

File No. 150995

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date November 9, 2015

Board of Supervisors Meeting

Date _____

Cmte Board

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Completed by: Linda Wong Date November 6, 2015

Completed by: Linda Wong Date _____

1 [Administrative Code - Establishing Mission Bay Transportation Improvement Fund, and
2 Advisory Committee]

3 **Ordinance amending the Administrative Code to establish a fund to pay for City**
4 **services and capital improvements addressing transportation and other needs of the**
5 **community in connection with events at the Golden Gate Warriors Event Center and**
6 **Mixed Use Project, and to create an advisory committee to make recommendations**
7 **about the use of monies from the Fund; and adopting findings under the California**
8 **Environmental Quality Act.**

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
11 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
12 **Board amendment additions** are in Arial font.
13 **Board amendment deletions** are in ~~Arial font~~.
14 **Asterisks (* * * *)** indicate the omission of unchanged Code
15 subsections or parts of tables.

16 Be it ordained by the People of the City and County of San Francisco:

17 Section 1. Environmental Findings.

18 In accordance with the actions that this ordinance contemplates, the Board of
19 Supervisors adopted a resolution concerning findings under the California Environmental
20 Quality Act (California Public Resources Code sections 21000 et seq.). A copy of such
21 resolution is on file with the Clerk of the Board of Supervisors in File No. 150994 and is
22 incorporated herein by reference.

23 Section 2. The Administrative Code is hereby amended by adding Section 10.100-364,
24 to read as follows:

25 / / /

1 **SEC. 10.100-364. MISSION BAY TRANSPORTATION IMPROVEMENT FUND.**

2 (a) Establishment and Purpose of the Fund. The Mission Bay Transportation Improvement
3 Fund (the "Fund") is established as a category four fund, for the purpose of safeguarding monies in
4 the General Fund to pay for: City services and capital improvements to address transportation and
5 other needs of the community in connection with Warriors basketball games and other events
6 (collectively, "Events") at the Golden State Warriors Event Center and Mixed Use Project (the "Event
7 Center") on Blocks 29-32 in Mission Bay South (the "Project Site"), including, but not limited to,
8 measures included in the City's transportation services plan for the Event Center; and enhancements to
9 multi-modal transportation serving Mission Bay South and surrounding areas beyond what is
10 necessary to address the community's needs with regard to Events at the Event Center.

11 (b) Use of the Fund. In furtherance of the Fund's purpose under subsection (a) above, money
12 received in the Fund as described in subsection (c) below shall be used exclusively to pay for the City's
13 costs relating to Events at the Event Center (collectively, "Required Uses"):

14 (1) Costs of providing services to the Project Site and surrounding neighborhood,
15 including, but not limited to, public transit services, special event shuttles, parking and traffic
16 engineering and control services, pedestrian and bicycle access programs, parking enforcement
17 programs, local access programs (including, without limitation, access to the University of California
18 at San Francisco hospitals in Mission Bay South), police services, litter pick-up, street and sidewalk
19 cleanup, and any other measures to improve services consistent with the purpose of this ordinance; and

20 (2) Costs of procuring transit equipment and making transportation infrastructure
21 improvements, including, without limitation, Municipal Transportation Agency (MTA) costs to
22 purchase additional Municipal Railway light rail vehicles, construct crossover tracks and loading
23 platform improvements in the T-Third right of way, and make parking and traffic improvements (such
24 as, without limitation, cameras, vehicle messaging signs, traffic signals, Municipal Railway and other
25 transportation network upgrades, and power augmentation for light rail vehicles and related

1 transportation services), bicycle and pedestrian access improvements, and other related street
2 improvements, costs to study the feasibility of a ferry landing and service for Mission Bay South and
3 other surrounding areas, and any financing and soft costs related to such equipment purchases or
4 infrastructure improvements.

5 (c) Deposits to the Fund. Deposits to the Fund shall be determined through the process set out
6 below, and appropriated under the Charter's budgetary and fiscal provisions:

7 (1) Beginning in fiscal year 2016-2017, and subject to approval from its Board of
8 Directors in accordance with the public hearing process described in subsection (d)(3) below, the MTA
9 will prepare and submit to the Mayor budgets to pay for all measures that are part of MTA's
10 transportation services plan for the Event Center and all transportation improvement measures,
11 consistent with its two-year budget process under the Charter and MTA Board Resolution No. 15-154
12 (the "MTA Resolution"). The budget proposal will include two components. In one component, the
13 MTA will provide for expenditure for Required Uses of City revenues and development impact fees
14 from the Project Site or Events at the Event Center that are dedicated under the City Charter or
15 otherwise by operation of law to the MTA's Municipal Transportation Fund (collectively, "MTA
16 Dedicated Funds"). In the other component of its budget proposal, the MTA will propose how the
17 remaining costs (net of those to be paid from MTA Dedicated Funds) for the Required Uses for the
18 upcoming budget cycle will be paid for from the Fund. In any fiscal year before the fiscal year in
19 which the Controller anticipates that the Event Center will open, the MTA budget will include any
20 funds then required to finance capital expenditures, including hard and soft costs, not to exceed the
21 sum of discretionary, unrestricted General Fund revenues and MTA Dedicated Funds that the
22 Controller determines that the Event Center has generated or will likely generate for that fiscal year.
23 Also, beginning with the fiscal year in which the Controller anticipates that the Event Center will open,
24 the Department of Public Works and the Police Department, shall prepare budget proposals to pay for
25 those expenditures for City services and capital improvements related to the Event Center that qualify

1 as Required Uses under subsection (b), and, no later than March 1 of each year, submit those budgets
2 to the Mayor and Board of Supervisors. The budgets that such departments prepare shall be sufficient
3 to cover all the costs of the department's respective services to address community needs relating to the
4 use and operation of the Event Center and pay for Required Uses consistent with the purpose of the
5 Fund.

6 (2) The Mayor and Board of Supervisors shall include in the City's annual budget
7 monies for deposit into the Fund sufficient to meet the budgeted expenditures in the proposals, provided
8 that for the first five years of operation of the Event Center, the annual deposit shall be at least the
9 amount specified in subsection (c)(3) below and further provided that, for any fiscal year, the total
10 annual deposit in the Fund, plus the Overlapping Event Reserve (described in subsection (c)(4) below),
11 shall not exceed 90% of the total amount that the Controller estimates to be the annual General Fund
12 revenues from the Project site and events at the Event Center as determined through the financial
13 assessment described in subsection (d)(1) below. That 90% shall be the "Maximum Annual Funding
14 Amount" for the Fund.

15 (3) Subject to the Maximum Annual Funding Amount, the required City deposit the first
16 five fiscal years of operation of the Event Center, beginning in the fiscal year in which the Event Center
17 opens to the public, shall be as follows:

18 (A) First fiscal year: the deposit into the Fund shall be no less than \$8,100,000.

19 (B) Second fiscal year: the deposit into the Fund shall be no less than
20 \$8,300,000.

21 (C) Third fiscal year: the deposit into the Fund shall be no less than
22 \$8,500,000.

23 (D) Fourth fiscal year: the deposit into the Fund shall be no less than
24 \$8,800,000.

25 (E) Fifth fiscal year: the deposit into the Fund shall be no less than \$9,100,000.

