



To: Angela Calvillo, Clerk of the Board of Supervisors
Alisa Somera, Legislative Deputy Director

From: Phil Williamson, Mission Rock Development Project Manager
Brad Benson, Director of Special Projects

Subject: Approval of Reimbursement Resolution for the Mission Rock Special Use District

Date: March 12, 2019

Executive Summary

At the Port's request, Mayor London Breed is introducing legislation on March 12, 2019 to request that the Board of Supervisors adopt a reimbursement resolution in advance of issuing public debt to fund public infrastructure for the new Mission Rock neighborhood.

Federal tax law allows public agencies to issue tax-exempt bonds to reimburse themselves for expenditures on capital projects only when the public agency has declared its intent to do so no later than 60 days after the expenditures were made. The declaration of intent must include a description of the project and the maximum amount of tax-exempt bonds to be issued.

The Port Commission, for and on behalf of the City, is a party to an agreement with the developer of the 28-acre Mission Rock project. The developer (Seawall Lot 337 Associates, LLC) will construct the public infrastructure for the project, the City will finance its acquisition of the infrastructure with public finance proceeds, and the developer will earn a market rate of return on the capital it spends on public infrastructure until the City acquires the infrastructure. In order to halt the accrual of the developer's return as soon as possible, the Port intends to advance proceeds from project land sales and development leases to acquire the infrastructure whenever public finance proceeds are not available, and then ask the City to reimburse the Port for the advance of land proceeds when public finance proceeds generated by taxes on property in the 28-acres become available. The Port is requesting that the Board of Supervisors adopt the attached resolution to ensure that tax-exempt bond proceeds will be used to reimburse the Port for its advance of land proceeds whenever permitted by federal tax law.

This resolution is consistent with prior approvals for the Mission Rock project:

1. **Final Environmental Impact Report** (Planning Dept. Case No. 2013.0208ENV)
 - Certify FEIR and adopt CEQA Findings: Planning Commission Motion No. 20017 and Motion No. 20018, October 5, 2017
 - Adopt CEQA Findings and MMRP: Port Resolution No. 18-03, January 30, 2018
 - Affirm Planning Commission's certification of FEIR and adopt CEQA Findings and MMRP: Board of Supervisors Resolution No. 36-18, February 13, 2018
2. **Planning Code and Zoning Map amendments**
 - Recommend: Planning Commission Resolution No. 20019, October 5, 2017
 - Consent: Port Resolution No. 18-04, January 30, 2018

- Approve: Board of Supervisors Ordinance No. 31-18, February 27, 2018
- 3. Development Agreement and amendments and waivers of specified provisions of the Administrative and Subdivision Codes**
- Recommend: Planning Commission Resolution No. 20020, October 5, 2017
 - Consent: Port Resolution No. 18-06, January 30, 2018
 - Consent: SFPUC Resolution No. 18-0014, January 23, 2018
 - Consent: SFMTA Resolution No. 180206-025, February 6, 2018,
 - Approve: Board of Supervisors Ordinance No. 33-18, February 27, 2018
- 4. Mission Rock Design Controls**
- Approve: Planning Commission Motion No. 20021, October 5, 2017
 - Approve: Port Resolution No. 18-04, January 30, 2018
- 5. Master Lease**
- Adopt public trust findings, approve, and recommend: Port Resolution No. 18-03, January 30, 2018
 - Adopt public trust findings and approve under Charter § 9.118: Board of Supervisors Resolution No. 42-18, February 12, 2018
- 6. Disposition and Development Agreement and Development Plan**
- Adopt public trust findings, approve, and recommend: Port Resolution No. 18-03, January 30, 2018
 - Approve under Charter § 9.118: Board of Supervisors Resolution No. 42-18, February 12, 2018
- 7. Waterfront Land Use Plan / Waterfront Design and Access Element amendments**
- Adopt public trust findings and approve: Port Resolution No. 18-03 (Public Trust Findings) January 30, 2018, and Resolution No. 18-05 (Waterfront Land Use Plan), January 30, 2018
- 8. Infrastructure Financing District Project Area I and Sub-Project Areas**
- Adopt public trust findings, approve, and recommend: Port Resolution No. 18-08, January 30, 2018
 - Approve: Board of Supervisors Ordinance Nos. 34-18, February 27, 2018
- 9. Memorandum of Understanding re Interagency Cooperation**
- Approve and recommend: Port Resolution No. 18-07, January 30, 2018
 - Adopt CEQA Findings and consent: SFMTA Board Resolution No. 180206-025, February 6, 2018
 - Adopt CEQA Findings and consent: SFPUC Resolution No. 18-0014, January 23, 2018
 - Approve: Board of Supervisors Resolution No. 44-18, February 13, 2018
- 10. Memorandum of Understanding re Collection and Allocation of Taxes**
- Approve and recommend: Port Resolution No. 18-09, January 30, 2018
 - Approve: Board of Supervisors Resolution No. 45-18, February 13, 2018

11. Mission Rock South Redevelopment Plan Amendment, OPA Amendment, and Design for Development Plan Amendment

- Approve: OCII Commission Resolution Nos. 39-2017, 40-2017, 41-2017 and 42-2017, all October 17, 2017
- Approve: Board of Supervisors Ordinance No. 32-18, February 27, 2018

Background – Mission Rock Mixed-Use District Project

Property

The Port owns the approximately 28 acre project site along San Francisco's waterfront known as Seawall Lot 337 and Pier 48. Beginning in 2005, the Port initiated an intensive planning process that culminated in a project to restore and redevelop the site bounded generally by 3rd Street on the west, San Francisco Bay on the north and east and Mission Rock Street on the south ("Project Site").

Project Summary

At full build-out, the Mission Rock Mixed-Use District Project will include: (1) 1,000 to 1,600 new residential units, 40% of which will be on-site housing affordable to a range of low- to moderate-income households; (2) between 972,000 and 1.4 million gross square feet of new commercial and office space, including space for small-scale manufacturing, retail, and neighborhood services; (3) transportation demand management on-site, and payment of impact fees to the Municipal Transportation Agency that it will use to improve transportation connections through the neighborhood; (4) 8 acres of new open space, potentially including active recreation on rooftops, a central neighborhood square, and a waterfront park along the shoreline; and (5) on-site strategies to protect against sea level rise. Development of the Mission Rock project is anticipated to commence in late 2019 and will occur in in four phases over 10+ years.