

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

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. <sup>27-16</sup> \_\_\_ 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 <sup>27-16</sup> \_\_\_, 2016, and the Mayor  
23 signed the same on <sup>March 11,</sup> \_\_\_ 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.

1           Section 7.   Ratification of Prior Actions. All actions authorized and approved by  
2 this Resolution and consistent with the documents provided herein but taken prior to the  
3 date hereof are hereby ratified, approved and confirmed by the Board of Supervisors.  
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**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 151117

**Date Passed:** February 23, 2016

Resolution approving a Memorandum of Understanding (MOU) relating to Sub-Project Area G-1 (Pier 70 - Historic Core) of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); and approving other matters in connection with the MOU, as defined herein.

January 26, 2016 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

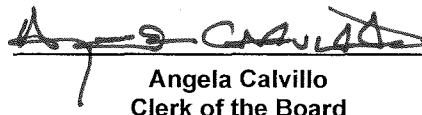
February 23, 2016 Board of Supervisors - ADOPTED

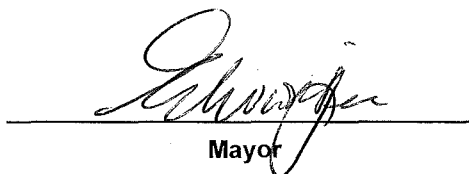
Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Tang, Wiener and Yee

Absent: 1 - Mar

File No. 151117

I hereby certify that the foregoing Resolution was ADOPTED on 2/23/2016 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

3/4/16  
Date Approved