1 (4) In addition to the annual deposit described in subsections (c)(2) and (c)(3) above,
2 beginning in the fiscal year in which the Event Center is open, there shall be a reserve in the Fund of
3 \$1,000,000, for the term of the Fund (the "Designated Overlapping Event Reserve"). The sum of the
4 annual deposit plus the Designated Overlapping Event Reserve shall not exceed the Controller's
5 determination of the Maximum Annual Funding Amount. Monies in the Designated Overlapping Event
6 Reserve shall be immediately available to the MTA to pay for enhancements to multi-modal
7 transportation serving Mission Bay South and surrounding areas beyond what is needed to address
8 effects from operation of the Event Center, including, but not limited to, operational measures and
9 capital improvements, relating to pre-event peak periods on weekday evenings when an Event, other
10 than a Warriors basketball game, with attendance anticipated by the MTA (based on information
11 provided by the Event Center's operator) of more than 12,500 people occurs at the Event Center and a
12 San Francisco Giants baseball game also occurs at AT&T Park. The Advisory Committee referenced
13 in subsection (d)(2) below shall make recommendations to the MTA about expenditure of such funds
14 before the MTA determines how to expend the funds. If the MTA, at either the MTA Board of Directors
15 or MTA Director level, determines not to follow any such recommendations, the MTA will articulate its
16 reasons for its decision. To the extent the MTA draws on monies in the Designated Overlapping Event
17 Reserve during the first five fiscal years of the Event Center's operation, the annual deposit to the Fund
18 for the following year shall include funds to bring the Designated Overlapping Event Reserve to its full
19 funding level, again provided that the annual deposit, plus the Designated Overlapping Event Reserve,
20 do not exceed the Maximum Annual Funding Amount. In addition, if the Advisory Committee
21 determines, based on review of travel time data collected by the MTA for routes to the Event Center,
22 that any considerable additional traffic congestion affecting access by hospital employees to the
23 University of California at San Francisco hospitals at Mission Bay occurs in the pre-event peak period
24 during weekday evenings when there is an event—other than a Warriors game—with more than
25 12,500 people at the Event Center and a Giants game at AT&T Park, and the Advisory Committee

1 recommends using, in addition to the Designated Overlapping Event Reserve, any balance in the Fund
2 that is not budgeted for other purposes under this ordinance, for services or capital projects to address
3 such occurrence, then the Director of Transportation will consider approving such recommendations,
4 which approval the Director will not unreasonably withhold or delay, and the Director will take such
5 actions as are necessary to seek any required approvals and implement such recommendations, all as
6 provided in the MTA Resolution.

7 (5) After the first five fiscal years of operation of the Event Center, if at the end of any
8 fiscal year during the remaining term of the Fund as described in subsection (e) below, the balance in
9 the Fund exceeds expenditures, then, in addition to the Designated Overlapping Event Reserve, such
10 excess monies shall carry forward as a reserve for Required Uses consistent with the Fund's purpose to
11 the extent such excess monies do not exceed 25% of the total expenditures from the Fund for the
12 previous fiscal year. Before the end of the first five fiscal years, 100% of any such Fund balance shall
13 carry forward.

14 (6) The Fund may receive and use for the Required Uses any grants, gifts, or other
15 contributions of money or property that the owner of the Event Center or any other person or entity
16 may offer the City to support the City in furthering the purpose of the Fund. Subject to any applicable
17 legal restrictions, the City may use such grants, gifts, or other contributions of money or property to
18 make its annual deposit to the Fund or to fund the Designated Overlapping Event Reserve.

19 (d) Reports, Public Review, and Accountability.

20 (1) For the fiscal year in which the Controller anticipates that the Event Center will
21 open to the public, and for every five years after the Event Center opens, the Controller shall conduct a
22 financial assessment of the economic impact of the Project. This assessment shall include an estimate
23 of discretionary, unrestricted General Fund revenues that the City and County of San Francisco
24 expects to receive from the Project site and from events at the Event Center. These revenue estimates
25 shall be net of City revenues and development impact fees dedicated for specific purposes under the

1 Charter, Municipal Code, or state law, including, but not limited to, MTA Dedicated Funds. The
2 Controller may conduct such assessment more frequently if the Controller considers it appropriate to
3 do so to monitor the Maximum Annual Funding Amount.

4 If at any time during the term of the Fund the Controller determines that the sum of the
5 annual deposit for the year and the Designated Overlapping Event Reserve exceeds the adjusted
6 Maximum Annual Funding Amount, then the Controller shall make prorata reductions to the deposit
7 and the Reserve to reflect the amount of the reduction in the Maximum Annual Funding Amount;
8 provided that nothing in this ordinance shall limit the authority of the Board of Supervisors and Mayor
9 to appropriate other monies from the General Fund to make up any such reductions.

10 If in any year City expenditures for Required Uses exceed the Maximum Annual Funding
11 Amount for the year, regardless of the source of the funds for those expenditures, the City shall be
12 entitled to a credit, distributed on a prorata basis between the annual deposit and the Overlapping
13 Event Designated Reserve, against its funding obligations under this Section 10.100-364 for the
14 following year, in the same total amount that those expenditures exceeded the Maximum Annual
15 Funding Amount, unless the Board of Supervisors and the Mayor waive that credit as part of the
16 budgetary process.

17 (2) In developing the proposed annual budgets for uses of the Fund, the MTA, in
18 coordination with the Department of Public Works and the Police Department, will seek the input and
19 recommendations from the Warriors Event Center Community Improvement Measures Fund Advisory
20 Committee established in Administrative Code Chapter 5, Article XXIII.

21 (3) As provided in the MTA Resolution, before submitting to the Mayor the MTA's
22 proposed budget for expenditures from the Fund, the MTA Board of Directors will hold a public
23 hearing on the proposed budget. In the hearing the MTA Board of Directors will consider the
24 recommendations of the Advisory Committee.

1 (c) Seat 3 shall be held by a person who resides within a half mile of the Event Center,
2 appointed by the Mayor.

3 (d) Seat 4 shall be held by a representative of a business that operates within a half-mile of the
4 Event Center, appointed by the Mayor.

5 (e) Seat 5 shall be held by a person appointed by the Supervisor representing the district in
6 which the Event Center is located.

7 In addition, there shall be five alternate members of the Advisory Committee, one designated for
8 each of the five seats. Each alternate member shall meet the qualifications set forth above for the seat
9 as to which the person is designated to serve as an alternate, and shall be appointed by the appointing
10 authority for that seat.

11
12 **SEC. 5.23-3. ORGANIZATION AND TERMS OF OFFICE.**

13 (a) Each member and each alternate member shall serve at the pleasure of the member's
14 appointing authority, and shall serve for the life of the Advisory Committee unless removed by the
15 appointing authority.

16 (b) If a vacancy occurs in any seat on the Advisory Committee, the appointing authority for the
17 vacated seat shall appoint a successor to that seat. During the pendency of a vacancy, the alternate
18 member for that seat shall serve as, and have the full powers of, a member of the Advisory Committee.
19 In addition, if a member of the Advisory Committee is not in attendance at a meeting, the alternate
20 member designated to serve as an alternate for the absent member's seat shall attend that meeting and
21 for purposes of that meeting have the full powers of the absent member.

22 (c) Members of the Advisory Committee shall receive no compensation.

23 (d) Any member who misses three regular meetings of the Advisory Committee within a period
24 of 12 months without the express approval of the Advisory Committee at or before each missed meeting
25 shall be deemed by operation of law to have resigned from the Advisory Committee ten days after the

1 third unapproved absence. The Advisory Committee shall inform the appointing authority of the
2 resignation.

3 (e) As provided in Municipal Transportation Agency (MTA) Board of Directors Resolution
4 No. 15-154, the MTA will provide administrative support for the Advisory Committee.

5
6 **SEC. 5.23-4. DUTIES OF COMMITTEE.**

7 The Advisory Committee shall be the central City-sponsored community advisory body charged
8 with providing input to the MTA, the Department of Public Works, and the Police Department (“Other
9 City Departments”) and decision-makers regarding allocation of monies in the Mission Bay
10 Transportation Improvement Fund (the “Fund”), established in Administrative Code Section 10.100-
11 364, for Required Uses, as defined in that section. The Advisory Committee shall be advisory, as
12 appropriate, to the MTA and the Board of Supervisors. The Advisory Committee shall perform the
13 following functions as needed:

14 (a) Collaborate with the MTA and Other City Departments on prioritizing the community
15 improvement measures for Required Uses and identifying implementation details as part of the annual
16 budget process;

17 (b) Recommend to the MTA uses of the Designated Overlapping Event Reserve, as defined in
18 Administrative Code Section 10.100-364;

19 (c) Collaborate with the MTA and the Other City Departments and decision-makers in the
20 monitoring of the uses of the Fund for the purpose specified in Administrative Code Section 10.100-
21 364; and.

