

**The Port is expected to incur administrative expenses as agent and the Treasurer-Tax Collector is expected to incur costs associated with the levy and collection of new special taxes for a CFD.

The MOU is required because California law only allows the City to establish and allocate property tax revenue to an IFD. The MOU will provide certainty that the IFD and Sub-Project Area G-1 will be formed and implemented as approved. Under the MOU, property tax paid in Sub-Project Area G-1 would be allocated to the IFD after administrative expenses are paid to the City. The MOU would limit future discretion of the Board of Supervisors to change the IFD policy or the allocation of increment after initial approval. This will provide more certainty to investors and will allow for bonding against future IFD revenues.

The Port does not have legal authority to establish CFDs. The MOU provides certainty that the Board of Supervisors will form and implement CFDs as described in prior approvals. The MOU establishes that the special fund where Tax Increment is deposited will be held by the Port, the Port will be appointed to administer withdrawals, and the Port will work with the Office of Public Finance on bond issuances.

Recommendation and Next Steps

Port staff recommends approval of the attached resolution authorizing Port staff to negotiate and execute the Port-Controller-Tax Collector MOU as described in this report. Following direction from the Port Commission and the Board of Supervisors, Port staff will work with the City Attorney, the Office of Mayor Edwin M. Lee and Supervisor Malia Cohen to draft and prepare the following legislation for introduction at the Board of Supervisors on November 17, 2015:

- Ordinance Forming the Infrastructure Financing District and Adopting the Infrastructure Financing Plan
- Resolution Authorizing the Issuance of Bonds
- Resolution Approving the Memorandum of Understanding (MOU) between the Port, Controller and Tax Collector

If the Board of Supervisors approves the legislation described above, Port staff will return to the Port Commission at a later date to seek further policy direction regarding the formation of any CFD over the Pier 70 Historic Core, any proposed issuance of bonds pursuant to the IFP, or other related actions.

Prepared by: Brad Benson,
Director of Special Projects

Elaine Forbes,
Deputy Director of Finance & Administration

Phil Williamson,
Senior Project Manager

for: Byron Rhett, Deputy Director of Planning and
Development

Exhibit A: Pier 70 – Historic Core Map

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-43

- WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San Francisco Charter Sections 4.114 and B3.581 empower the San Francisco Port Commission (Port Commission) with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction; and
- WHEREAS, Under Government Code Sections 53395 et seq. (IFD Law), the Board of Supervisors of the City is authorized to establish an infrastructure financing district and to act as the legislative body for an infrastructure financing district, including the formation of “waterfront districts” under Section 53395.8 and “Pier 70 enhanced financing plan” and subareas within the Pier 70 district pursuant to Section 53395.81 of the IFD Law; and
- WHEREAS, Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be divided into project areas; and
- WHEREAS, On April 23, 2013, the Board of Supervisors, by Resolution No. 123-13, adopted “Guidelines for the Establishment and Use of Infrastructure Financing Districts on Project Areas on Land under Jurisdiction of the San Francisco Port Commission” (Port IFD Guidelines) relating to the formation of infrastructure financing districts by the City on waterfront property in San Francisco under the jurisdiction of the Port Commission; and
- WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of Intention to Establish IFD), the Board of Supervisors declared its intention to establish a waterfront district to be known as “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (IFD), and designated initial proposed project areas within the IFD; and
- WHEREAS, On June 12, 2012, by Resolution No. 227-12 (First Amending Resolution), the Board of Supervisors amended the Original Resolution of Intention to Establish IFD to propose, among other things, an amended list of Project Areas; and
- WHEREAS, On October 6, 2015, , Mayor Edwin M. Lee and Supervisor Malia Cohen introduced legislation (Resolution of Intention to Establish an IFD) to amend the Original Resolution of Intention, as previously amended, to propose Sub-Project Area G-1 (Pier 70 - Historic Core) within the Pier 70 district; and

