

An aerial photograph of the San Francisco waterfront, showing several large piers extending into the water. The piers are mostly empty, with some greenery and structures. In the background, the city of San Francisco is visible, with hills and buildings. The sky is clear and blue. The water is calm, with a few sailboats visible.

Pier 30/32 & SWL 330 Fiscal Feasibility and Term Sheet

Budget and Finance Committee Presentation

Item XX

April 24, 2024

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Port of San Francisco

Project Concept

An aerial photograph of a waterfront development project in San Francisco. The image shows a large, multi-level pier structure extending into the water, featuring a marina with several boats, a swimming pool, and various outdoor spaces. The pier is surrounded by a cityscape with numerous buildings, including a prominent modern high-rise. The water is blue, and the sky is clear. The project is divided into three phases, with text boxes providing details for each.

Phase 1-2

- Two residential buildings with ~15% inclusionary affordable housing
- Land dedicated for 100% affordable housing building
- 713 units total (25% affordable)

Phase 3

- Reconstruction of a single resilient pier with vertical improvements
- Strengthening of seawall at Project site
- Aquatic center and deep-water berth

Project Financing

- Term sheet proposes forming both a Community Facilities District (CFD) and Infrastructure Financing District (IFD) Project Area
- Based on current pro forma and market, Project requires an additional \$125 million to balance
- Developer and Port staff will monitor market to determine gap as project moves toward construction
- If conditions do not improve, multiple options to improve financial feasibility currently being explored across City:
 - Adjust impact fees or delaying their collection
 - Utilizing additional tax increment from ad valorem taxes or other sources
 - Adjust or waiving transfer taxes
 - Federal or state funding for infrastructure
 - Sharing of revenue from East Berth

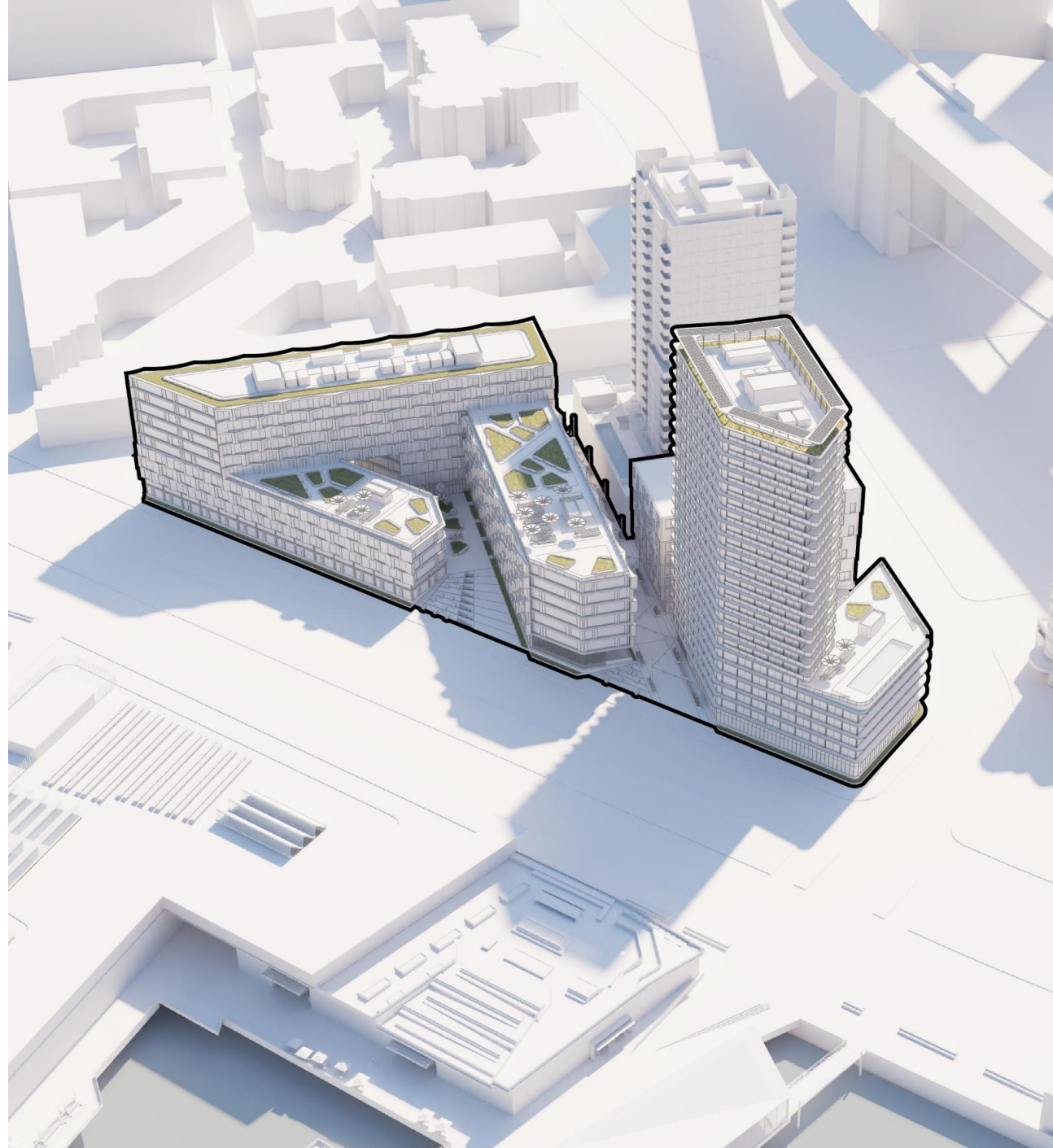
Term Sheet Details

- Term Sheet contemplates potential for:
 - Lease Disposition and Development Agreement (LDDA)
 - Development Agreement (DA)
 - Separate Ground Leases for each vertical construction site
 - Additional Master Lease/Construction License to facilitate Piers 30-32 construction
- Projected Timeline*
 - Phase 1-2, SWL 330: 2028 – 2031
 - Phase 3, Piers 30-32: 2031 - 2035
- Piers 30-32 Ground Lease
 - 66-year term
 - \$900k annual rent
- SWL 330 Ground Leases
 - 75-year term
 - \$600k annual rent for market rate buildings; rent increases to \$1.8M if Piers 30-32 performance milestones not met
 - \$0 rent for Affordable building



Next Steps

1. Developer may submit environmental evaluation application to Planning Department
2. Port staff and Developer will begin working on transaction documents
3. Port staff and Developer pursue opportunities to close the infrastructure funding gap
4. Port staff and Developer coordinate Piers 30-32 design and construction with Port Resilience Project and U.S. Army Corps



Questions?