22 (d) Review travel time data collected by the MTA for routes to the Event Center to determine if
23 traffic conditions associated with the Event Center, especially when there are weekday evening
24 overlapping events with large attendance at the Event Center and AT&T Park, should entail additional
25

1 City actions and expenditures from the Fund or the Designated Overlapping Event Reserve, and make
2 recommendations to the MTA on additional actions and expenditures.

3
4 **SEC. 5.23-5. MEETINGS AND PROCEDURES.**

5 Not less than six months before the date on which the Event Center is anticipated to open as
6 determined by the Controller, the Advisory Committee shall hold its inaugural meeting. There shall be
7 at least ten days' notice of the inaugural meeting. Following the inaugural meeting, the Advisory
8 Committee shall hold a regular meeting not less than once every six months until the sunset date set
9 forth in Section 5.23-6. The Advisory Committee shall elect its own officers and may establish rules for
10 its own organization and procedures.

11
12 **SEC. 5.23-6. SUNSET DATE.**

13 Unless extended by an ordinance adopted by the Board of Supervisors, this Article XXIII shall
14 expire by operation of law, and the Advisory Committee shall terminate, on the date on which the Fund
15 expires. Notwithstanding Rule 2.21 of the Board of Supervisors Rule of Order, which provides that
16 advisory bodies created by the Board should sunset within three years, the Board intends the Advisory
17 Committee to exist for longer than three years. After the expiration of the Advisory Committee, the
18 City Attorney shall cause this Article XXIII to be removed from the Administrative Code.

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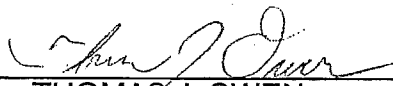
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1 Section 4. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.
5
6

7 APPROVED AS TO FORM:
8 DENNIS J. HERRERA, City Attorney

9
10 By: 
11 THOMAS J. OWEN
Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Establishing Mission Bay Transportation Improvement Fund, and Advisory Committee]

Ordinance amending the Administrative Code to establish a fund to pay for City services and capital improvements addressing transportation and other needs of the community in connection with events at the Golden Gate Warriors Event Center and Mixed Use Project, and to create an advisory committee to make recommendations about the use of monies from the Fund; and adopting findings under the California Environmental Quality Act.

Existing Law

GSW Arena LLC, an affiliate of Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team, proposes to construct a multi-purpose event center and a variety of mixed uses (the "Event Center") on Blocks 29-32 within the Mission Bay area of San Francisco (the "Project Site"). The proposed project for the Event Center includes a transportation services plan, a local/hospital access plan, and designated overlapping event strategies, and other measures, including measures by the Event Center's project sponsor to address transportation conditions relating to the Event Center. The City currently does not have a special fund for City costs associated with City services and capital improvements for the proposed Event Center project.

Amendments to Current Law

The proposal is an ordinance that would amend the Administrative Code to create a Mission Bay Transportation Improvement Fund (the "Fund"). The City would use monies placed in the Fund to pay for City services and capital improvements needed to address transportation and other needs of the community in connection with Warriors basketball games and other events (collectively, "Events") at the Event Center.

These "Required Uses" of the Fund could include, among other things: (1) costs of providing services to the Project Site and surrounding neighborhood, such as public transit services, special event shuttles, parking and traffic engineering and control services, local access programs (including access to hospitals in Mission Bay South), police services, and street and sidewalk cleanup; and, (2) costs of transit improvement measures, such as purchasing additional light rail vehicles, Municipal Railway infrastructure improvements, bicycle and pedestrian access improvements, and studying the feasibility of a ferry landing and service for Mission Bay South and other surrounding areas.

Part of the Fund, in the amount of \$1 million, would be set aside as a "Designated Overlapping Event Reserve" (the "Reserve"). The Municipal Transportation Agency ("MTA") would use the Reserve to pay for additional operational and capital improvements to multi-modal transportation serving Mission Bay South and surrounding areas, including improvements to handle pre-event peak periods on weekday evenings when a large event other than a Warriors basketball game is held at the Event Center and the Giants play a baseball game at AT&T Park.

Subject to the budgetary and fiscal provisions of the Charter, the City would deposit monies into the Fund each year. For the first five years that the Event Center is in operation, the City would deposit no less than the following amounts into the Fund:

- \$8.1 million in the first year;
- \$8.3 million in the second year;
- \$8.5 million in the third year;
- \$8.8 million in the fourth year; and,
- \$9.1 million in the fifth year.

In other years, the City would deposit an amount into the Fund based on budgeted expenditures included in the MTA transportation plan for the Event Center and related transportation improvement measures, and following the opening of the Event Center, budgeted expenditures of the Department of Public Works and the Police Department addressing community needs related to the operation of the Event Center.

The City's deposits to the Fund, including money to be placed in the Reserve, would be subject to a cap. Once the Event Center opens, and every five years after that, the Controller would conduct a financial assessment of the economic impact of the Project and estimate the amount of discretionary, unrestricted General Fund revenues that the City expected to receive from the Project Site and from events at the Event Center. The Controller would then reduce that estimate by 10%, and that adjusted amount would be the "Maximum Annual Funding Amount" for the Fund—for any fiscal year, the sum of the City's annual deposit to the Fund, plus any money needed to maintain the Reserve at \$1 million, would be capped at the Maximum Annual Funding Amount.

The Controller would reduce amounts in the Fund on a prorata basis if the discretionary, unrestricted General Fund revenues from the Event Center project turn out to be less than anticipated and the deposits plus the Reserve would exceed the Maximum Annual Funding Amount. If the City spends more than the Maximum Annual Funding Amount on Required Uses during one year, the Controller would offset the amount of that additional spending against its funding obligations for the following year, unless the Board of Supervisors and the Mayor waive the offset as part of the budgetary process.

The proposal would also amend the Administrative Code to establish a Mission Bay Transportation Improvement Fund Advisory Committee (the "Advisory Committee"). The Advisory Committee would consist of five members:

- An employee, officer, or other representative of the Event Center, appointed by the Event Center's owner;
- An employee, officer, or other representative of the University of California at San Francisco, appointed by the Chancellor of the University or the Chancellor's designee;
- A person who lives within a half-mile of the Event Center, appointed by the Mayor;
- A representative of a business that operates within a half-mile of the Event Center, appointed by the Mayor; and,
- A person appointed by the Supervisor representing the district in which the Event Center is located.

Each member would serve at the pleasure of the appointing authority, and would serve until the member resigned or was removed by the appointing authority. Members would receive no compensation for serving on the Advisory Committee.

The Advisory Committee would advise the Board of Supervisors, the MTA, the Department of Public Works ("DPW"), the Police Department ("SFPD"), and other decision-makers on the use of monies in the Fund. The Advisory Committee would, among other things, work with the MTA, DPW, and SFPD to set priorities for community improvement measures for Required Uses under the Fund, recommend to the MTA uses of the Reserve, and review travel time data collected by the MTA for routes to the Event Center to determine if traffic conditions associated with the Event Center, especially when there are weekday evening dual events with large attendance at the Event Center and AT&T Park, require additional City actions and expenditures from the Fund or the Reserve.