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

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

WHEREAS, The Planning Department reviewed the project described in the LDDA (Project) and determined that a community plan exemption under CEQA Guidelines Section 15183 would be appropriate because the Project is within the scope of the EN FEIR and would not have any additional or significant adverse effects that were not examined in the EN FEIR; and

WHEREAS, Based on those findings, the San Francisco Planning Department prepared a Community Plan Exemption for the proposed Project, which exemption was approved on May 7, 2014 (Planning Department Case No. 2013.1168E) and the San Francisco Planning Department subsequently prepared a Community Plan Exemption for the construction of Crane Cove Park on October 5, 2015 (Planning Department Case No. 2015-001314ENV); and

WHEREAS, If adopted, the Resolution of Intention to Establish IFD will direct the Executive Director of the Port (Executive Director) to prepare an infrastructure financing plan for the IFD (Infrastructure Financing Plan) consistent with the requirements of the IFD Law; and

WHEREAS, As required by the IFD Law, the Executive Director:

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

(B) Has prepared Appendix G-1 to the Infrastructure Financing Plan, proposing an allocation of property Tax Increment from proposed Sub-Project Area G-1 (Pier 70 - Historic Core) to finance the public facilities described in Appendix G-1 to the Infrastructure Financing Plan,

which development and public facilities have been analyzed under CEQA in the EN FEIR and subsequent Community Plan Exemptions; and

(C) Will send the Infrastructure Financing Plan, including Appendix G-1, along with the EN FEIR and subsequent Community Plan Exemptions, to the City's Planning Department and the Board of Supervisors; and

WHEREAS, The Clerk of the Board of Supervisors will make the Infrastructure Financing Plan, including Appendix G-1, available for public inspection; and

WHEREAS, Following publication of notice consistent with the requirements of the IFD Law, the Board of Supervisors will hold a public hearing relating to the proposed Infrastructure Financing Plan, including Appendix G-1; and

WHEREAS, Upon the completion of the public hearing, the Board of Supervisors will introduce an "Ordinance establishing an Infrastructure Financing District and adopting an Infrastructure Financing Plan for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)," which will fully form and establish the Infrastructure Financing Plan, including Appendix G-1 and establish the base year for Sub-Project Area G-1; and

WHEREAS, The LDDA also provides for formation by the City of (i) a community facilities district (Facilities CFD) under the Mello-Roos Community Facilities Act of 1982 (California Government Code §§ 53311 - 53368), the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) or similar law (collectively, the "CFD Law") to finance certain public infrastructure described in the LDDA and (ii) a community facilities district (Services CFD) under the CFD Law to finance certain ongoing maintenance costs; and

WHEREAS, San Francisco Charter Section B7.320 authorizes the Mayor to submit to the Board of Supervisors for approval a memorandum of understanding between the Port Commission and another department or departments of the City, approved by the Port Commission by resolution, that requires the department(s) to expend funds or to transfer funds to the Port Commission; and

WHEREAS, The Port Commission wishes to approve a Memorandum of Understanding (M-16022) by and among the Controller of the City and County of San Francisco (Controller), the Treasurer and Tax Collector of the City and County of San Francisco (Treasurer-Tax Collector) and the Port Commission (Memorandum of Understanding) as further described in the staff report attached to this Resolution, pursuant to which the Controller, the Treasurer-Tax Collector and the Port Commission would agree to implement Appendix G-1, and to request the Mayor to submit the

Memorandum of Understanding to the Board of Supervisors for its approval; now, therefore, be it

RESOLVED, That the Memorandum of Understanding between the Port Commission, the Treasurer-Tax Collector and the Controller, in the form on file with the Port Commission Secretary and as further described in the staff report attached to this Resolution, is hereby approved and the Executive Director (or her designee) is hereby authorized to execute the Memorandum of Understanding with such changes, additions and modifications as the Executive Director (or her designee) may make or approve in consultation with the Controller and the Treasurer-Tax Collector in accordance with this Resolution; and, be it further

