

1 [Finding of Fiscal Feasibility and Term Sheet Endorsement - Port and Strada TCC, LLC -
2 Lease and Development of Piers 30-32 & Seawall Lot 330]

3 **Resolution finding the proposed lease and development of Piers 30-32 & Seawall Lot**
4 **330, an approximately 15.3-acre site generally located along the Embarcadero between**
5 **Bryant and Beale Streets, is fiscally feasible under Administrative Code, Chapter 29,**
6 **and endorsing the term sheet.**

7
8 WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority
9 and duty to use, conduct, operate, maintain, manage, regulate, and control the lands within
10 Port jurisdiction; and

11 WHEREAS, Piers 30-32 is an approximately 13-acre pier site located along and
12 bayward of the Embarcadero at the terminus of Bryant Street just south of the Bay Bridge,
13 and Seawall Lot (“SWL”) 330 is an approximately 2.3-acre seawall lot located on the west side
14 of the Embarcadero bounded by Beale Street and Bryant Streets; and

15 WHEREAS, Piers 30-32 and SWL 330 (collectively, the “Site”) are within the Port’s
16 South Beach-China Basin sub-areas under the Port’s Waterfront Land Use Plan; and

17 WHEREAS, On December 10, 2019, the Port Commission, by Resolution No. 19-48,
18 authorized Port staff to issue a request for proposals for the development of Piers 30-32 &
19 SWL 330, and Strada TCC Partners, LLC (“Strada TCC” or the “Developer”) received the
20 highest score based on the evaluation criteria set forth in the request for proposals; and

21 WHEREAS, On September 22, 2020, pursuant to Resolution No. 20-45, the Port
22 Commission authorized Port staff to initiate negotiations for an Exclusive Negotiating
23 Agreement (“ENA”) with Strada TCC Partners, LLC (“Strada TCC” or the “Developer”); and

1 WHEREAS, On February 9, 2021, pursuant to Resolution No. 21-08, the Port
2 Commission authorized the Port Executive Director to execute the ENA with the Developer
3 and the parties executed the ENA; and

4 WHEREAS, Strada TCC is proposing to develop a mixed-use project at Piers 30-32
5 and SWL 330 (the “Project”), that includes (i) at Piers 30-32, reconstructing the two existing
6 finger piers and connecting valley into a smaller single pier with sea level rise and seismic
7 improvements that protect the Port, the City, the public and property, removing Bay fill,
8 improving the deep-water berthing facilities for maritime vessels, new aquatic facilities with a
9 pool, public access and open space areas and revenue-generating commercial space, and (ii)
10 on SWL 330, a mix of market rate, affordable housing and ancillary retail and open space, all
11 as further described in the Port Memorandum dated January 19, 2024 on file with the Clerk of
12 the Board of Supervisors in File No. 240342; and

13 WHEREAS, In September 2023, the State Senate and State Assembly unanimously
14 voted in support of Senate Bill 273 (sponsored by Senator Wiener and co-sponsored by
15 Assemblymembers Haney and Ting), which authorizes the California State Lands
16 Commission to approve the project at Piers 30-32 as proposed by the Developer upon
17 meeting certain conditions, and Governor Newsom signed into law on October 7, 2023; and

18 WHEREAS, On January 23, 2024, pursuant to Resolution No. 24-10, the Port
19 Commission endorsed a term sheet that described the fundamental deal terms for the Project
20 (the “Term Sheet”) and directed Port staff to present the Term Sheet to the Board of
21 Supervisors for endorsement and to submit a request that the Board of Supervisors review the
22 proposed Project under San Francisco Administrative Code, Chapter 29 and determine
23 whether the project is fiscally feasible and responsible; and

1 WHEREAS, The Piers 30-32 site will require over \$400 million in critical horizontal
2 infrastructure including seawall strengthening, seismic improvements, and pier infrastructure;
3 and

4 WHEREAS, Due to the sizeable cost of the pier infrastructure and resilience
5 improvements, the Term Sheet contemplates a \$125 million funding gap for horizontal
6 infrastructure at Piers 30-32; and

7 WHEREAS, SWL 330 is currently a financially viable development site on its own, and
8 developing the site will provide both economic value to the Port and potential funding for
9 resilience improvements along the waterfront; and

10 WHEREAS, The Developer and Port will work together to fill the Piers 30-32
11 infrastructure funding gap through the combination of an improved real estate market,
12 decreased costs such as reduced entitlement costs, and/or additional sources; and

13 WHEREAS, As part of ongoing efforts, the Port will work with the U.S. Army Corps of
14 Engineers (“USACE”) on coordination between the Piers 30-32 development and other
15 resilience work related to coastal flood defenses, the San Francisco Waterfront Flood Study or
16 other relevant efforts; and