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CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

November 6, 2015

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst



SUBJECT: November 9, 2015 Budget and Finance Committee Meeting

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<p>Item 2 File 15-0995</p>	<p>Department: Office of Community Infrastructure and Investment Office of Economic and Workforce Development</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The proposed ordinance amends the Administrative Code to add a new Section 10.100-364 to establish the Mission Bay Transportation Improvement Fund to pay for additional services provided by San Francisco Municipal Transportation Agency (SFMTA), San Francisco Police Department (SFPD), and Department of Public Works (DPW) to the Warriors Project. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The Golden State Warriors Arena, LLC (Warriors) plans to construct a multipurpose event center and retail and office project at 16th and Third Streets in the Mission Bay neighborhood (Warriors Project). The SFMTA, SFPD, and DPW will provide services to the neighborhood surrounding the Warriors Project. • The proposed ordinance establishes the Mission Bay Transportation Improvement Fund (Fund) as a category four fund, setting aside General Fund monies to pay for services provided by SFMTA, SFPD, and DPW to the Warriors Project. It is anticipated that the revenues to be realized from the Warriors Project will provide for the needed funding sources to the General Fund. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • SFMTA’s estimated costs to purchase four new light rail vehicles and make other transportation system improvements to accommodate the Warriors Project are \$55.3 million. Estimated revenues generated by the Warriors Project to pay these costs are \$25.4 million, resulting in a revenue shortfall of \$29.9 million. The estimated revenue shortfall of \$29.9 million will be financed through sale of SFMTA revenue bonds or other financing source. Annual debt service is projected to be paid from tax revenues generated by the Warriors Project. • SFMTA’s expenditures for transportation services to the Warriors Project will be paid by SFMTA fare and parking revenues generated by these services. The Mission Bay Transportation Improvement Fund will pay for SFMTA service to the Warriors Project not covered by these fare and parking revenues, and for SFPD and DPW services to the Warriors Project. • City departments’ estimated annual expenditures to provide services to the Warriors Project are \$10.1 million. These expenditures will be funded by an estimated \$11.6 million in revenues generated by the Warriors Project, resulting in net revenues of \$1.5 million. 	

Policy Consideration

- If the Warriors Project generates insufficient General Fund tax revenues to pay for all of SFMTA's costs to provide transportation services to the Warriors Project, the Warriors will need to directly provide some transportation services.
- Only General Fund tax revenues directly generated by the Warriors Project should be included in the Controller's estimates of Project revenues to the City.

Recommendations

- Amend the proposed ordinance to specify that if the annual cap of 90 percent of General Fund revenues from the Project site and events at the Event Center is insufficient to cover SFMTA's expenditures for transportation services to the Warriors Project; then the Warriors will be responsible to provide the additional transportation services to comply with EIR Mitigation Measures TR-2b and TR-18.
- Amend the proposed ordinance to specify that only tax revenues generated on-site by the Warriors Project are included in the Controller's estimates of General Fund revenue generated by the Warriors Project for the purpose of calculating the annual General Fund contribution to the Mission Bay Transportation Improvement Fund.
- Approve the proposed ordinance as amended.

MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance and shall require two readings at separate meetings of the Board of Supervisors.

City Administrative Code Chapter 10, Article XVIII establishes the City's special funds. Administrative Code Section 10.100-1 defines the eight categories of special funds.

BACKGROUND

The Golden State Warriors Arena, LLC (Warriors)¹ plans to construct a multipurpose event center and retail and office project at 16th and Third Streets in the Mission Bay neighborhood (Warriors Project). The Warriors Project will consist of 1,053,000 square feet of building space, as shown in Table 1 below, and 3.2 acres of open space.

Table 1: Proposed Multipurpose Event Center, Retail and Office Project

	Square Feet
Event Center with 18,064 seats	488,000
Office Space	513,000
Retail Space	52,000
Total	1,053,000

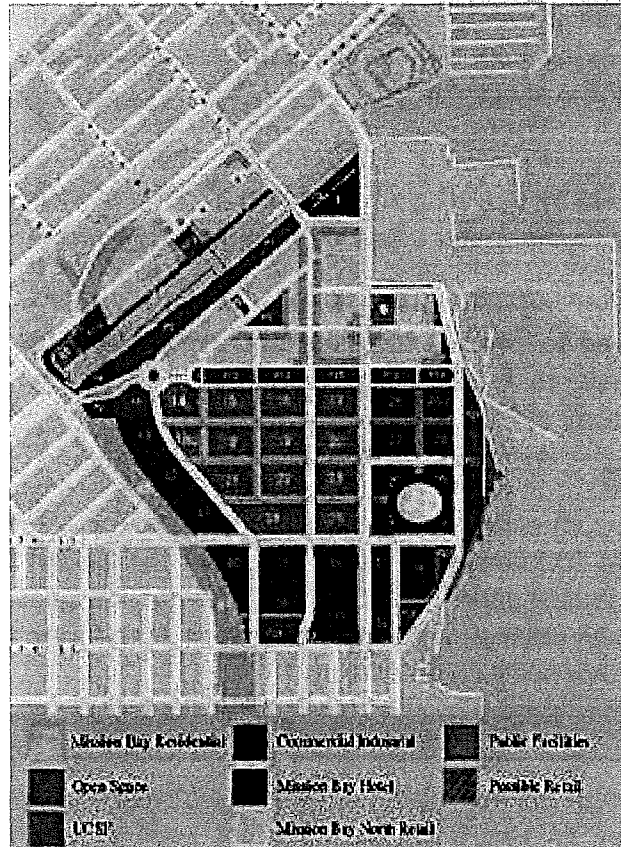
The Warriors purchased 11 acres previously owned by Salesforce.Com in October 2015 with a plan to complete the event center in time for the 2018-19 National Basketball Association (NBA) season. While the Warriors Project is a private development, the City will provide public transportation, including transportation infrastructure, and ongoing public services related to the development.

Mission Bay South Redevelopment Plan Area

The Warriors Project is located on Blocks 29 to 32 in the Mission Bay South Redevelopment Plan Area (Mission Bay South) as shown in Figure 1 below.

¹ The Golden State Warriors Arena, LLC are an affiliate of the Golden State Warriors, LLC, who own the Golden State Warriors basketball team.

Figure 1: Location of Warrior’s Project In Mission Bay South



Transportation and Other City Services to the Warriors Project

The San Francisco Municipal Transportation Agency (SFMTA), San Francisco Police Department (SFPD), and Department of Public Works (DPW) will provide services to the neighborhood surrounding the Warriors Project.

Transportation

The Transportation Management Plan, required by the Project’s Environmental Impact Report (EIR), includes the Muni Special Event Transit Service Plan, which commits SFMTA to provide additional service to the Warriors Project, including increased light rail service on the T-Third line, and special event shuttles. SFMTA would implement the following transportation infrastructure improvements and services to the Warriors Project:

- Purchasing four additional light rail vehicles
- Extending the existing boarding platform at 3rd and South Streets
- Running three special event shuttles to regional transit stations
- Expanding service levels on the T-Third light rail line, and

- Adding parking control officers to control traffic during arena events

Police Services

Depending on the size and type of events held in the Warriors' event center, the SFPD will incur additional costs by assigning from 8 to 14 police officers on overtime to patrol the neighborhoods surrounding the event center.

Department of Public Works

DPW will incur additional costs by providing an estimated 42 days of litter patrol, steam cleaning, and street sweeping on the streets adjacent to the Warriors Project.

Development Impact Fees

The Warriors will be required to pay two development impact fees contained in the Planning Code and applicable to Mission Bay South: the Child Care Fee and the Transportation Impact Development Fee.

Environmental Impact Report

On November 3, 2015, the Commission on Community Investment and Infrastructure certified the Final Subsequent Environmental Impact Report for the Golden Gate Warriors Event Center and Mixed Use Project under the California Environmental Quality Act (CEQA). The Commission adopted CEQA findings, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance amends the Administrative Code to add a new Section 10.100-364 to establish the Mission Bay Transportation Improvement Fund to pay for additional services provided by SFMTA, SFPD, and DPW to the Warriors Project. The ordinance creates an advisory committee to make recommendations about the use of monies from the Fund, and adopts findings pursuant to CEQA.

Mission Bay Transportation Improvement Fund

The proposed ordinance establishes the Mission Bay Transportation Improvement Fund (Fund) as a category four fund, setting aside General Fund monies to pay for services provided by SFMTA, SFPD, and DPW to the Warriors Project.