RESOLVED, That the Executive Director, upon consultation with general counsel to the Port Commission, is hereby authorized to make such modifications, changes and additions to the Memorandum of Understanding as may be necessary or desirable and in the interests of the Port Commission, and which changes do not materially increase the obligation of the Port Commission or reduce its rights thereunder, which modifications, changes and additions shall be conclusively evidenced by the execution and delivery of the Memorandum of Understanding by the Executive Director; and, be it further

RESOLVED, That the Port Commission hereby requests the Mayor to submit the Memorandum of Understanding to the Board of Supervisors for its approval.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 10, 2015.

Amy Quesada
Digitally signed by Amy Quesada
DN: cn=Amy Quesada, o=Port of San Francisco, ou=Port
Executive, email=amy.quesada@port.com, c=US
Date: 2015.12.09 14:59:28 -0800

Secretary

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, January 26, 2016

Time: 3:00 p.m.

Location: Legislative Chamber, Room 250, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: File No. 151120. Hearing of persons interested in or objecting to a proposed Ordinance (File No. 151119) establishing an Infrastructure Financing District, an Infrastructure Financing Plan, a Tax Administration Agreement, and approving other matters in connection with establishing City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); a proposed Resolution (File No. 151118) approving a Memorandum of Understanding Relating to Infrastructure Financing District No. 2 (Port of San Francisco), Sub-Project Area G-1 (Pier 70 – Historic Core), and approving other matters in connection therewith; and a proposed Resolution (File No. 151117) approving issuance of bonds in an amount not to exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), with respect to Sub-Project Area G-1 (Pier 70 - Historic Core), approving an Indenture of Trust and Pledge Agreement, and approving other matters in connection therewith.

The proposed City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) ("District") is described in the Infrastructure Financing Plan ("Plan") described above, which is on file with the Clerk of the Board of Supervisors in File No. 151119. The Plan describes the public facilities to be financed by the District and the proposed financial arrangements to be undertaken by the District, including the proposed commitment of incremental tax revenue by the City and County of San Francisco. The boundaries of the proposed District are described in the Plan.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, January 22, 2016.


f Angela Calvillo, Clerk of the Board

DATED: December 23, 2015

PUBLISHED/MAILED/POSTED: December 29, 2015 & January 5, 12, and 19, 2016



NOTIFICACIÓN DE AUDIENCIA PÚBLICA

JUNATA DE SUPERVISORES DE LA CIUDAD Y CONDADO DE SANFRANCISCO

- Fecha:** Martes, 26 de enero de 2016
- Hora:** 3:00 p.m.
- Lugar:** Cámara Legislativa, Sala 250 del Ayuntamiento
1 Dr. Carlton B. Goodlett Place, San Francisco, CA
- Asunto:** Expediente Núm. 151120. Audiencia a las personas interesadas en, o que se oponen a, una Ordenanza propuesta (Expediente Núm. 151117) que establece un Distrito de Financiamiento de Infraestructura, un Plan de Financiamiento de Infraestructura, un Acuerdo de Administración Tributaria, y que aprueba otros asuntos relacionados con el establecimiento del Distrito Núm. 2 de Financiamiento de Infraestructura de la Ciudad y Condado de San Francisco (Puerto de San Francisco); una Resolución propuesta (Expediente Núm. 151118) que aprueba un Memorando de Entendimiento Relacionado con el Distrito Núm. 2 de Financiamiento de Infraestructura (Puerto de San Francisco), Área del Subproyecto G-1 (Muelle 70 - Centro Histórico), y que aprueba otros asuntos relacionados con el mismo; y una Resolución propuesta (Expediente Núm. 151119) que aprueba la emisión de bonos por un monto que no exceda en \$25,100,000 para el Distrito Núm. 2 de Financiamiento de Infraestructura de la Ciudad y Condado de San Francisco (Puerto de San Francisco), con respecto al Área del Subproyecto G-1 (Muelle 70 - Sitio Histórico), que aprueba una Escritura de Fideicomiso y Contrato de Pignoración, y aprueba otros asuntos relacionados con los mismos.


