



TO: Clerk of the Board of Supervisors

FROM: Elaine Forbes, Executive Director, Port of San Francisco

SUBJECT: Option Agreement Amendment – Purchase of Hoedown Yard Site at Illinois and 22nd Streets

DATE: June 5, 2024

I am writing to express the Port of San Francisco's support for a five-year extension to the City's option to purchase ("Option Agreement") from Pacific Gas and Electric Company ("PG&E") the "Hoedown Yard", located at the northeast corner of Illinois and 22nd Streets.

The Hoedown Yard is a legacy utility operation at the front door to Pier 70, a waterfront property owned by the Port. In 2017, after a decade of community outreach and concept development, the Port and City approved the Pier 70 Special Use District ("SUD"), a 35-acre redevelopment area located at Pier 70 that includes (1) an approximately 28-acre Port-owned site ("28-Acre Site"), currently under development by the Port's development partner, Brookfield Properties; (2) two Port-owned parcels at 20th/Illinois Street; and (3) the Hoedown Yard. At full build-out, the Pier 70 SUD provides for a mixed-use project comprised of up to 4.2 million square feet of development, including 200,000 square feet of rehabilitated historic buildings, 1,500 to 3,000 residential units with 30% provided at below market rates, office, retail, and production, design and repair uses, a new arts facility, mitigations to protect against future sea level rise, and 9-acres of new parks. In 2018, the City also authorized a financing district over the Hoedown Yard to generate gap funding for three 100% affordable housing developments on the 28-Acre Site. However, no revenues from the district will be generated until the Hoedown Yard is sold pursuant to the Option Agreement.

The utility operations on the Hoedown Yard are incompatible with the Port and City's vision for Pier 70 and must be relocated in order for that vision to be realized and to generate critical funding for affordable housing at Pier 70. To that end, the Port recommends the term of the Option Agreement be extended to allow PG&E and the City additional time for PG&E to relocate its operations and the City to exercise or transfer its purchase option.

Sincerely,

Elaine Forbes
Executive Director
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