Uses of Funds

The Fund will be used to pay for the following public services related to the Warriors' Project:

- Public transit
- Special event shuttles
- Parking and traffic engineering and control services
- Pedestrian and bicycle access programs
- Parking enforcement programs

- Local access to the University of California at San Francisco (UCSF) hospitals and facilities located in Mission Bay South
- Police services
- Litter pick-up
- Street and sidewalk clean up
- Other measures to improve services to the Warriors' Project

The Fund will be used to pay for the following SFMTA transit equipment and capital improvements related to the Warriors' Project:

- Light rail vehicles
- Cross over tracks and loading platform improvements on the T-Third line
- Parking and traffic improvements (such as cameras, traffic signals, vehicle messaging signs, and other improvements)
- Bicycle and pedestrian access
- Feasibility study for a ferry landing and service to Mission Bay South

Sources of Funds

The funding source for the proposed Mission Bay Transportation Improvement Fund is the General Fund. It is anticipated that the revenues to be realized from the Warriors Project will provide for the needed funding sources to the General Fund. The Controller will determine the General Fund tax revenue generated or likely to be generated by the Warriors Project each fiscal year to calculate the amount of the General Fund deposit to the Fund.

Maximum annual deposits to the Fund shall not exceed 90 percent of total General Fund revenue generated by the Warriors Project, as determined by the Controller. However, the ordinance sets minimum deposits to the Fund in the first five years, subject to the maximum 90 percent of total General Fund revenue generated by the Warriors Project, as follows:

- Year one: \$8,100,000
- Year two: \$8,300,000
- Year three: \$8,500,000
- Year four: \$8,800,000
- Year five: \$9,100,000

For the first five years, any end-of-year fund balance carries forward to the next year. After the first five fiscal years, end-of-year fund balances up to 25 percent of Fund expenditures carry forward to the next year.

The proposed ordinance establishes a reserve fund of \$1,000,000 once the event center opens. If City departments' expenditures exceed available revenues in the Mission Bay Transportation Improvement Fund, the City is entitled to a credit from the next year's annual deposit to the Mission Bay Transportation Improvement Fund, or from the reserve fund.

Beginning in FY 2016-17, SFMTA, SFPD, and DPW will prepare budget proposals to pay for City services and capital improvements related to the Warriors Project. According to the proposed ordinance, the Mayor and the Board of Supervisors shall include in the City's annual budget sufficient General Fund revenues for deposit into the Fund to meet City departments' budgeted expenditures to provide services to the Warriors Project.

Category Four Fund

The Mission Bay Transportation Improvement Fund, a category four fund, requires that all expenditures from the Fund be subject to appropriation approval by the Board of Supervisors.

Mission Bay Transportation Improvement Fund Advisory Committee

The Mission Bay Transportation Improvement Fund Advisory Committee (Advisory Committee) consists of five members, of which one each is appointed by the Warriors, the University of California at San Francisco, and the District 6 Supervisor, and two are appointed by the Mayor.

FISCAL IMPACT

One Time Capital Expenditures for Transportation Projects

According to the Warriors Project Transportation Management Plan, the SFMTA will provide additional services to accommodate basketball games, concerts and other events at the proposed Warriors event center: SFMTA will increase the number of light rail vehicles on the T-Third line from the current one vehicle per train to the proposed two vehicles per train, resulting in the need to purchase four new light rail vehicles, and reduce the time between trains from 9 minutes to 8 minutes. The SFMTA will also make improvements to the tracks, boarding platforms, and power augmentation to the T-Third line.

SFMTA's estimated costs to purchase four new light rail vehicles and make other transportation system improvements to accommodate the Warriors Project are \$55.3 million. Estimated revenues generated by the Warriors Project to pay these costs are \$25.4 million, resulting in a revenue shortfall of \$29.9 million, as shown in Table 2 below.

**Table 2: Estimated Sources and Uses of Funds for
Transit Improvements for Warriors Project²**

Uses of Funds	Amount
Four new light rail vehicles	\$18,300,287
Installation of three new cross over tracks	5,848,178
Construction of new center boarding platform	22,500,000
Power augmentation	<u>6,800,000</u>
Subtotal Transit Uses of Funds	\$53,448,465
Traffic signals and engineering	<u>1,860,000</u>
Total Uses of Funds	\$55,308,465
Sources of Funds	
Transit Development Impact Fees	\$17,436,000
Transfer tax and construction gross receipts and sales taxes	<u>7,955,799</u>
Total Sources of Funds	\$25,391,799
Revenue shortfall	\$29,916,666

Source: SFMTA

According to Ms. Sonali Bose, SFMTA Chief Financial Officer, the estimated revenue shortfall of \$29,916,666 will be financed through sale of SFMTA revenue bonds or other financing source. Annual debt service is projected to be paid from tax or other revenues generated by the Warriors Project, as shown in Table 3 below.

City Departments' Ongoing Annual Expenditures for the Warriors Project

SFMTA's expenditures for transit services to the Warriors Project will be paid by SFMTA fare and parking revenues generated by these services. The Mission Bay Transportation Improvement Fund will pay for SFMTA service to the Warriors Project not covered by these fare and parking revenues, and for SFPD and DPW services to the Warriors Project.

City departments' estimated annual expenditures to provide services to the Warriors Project are \$10.1 million. These expenditures will be funded by an estimated \$11.6 million in revenues generated by the Warriors Project, resulting in net revenues of \$1.5 million, as shown in Table 3 below.

² SFMTA will incur equipment and infrastructure costs related to the Warriors Project over a four to five year period. The revenue and expenditure estimates shown in Table 2 are the present value (in 2014 dollars) of the four to five year revenue and expenditures plan.

Table 3: Estimated Sources and Uses of Funds for City Departments' Annual Ongoing Expenditures³

Estimated Annual Expenditures for City Services to Warriors Project	
Transit services for events	3,780,746
Enforcement	2,892,838
Parking control officers	<u>238,443</u>
Subtotal, SFMTA operating costs	6,912,026
Estimated debt service on revenue bonds	2,122,661
Police	952,000
DPW	<u>95,357</u>
Total Expenditures	10,082,044
Estimated Annual Revenues Generated by Warriors Project	
SFMTA fare and parking revenue	1,772,894
Property taxes	1,779,882
Sales tax	520,948
Parking tax	482,197
Stadium admissions tax	4,335,920
Gross receipts tax	2,431,277
Utility user tax	<u>253,707</u>
Total Revenues⁴	11,576,825
Net Revenues	\$1,494,781

Sources: SFMTA, SFPD, DPW; Economic & Planning Systems, Inc. report to OCII, Budget and Legislative Analyst estimate of debt service

POLICY CONSIDERATION

If the Warriors Project generates insufficient General Fund tax revenues to pay for all of SFMTA's costs to provide transportation services to the Warriors Project, the Warriors will need to directly provide some transportation services

While SFMTA, SFPD, and DPW will provide services to the Warriors Project, only SFMTA is committed to additional services, as defined by the Muni Special Event Transit Service Plan,

³ City departments will begin providing services to the Warriors Project beginning in the 2018-19 NBA season. These revenue and expenditure estimates are the present value (2015 dollars) of the 2018-19 revenues and expenditures.

⁴ The Economic and Planning Systems, Inc. (EPS) September 2015 report to OCII estimates \$14,110,833 total revenues generated by the Warriors Project, of which \$2,597,737 are allocated to required funds and baselines, such as the Children's Fund and Open Fund, and \$11,513,096 are general revenues. Table 3 revenues of \$11,576,825 differ from the EPS estimates of \$11,513,096 in that Table 3 (1) includes \$1,772,894 in SFMTA fare and parking revenues, and (2) does not include \$1,709,165 in hotel tax and gross receipts tax revenues generated off-site.

which is a component of the Transportation Management Plan.⁵ The Warriors are required to implement a Transportation Management Plan to manage vehicle, transit, pedestrian, and bicycle transportation during Warriors games and other events and activities at the project site, in accordance with the Project's Environmental Impact Report (EIR). According to the EIR, the Warriors will have to implement additional transportation services if the Muni Special Event Transit Service Plan is not implemented.⁶ While the EIR does not explicitly state that insufficient General Fund tax revenue generated by the Warriors Project would cause the Muni Special Event Transit Service Plan to not be implemented, according to City staff, insufficient funding could be one of the causes of not implementing the Transit Service Plan.