f Angela Calvillo, Secretaria de la Junta

FECHADO: 23 de diciembre de 2015

ANUNCIADO/PUBLICADO: 29 de diciembre de 2015, y 5, 12, y 19 de enero de 2016



公聽會通知

三藩市市及縣市參事委員會

- 日期: 2016年1月26日星期二
- 時間: 下午3時
- 地點: 市政廳，立法會議廳250室，1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102
- 議題: 檔案號碼 151120。聆訊感興趣或反對人士對建議條例 (File No. 151119) 的意見，此項條例確立基建金融區、基建金融計劃、稅務管理協議及批准設立三藩市市及縣基建金融區No.2 (三藩市港口) 的其它相關事項；建議決議 (File No. 151118) 批准與基建金融區No.2 (三藩市港口)、次計劃區G-1 (Pier 70 - 歷史核心) 有關的諒解備忘錄 (Memorandum of Understanding)，並通過其它與此相關的事宜；以及建議決議 (File No. 151117) 批准為三藩市市及縣基建金融區No.2 (三藩市港口) 發行債券，款額不超過\$25,100,000，至於對次計劃區G-1 (Pier 70 - 歷史核心)，則須批准信托契約 (Indenture of Trust) 及質押協議 (Pledge Agreement)，以及通過其它與此相關的事宜。


f Angela Calvillo
市參事委員會書記

日期: December 23, 2015

公佈/郵寄/張貼: December 29, 2015 & January 5, 12, and 19, 2016

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COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description AS - 01.26.15 Board COW - Port IFD

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

12/29/2015 , 01/05/2016 , 01/12/2016 , 01/19/2016

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

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EXM# 2829579

NOTICE OF PUBLIC HEARING
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO
JANUARY 26, 2016 - 3:00 PM
LEGISLATIVE CHAMBER, ROOM 250, CITY HALL
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 151120. Hearing of persons interested in or objecting to a proposed Ordinance (File No. 151119) establishing an Infrastructure Financing District, an Infrastructure Financing Plan, a Tax Administration Agreement, and approving other matters in connection with establishing City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), a proposed Resolution (File No. 151118) approving a Memorandum of Understanding Relating to Infrastructure Financing District No. 2 (Port of San Francisco), Sub-Project Area G-1 (Pier 70 - Historic Core), and approving other matters in connection therewith; and a proposed Resolution (File No. 151117) approving issuance of bonds in an amount not to exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), with respect to Sub-Project Area G-1 (Pier 70 - Historic Core), approving an Indenture of Trust and Pledge Agreement, and approving other matters in connection therewith. The proposed City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) ("District") is described in the Infrastructure Financing Plan ("Plan") described above, which is on file with the Clerk of the Board of Supervisors in File No. 151119. The Plan describes the public facilities to be financed by the District and the proposed financial arrangements to be undertaken by the District, including the proposed commitment of incremental tax revenue by the City and County of San Francisco.

The boundaries of the proposed District are described in the Plan. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, January 22, 2016. Angela Calvillo, Clerk of the Board



OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *Edwin M. Lee* Mayor Edwin M. Lee *NE*
RE: Establishing an Infrastructure Financing District and Adopting an
Infrastructure Financing Plan (Port of San Francisco)
DATE: December 15, 2015

Attached for introduction to the Board of Supervisors is an Ordinance establishing an Infrastructure Financing District (including Sub-Project Area G-1 (Pier 70 – Historic Core) and adopting an Infrastructure Financing Plan (including Appendix G-1) for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); approving a Tax Administration Agreement; affirming the Planning Department's determination under the California Environmental Quality Act; and approving other matters in connection therewith.

Please note that this legislation is co-sponsored by Supervisor Malia Cohen.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.