17 WHEREAS, The Controller finds that the Project is fiscally feasible collectively, with
18 inherent economic value in SWL 330 and a currently projected funding shortfall at Piers 30-
19 32; and

20 WHEREAS, The Term Sheet is on file with the Clerk of Supervisors in File No. 240342
21 and is incorporated herein by reference; and

22 WHEREAS, The construction cost of the Project will exceed \$25 million and more than
23 \$1 million in public monies will be used for the predevelopment, planning or construction costs
24 of the Project, thus triggering review by the Board of Supervisors to determine the fiscal
25 feasibility of the Project under Administrative Code, Section 29.1; and

1 WHEREAS, Pursuant to Administrative Code, Section 29.3, the Port and Developer
2 have submitted to the Board of Supervisors a general description of the Project, the general
3 purpose of the Project, and a fiscal plan; and

4 WHEREAS, Pursuant to Administrative Code, Section 29.2, prior to submittal to the
5 Planning Department of an environmental evaluation application (“Environmental Application”)
6 required under Administrative Code, Chapter 31 and the California Environmental Quality Act
7 (“CEQA”) related to the Project, it is necessary for the Port to procure from the Board of
8 Supervisors a determination that the plan to undertake and implement the Project is fiscally
9 feasible and responsible; and

10 WHEREAS, The Board of Supervisors has reviewed and considered the general
11 description of the Project, the general purpose of the Project, the fiscal plan, and the Term
12 Sheet; and

13 WHEREAS, The Term Sheet is not itself a binding agreement that commits the City,
14 including the Port, or the Developer to proceed with the approval or implementation of the
15 Project; rather, the Project will first satisfy environmental review requirements under CEQA
16 and will be subject to public review in accordance with the processes of the City and other
17 government agencies with approval rights over the Project before any binding agreements,
18 entitlements or other regulatory approvals required for the Project will be considered; now,
19 therefore be it

20 RESOLVED, That the Board of Supervisors finds that the plan to undertake and
21 implement the Project is fiscally feasible and responsible as set forth in San Francisco
22 Administrative Code, Chapter 29 (“Fiscal Feasibility Finding”); and, be it

23 FURTHER RESOLVED, That pursuant to San Francisco Administrative Code, Chapter
24 29, the Environmental Application may now be filed with the Planning Department and the
25

1 Planning Department may now undertake environmental review of the Project as required by
2 Administrative Code, Chapter 31 and CEQA; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors endorses the Term Sheet and
4 urges the Port:

5 (1) To seek assistance from the Office of Economic and Workforce Development,
6 the City Attorney's Office, and other City officials as appropriate, to make evaluation and
7 further negotiation of the proposed Project among its highest priorities;

8 (2) To work with the Office of Economic and Workforce Development, other City
9 officials, and the Developer to identify and close the \$125 million infrastructure funding gap for
10 Piers 30-32 through an improved real estate market, decreased costs such as entitlements,
11 and/or additional sources;

12 (3) If necessary due to fiscal feasibility constraints or complications arising from
13 resilience infrastructure work, to explore changes to the Project to move forward viable
14 opportunities at Piers 30-32 and/or SWL 330, if approved by the Port Commission in its sole
15 and absolute discretion and, be it

16 FURTHER RESOLVED, That the Board of Supervisors' endorsement of the Term
17 Sheet and its Fiscal Feasibility Finding do not commit the Board of Supervisors, the Port, or
18 any other public agency with jurisdiction over any part of the Project to approve the terms of
19 final leases or other transaction documents or grant any entitlements to the Developer, nor
20 does either the Term Sheet endorsement or Fiscal Feasibility Finding foreclose the possibility
21 of considering alternatives to the Project or imposing mitigation measures, or deciding not to
22 grant entitlement or approve or implement the Project, after conducting and completing
23 appropriate environmental review under CEQA, and while the Term Sheet identifies certain
24 essential terms of a proposed transaction with the Port, it does not set forth all of the material
25 terms and conditions of any final transaction documents; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary
2 actions committing the City to implement the Project, and the provisions of the Term Sheet
3 are not intended to and will not become contractually binding on the City, unless and until: (1)
4 the Planning Department has reviewed and considered environmental documentation
5 prepared in compliance with Administrative Code, Chapter 31 and CEQA for the Project and
6 has determined that the environmental documentation complies with Administrative Code,
7 Chapter 31 and CEQA; (2) the Port Commission has adopted appropriate CEQA findings in
8 compliance with CEQA and has approved the terms of the final transactions documents for
9 the Project incorporating the Term Sheet provisions; and (3) the Board of Supervisors has
10 adopted appropriate CEQA findings in compliance with CEQA and approved the terms of the
11 final leases and any other property transfers for the Project.

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13 Recommended by:

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15 _____ /s/

16 Elaine Forbes

17 Port of San Francisco

18 Executive Director

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