According to the October 20, 2015 memorandum from the Director of Transportation to the OCII Executive Director, although SFMTA will be able to deliver transit services to the Warriors Project, SFMTA cannot unequivocally guarantee future funding for the transit services to the Warriors Project in perpetuity. According to the Director of Transportation, the SFMTA supports the Project with the understanding that the City, the Golden State Warriors and SFMTA do not expect the SFMTA operating and capital budgets to experience any adverse impact associated with implementing the proposed transit service plan and the capital investments to support it.

Under the proposed ordinance, the General Fund contribution to the Mission Bay Transportation Improvement Fund is capped at 90 percent of General Fund tax revenues generated by the Warriors Project. The proposed ordinance should be amended to specify that if the revenue cap is insufficient to cover SFMTA's expenditures for transportation services to the Warriors Project, then the Warriors will be responsible to provide additional transportation services to comply with EIR Mitigation Measures TR-2b and TR-18.

Only General Fund tax revenues directly generated by the Warriors Project should be included in the Controller's estimates

OCII's consultant, Economic and Planning Systems, Inc. (EPS) attributed to the Warriors Project hotel and gross receipts tax revenues generated off-site. According to the EPS report, hotel taxes will be generated by out of town visitors attending events at the Warriors Project, and gross receipts taxes will be generated by off-site businesses serving visitors to the Warriors Project. According to the peer review report by Keyser Marston Associates, the EPS analysis is reasonable because (a) only demand generated by the event center and not the retail and office uses is included in the analysis, and (b) the estimates are based on conservative assumptions.

However, the Budget and Legislative Analyst notes that off-site hotel tax and gross receipts tax revenues cannot be directly attributed to the Warriors Project. It is not possible to verify if changes in hotel occupancy and off-site business gross receipts tax revenues are

⁵ SFMTA's expenditures for the transportation infrastructure improvements are funded by the TIDE, real property transfer taxes, and financing (such as revenue bonds). The annual debt service on the financing is included in the annual budget to be funded by the Fund.

⁶ Additional transportation services include shuttle buses, charter buses, high occupancy vehicles, and special ferry service.

due solely to visitors who come to San Francisco specifically to attend Warriors games or other events at the proposed event center. Such increased tax revenues might also be attributable to visitors to San Francisco who do not attend events at the Warriors Project. Any methodology to attribute hotel and gross receipts tax revenues to the Warriors Project is based on assumptions and not actual accounting of tax receipts. Therefore, the Budget and Legislative Analyst does not include these off-site tax revenues, estimated to be \$1,709,165 per year, in the Table 3 estimates above.

The Budget and Legislative Analyst recommends amending the proposed ordinance to specify that only tax revenues generated on-site by the Warriors Project are included in the Controller's estimates of General Fund revenue generated by the Warriors Project for the purpose of calculating the annual General Fund contribution to the Mission Bay Transportation Improvement Fund.

RECOMMENDATIONS

1. Amend the proposed ordinance to specify that if the annual cap of 90 percent of General Fund revenues from the Project site and events at the Event Center is insufficient to cover SFMTA's expenditures for transportation services to the Warriors Project, then the Warriors will be responsible to provide the additional transportation services to comply with EIR Mitigation Measures TR-2b and TR-18.
2. Amend the proposed ordinance to specify that only tax revenues generated on-site by the Warriors Project are included in the Controller's estimates of General Fund revenue generated by the Warriors Project for the purpose of calculating the annual General Fund contribution to the Mission Bay Transportation Improvement Fund.
3. Approve the proposed ordinance as amended.

Ben Rosenfield
ControllerTodd Rydstrom
Deputy Controller

MEMORANDUM

TO: The Honorable Board of Supervisors
Clerk of the Board

FROM: Ben Rosenfield, Controller

DATE: October 6, 2015

SUBJECT: Warriors Event Center Fund

The Controller's Office has reviewed the Fiscal Impact Analysis: Revenues (Report) written by Economic and Planning Systems (EPS). We find the projections of restricted and unrestricted revenue to be generated by the proposed Event Center generally reasonable.

As an addendum to the revenue amounts presented in Tables 1 and 2 on pages 1 and 2 of the Report please see below for a summary of estimated annual revenues once the event center is opened, grouped according to expenditure restriction.

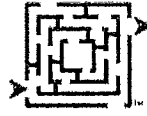
Event Center One-Time & Ongoing Revenue Estimates

(2014\$)		
Type	One-Time	Ongoing
MTA Dedicated	17,920,000	2,980,000
Other Dedicated	1,190,000	2,010,000
General Fund Unrestricted	7,940,000	9,120,000
Total	27,050,000	14,110,000

MTA dedicated sources include amounts received by the department from the Transportation Development Impact Fee, Charter guaranteed baseline funding for the department, and the department's Parking Tax allocation. Other dedicated revenues include Charter guaranteed funding and appropriations to Libraries and Children, deposits to the General Reserve, and Property Tax set-asides to parks, children, and libraries. Unrestricted revenues include all tax receipts net of MTA and other dedications which may be used at the option of the Mayor and Board of Supervisors for any lawful City purpose.

These estimates are preliminary and highly sensitive to actual attendance and the number of events at the Event Center, local economic conditions when the Event Center opens, and other cyclical economic factors. Our office will continue to monitor plans for the Event Center and update the revenue estimates prior to the Event Center opening.

cc: Budget Analyst
Mayor's Budget Office



KEYSER MARSTON ASSOCIATES.
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO
A. JERRY KEYSER
TIMOTHY C. KELLY
KATE EARLE FUNK
DEBBIE M. KERN
REED T. KAWAHARA
DAVID DOEZEMA

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KATHLEEN H. HEAD
JAMES A. RABE
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMNEY

SAN DIEGO
PAUL C. MARRA

To: Office of Community Investment and Infrastructure (OCII), Successor to the San Francisco Redevelopment Agency
Attn: Christine Maher

From: Keyser Marston Associates, Inc.

Date: September 25, 2015

Subject: Peer Review of "San Francisco Multi-Purpose Venue Project: Fiscal Impact Analysis - Revenues" prepared by Economic & Planning Systems, Inc.

A. Introduction to Peer Review

An affiliate of the Golden State Warriors, LLC, which owns and operates the Golden State Warriors National basketball Association ("NBA") team, has submitted a proposal to construct a multipurpose event center that will seat approximately 18,000 and a variety of mixed uses, including 522,00 square feet of office, and 112,500 square feet of retail space. In total, the Project will consist of approximately 1.4 million square feet of gross building area¹. The Project will be located on a 12-acre site in Mission Bay that was formerly intended to be developed by Salesforce into a corporate campus. The Warriors purchased the property from Salesforce in April, 2014 and desire to have the arena ready for the 2018-19 NBA season.

As part of the entitlement process, the City is preparing a financing plan for funding needed capital improvements and on-going City services and has retained Economic & Planning Systems, Inc. (EPS) to estimate the magnitude of revenue that the Project will generate to the City and County, from both construction and on-going operations that will be available to fund the needed improvements and services. In an effort to enhance the confidence level of the revenue projections, the City has retained Keyser Marston Associates, Inc. (KMA) to undertake a peer review of the EPS revenue projection.

¹ GBA excludes parking.

Additionally, Barrett Sports Group has been asked to review the portion of the revenue projections that are driven by the performance of the arena, such as admissions tax revenues.

B. Peer Review Methodology

A collaborative approach was requested and has been implemented in this peer review. We have reviewed preliminary analyses prepared by EPS, prepared written comments on the approach and assumptions, researched specific topics and provided information to be included in the analysis, met with EPS and City staff to discuss issues of approach and assumptions, and reviewed revised projections. Specific tasks included reviewing the following:

- the analysis' approach to ensure that it represents best practices;
- source material to ensure that the assumptions and industry metrics are well-supported; and
- The technical accuracy of the revenue projections by replicating the calculations.

As noted above, Barret Sports Group has taken the lead in reviewing the sports-related projections, including stadium admission tax revenues and gross receipts revenues to be generated by the arena. KMA's focus is on the revenues to be generated by the operation of the traditional real estate uses and the application of the City's tax levies on the entire project.

C. Peer Review Conclusions

This Peer Review finds that the revenue projections prepared by EPS are reasonable for the purpose of preparing a conceptual financing plan for funding capital improvements and on-going municipal services. Our comments regarding each specific task are as follows:

C.1 Analysis' Approach

- *Static Model*

EPS has used a static model to evaluate the project's public revenues upon stabilization. They have estimated the magnitude of: 1) annual recurring revenues that will be generated upon full build-out and stabilized occupancy; and 2) key revenue sources to be generated during the construction period. All of the revenues are presented in 2015 dollars. A static analysis is appropriate for this type of

development, which is anticipated to be built in one phase. An alternative approach is the use of a cash flow model, which evaluates the annual revenues over a projection period. A cash flow approach is appropriate to evaluate a multi-phase project, which does not apply to this project.

▪ *Addresses General Fund and Dedicated/Restricted Revenues*

EPS has evaluated the impacts on the General Fund as well the impacts on dedicated and restricted taxes, including the children, library, and open space property tax accounts, public safety sales tax, MTA parking tax, and the County transportation authority sales tax. This is a standard approach for fiscal impact analyses.

▪ *Inclusion of Off-site Hotel and Parking Revenues*

EPS's analysis includes three revenue sources that will be generated by businesses that are not located on the 12-acre project site. These three sources consist of: 1) transient occupancy tax revenues to be generated by event center attendees and captured by San Francisco hotels; 2) parking tax revenues to be generated by event center attendees and captured by neighborhood parking lots; and 3) gross receipts taxes associated with the off-site hotel and parking revenues. Fiscal analyses typically include only revenues generated by on-site businesses. It is our opinion, however, that it is appropriate to include these off-site revenues for the following reasons:

- a) Only demand generated by the event center has been included in the analysis – not demand generated by the 630,000+ square feet of office and retail tenants;
- b) The assumed demand factors are based on a conservative application of the findings of the traffic demand study. For example, the transient occupancy tax projections reflect the assumption that only 10% of event attendees are potential overnight visitors and, of that potential, only 50% (or 5% of total attendees) generate hotel demand that is included in the study.

We would, however, recommend that the off-site revenues be separated from the on-site revenues and clearly labeled as off-site revenues. As shown below, the off-site revenues account for approximately \$1.9 million of annual project-generated revenues to the General Fund and \$714,000 of project-generated revenues to the special accounts.

Annual Project Generated Revenues	General Fund Revenues	Dedicated and Restricted Accounts	All Accounts
Revenues from on-site businesses	\$9,626,000 (84%)	\$1,883,000 (73%)	\$11,509,000 (82%)
Revenues from off-site hotels and parking	\$1,887,000 (16%)	\$714,000 (27%)	\$2,601,000 (18%)
Total Annual Project-Generated Revenues	\$11,513,000 (100%)	\$2,597,000 (100%)	\$14,110,000 (100%)

C.2 Source Material, Industry Metrics, and Assumptions

KMA has reviewed all of the assumptions and source data behind the assumptions and find them to be reasonable, consistent with source materials, and industry standards. Given that the purchase price paid by the Warriors for the site has not yet been disclosed, KMA and EPS spent considerable time reviewing land sale transactions in the area to arrive at an estimated value of the property for purposes of calculating property tax revenues. Other assumptions that have been discussed and vetted at length include the hotel demand assumptions, property tax calculations, and ticket sales². These assumptions drive the projections of the largest sources of public revenues – transient occupancy tax revenues, property tax/VLF revenues, and stadium admissions. These four sources account for over approximately \$7.8 million of annual General Fund revenue or approximately 67% of the total General Fund revenue projected to be annually generated by the Project.

The performance of the arena is a critical component of the revenues to be generated by the project. The single largest projected revenue source is the stadium admission tax, which is projected to generate approximately \$4.3 million of revenue to the General Fund per year. The stadium is also the only driver of the projection of \$1.7 million of hotel tax revenue, and is the largest single driver of the \$1.7 million of projected property tax and property tax in-lieu of motor vehicle fees.

KMA has similarly reviewed the assumptions and calculations in support of the projection of one-time development impact fees, sales and gross receipt taxes during construction, and property transfer taxes. The projections are reasonable.

² The reasonableness of the ticket sales projections has been evaluated by Barrett Sports Group.

To: San Francisco Successor Agency

September 25, 2015

Subject: Peer Review of Fiscal Revenue Projection for Warrior's Project Page 5

C.3 Technical Accuracy of Projections

KMA has reviewed each calculation presented in the EPS analysis to obtain an understanding of the basis of each estimate and to verify the accuracy of the calculation. Based on this effort, some of the earlier calculations have been modified. We believe that the current analysis is technically accurate.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No.15-154

WHEREAS, GSW Arena LLC (GSW), an affiliate of Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association (NBA) team (including any successor owner or operator of the Event Center) (the "Project Sponsor"), has proposed to construct a multi-purpose event center and a variety of mixed uses, including office, retail, open space and structured parking on an approximately 11-acre site on Blocks 29-32 within the Mission Bay South Redevelopment Plan Area of San Francisco; and,

WHEREAS, The Office of Community Investment and Infrastructure, successor to the former Redevelopment Agency of the City and County of San Francisco ("OCII"), in accordance with the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq. ("CEQA"), and acting in its capacity as lead agency as defined in Public Resources Code Section 21067, prepared a Final Subsequent Environmental Impact Report ("FSEIR") for the proposed Golden State Warriors Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 (the "Event Center Project") consisting of the Draft Subsequent Environmental Impact Report ("GSW DSEIR"), the comments received during the review period, any additional information that became available after the publication of the GSW DSEIR, and the Draft Summary of Comments and Responses, all as required by law, copies of which are available through the Secretary of the SFMTA Board of Directors and at www.gsweventcenter.com, and are incorporated herein by reference; and,

WHEREAS, On November 3, 2015, the Commission on Community Investment and Infrastructure reviewed and considered the FSEIR and certified the FSEIR in compliance with CEQA; and,

WHEREAS, The FSEIR files, other Project-related OCII files, and other materials have been available for review by the SFMTA Board of Directors and the public with the OCII Board Secretary at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, through the SFMTA Board Secretary, which files are incorporated herein by reference and made part of the record before this Board; and,

WHEREAS, The SFMTA Board of Directors, acting in its capacity as a responsible agency under CEQA, Public Resources Code Section 21069, has reviewed and considered the information contained in the FSEIR for the Event Center Project; and,

WHEREAS, The SFMTA Board of Directors has also reviewed and considered a Transportation Service Plan, Local/Hospital Access Plan, and Designated Overlapping Event Transportation Strategies, as such terms are described below, and other measures, including measures by the Event Center Project's sponsor, to address transportation conditions relating to the Event Center Project; and,

WHEREAS, The Transportation Service Plan collectively refers to the Muni Special

Event Transit Service Plan, the Transit Network Improvements (procurement of four light rail vehicles, extending and raising the northbound passenger platform or the variant for a center platform, constructing crossover tracks, among other capital expenditures), and the Event Transportation Management Strategies (including staffing of parking control officers), as more particularly described in a letter from the Director of Transportation to the OCII Executive Director dated May 15, 2015 (“May 2015 Director Letter”), and a supplemental letter dated October 6, 2015 (“Supplemental Director Letter”), which letters are incorporated by reference as though fully set forth; and,

WHEREAS, The Local/Hospital Access Plan is comprised of a variety of actions (identified in Enclosure 5 to the staff report for this matter at the November 3, 2015 SFMTA Board meeting) to facilitate movements in and out to residents of the Mission Bay Area and employees of the University of California at San Francisco (“UCSF”) that would be implemented for the pre-event period for large weekday evening events at the Event Center (those events with more than 12,500 attendees that start between 6:00 and 8:00 pm, on average); and,

WHEREAS, The Designated Overlapping Event Transportation Strategies are included in the FSEIR as part of Mitigation Measure TR-11c and incorporated herein by reference as though fully set forth; these Strategies will assist to manage traffic flows and minimize congestion associated with non-Golden State Warriors events of 12,500 or more attendees overlapping with San Francisco Giants regular season evening games at AT&T Park (during weekday peak pre-event period, with overlapping events starting between 6:00 and 8:00 pm, on average) and to incentivize event attendees and UCSF employees to use alternatives to the private automobile; and

WHEREAS, The SFMTA Board of Directors acknowledges that the Board of Supervisors will consider an ordinance (the “Fund Ordinance”) amending the Administrative Code to establish a special reserve fund within the General Fund called the Mission Bay Transportation Improvement Fund (the “Fund”) to pay for City services and the costs of financing capital improvements addressing transportation and other needs of the community in connection with events at the Event Center Project; and,

WHEREAS, The SFMTA Board of Directors expects that monies available in the Fund, together with revenues generated by the Event Center Project that are dedicated to the SFMTA under the Charter, will more than cover the SFMTA’s operating costs and costs of financing capital investments associated with implementing the Transportation Service Plan, the Local/Hospital Access Plan, and the Designated Overlapping Event Transportation Strategies; and,

WHEREAS, UCSF and the Event Center Project Sponsor requested that the City and County of San Francisco establish an advisory committee (the “Advisory Committee”) to advise on use of the Fund and also identify data collection measures that could inform strategies to make hospital employee travel times more predictable, better manage staff work shift transitions for these employees, and facilitate their on-time performance during a specified period for certain overlapping events with large attendance at the Event Center and Giants games AT&T Park; and,

WHEREAS, The Advisory Committee will be tasked with identifying whether traffic congestion affecting access by hospital employees occurs in the pre-event peak period (for this purpose, 6:00 - 7:30 pm) during weekday evenings when there is an event—other than a Warriors

game—with more than 12,500 people at the Event Center and a regular season evening Giants game at AT&T Park, based on review of travel time data collected by the SFMTA for specific routes to the UCSF parking garage at 1835 Owens Street, more specifically identified in the Improved Hospital Employee Access Transportation Strategies During Overlapping Events (Enclosure 7 to the staff report for this matter at the November 3, 2015 SFMTA Board meeting), and incorporated by reference as though fully set forth (the “Improved Hospital Employee Access Strategies”); and

WHEREAS, The SFMTA Board of Directors further acknowledges that through the proposed Fund Ordinance, the Board of Supervisors may create an Advisory Committee to be the central City-sponsored community advisory body charged with providing input to the Board of Supervisors, the SFMTA, San Francisco Public Works (“SFPW”), the San Francisco Police Department (“SFPD”) and decision makers regarding use of monies in the Fund, and that the Advisory Committee shall perform the following functions as needed:

(a) Collaborate with the SFMTA on prioritizing the community improvement projects for required uses of the Fund and identifying implementation details as part of the SFMTA’s budget process;

(b) Recommend to the SFMTA uses of the Designated Overlapping Event Reserve established through the Fund Ordinance;

(c) Collaborate with the SFMTA, SFPW, SFPD, and decision makers in the monitoring of the required uses of the Fund, including expenditure of the Designated Overlapping Event Reserve, for the purpose specified in the Fund Ordinance; and,

(d) Review travel time data collected by the SFMTA for routes to the Event Center to determine if traffic conditions associated with the Event Center, especially when there are weekday evening overlapping events with large attendance at the Event Center and AT&T Park, should entail additional City actions and expenditures from the Fund or the Designated Overlapping Event Reserve, and make recommendations to the SFMTA on such actions and expenditures; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors, in relation to the actions set forth herein, adopts all of the following as they relate to the Event Center Project identified in the FSEIR for the Event Center Project:

(a) findings under CEQA, which are attached to this Resolution as Enclosure 2 and incorporated by reference as though fully set forth (the “CEQA Findings”);

(b) the mitigation measures, or designated portions of such measures, and the improvement measures, identified in the CEQA Findings, including, but not limited to, the Designated Overlapping Event Transportation Strategies (collectively the “SFMTA Mitigation and Improvement Measures”);

(c) the Statement of Overriding Consideration in the FSEIR for the Event Center Project, contained in the CEQA Findings; and

(d) the Mitigation Monitoring and Reporting Plan (the “MMRP”), Exhibit 1 to the CEQA Findings, which is incorporated by reference as though fully set forth; and, be it further

RESOLVED, That the SFMTA Board of Directors recognizes and acknowledges that should the Board of Supervisors not adopt the Fund Ordinance, the SFMTA Board of Directors has funds available at its sole discretion that are included in the Expenditure Plan, described below, and adopted as part of this Resolution that will be used to pay for mitigation measures M-TR-6 and M-TR-13 in order to reduce the impacts identified in the FSEIR and the MMRP to a less than significant level;

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute an agreement between the Office of Community Investment and Infrastructure (OCII) and the SFMTA, in which OCII designates the SFMTA as OCII's representative for the required monitoring and reporting of applicable transportation-related mitigation measures in the MMRP for the Event Center Project, including the SFMTA Mitigation and Improvement Measures, and agrees to reimburse the SFMTA for such services, which agreement will be subject to approval as to form by the City Attorney; and, be it further

RESOLVED, That, subject to obtaining sufficient funding and in accordance with the provisions of this Resolution, the SFMTA Board of Directors approves those elements of the Event Center Project that are under SFMTA jurisdiction, including:

(a) the Transportation Service Plan that is part of the Project description of the Event Center Project in the FSEIR, including the capital expenditures for procuring four light rail vehicles, extending and raising the northbound passenger platform or the variant for a center platform (as determined by the Director of Transportation, in his or her discretion), and constructing crossover tracks, among other capital expenditures; all as identified in the May 2015 Director Letter; and

(b) the Local/Hospital Access Plan, which is incorporated by reference as though fully set forth, to facilitate movement within the Mission Bay area for residents and non-Event Center employees and for University of California at San Francisco hospital employees and patients during the pre-event period for weekday evenings when Warriors games or other events with anticipated attendance of more than 12,500 persons occur at the Event Center; and be it further

RESOLVED: That the SFMTA Board of Directors modifies Enclosure 2 to incorporate the changes to the Mitigation, Monitoring and Reporting Program that staff read into the record at the November 3, 2015 meeting of the SFMTA Board of Directors; and be it further

RESOLVED, That the SFMTA Board of Directors agrees to seek and expend funds for transportation-related capital and operating costs for the Transportation Service Plan projects discussed in the May 2015 Director Letter, as well as the Local/Hospital Access Plan, the SFMTA Mitigation and Improvement Measures, and other measures, in accordance with the Expenditure Plan, as set forth in the Supplemental Director Letter, which Expenditure Plan updates and modifies the expenditure plan set forth in the May 2015 Director Letter, provided that implementation of such Expenditure Plan shall be subject to SFMTA's obtaining sufficient funding to pay for such costs consistent with this Resolution and the Fund Ordinance; and, be it further

RESOLVED, That the SFMTA Board of Directors recommends that the Board of Supervisors approve the Fund Ordinance substantially in the form on file with the SFMTA Board of Directors, with any such changes as the SFMTA Director of Transportation may, in his or her discretion, concur in as they affect SFMTA jurisdiction; and, be it further

RESOLVED, That the SFMTA Board of Directors accepts the terms and conditions of the proposed Fund Ordinance that apply to the SFMTA, including, but not limited to, coordinating with SFPW and SFPD in budgeting funds for the Event Center Project, holding a public hearing on the proposed Event Center Project budget in conjunction with the hearing on the SFMTA's regular two-year budget, considering recommendations of the Advisory Committee established under the proposed Fund Ordinance and in accordance with the standards of the Fund Ordinance, and expending funds consistent with the Expenditure Plan and the purpose of the Fund Ordinance; and, be it further

RESOLVED, That the SFMTA Board of Directors directs the Director of Transportation, in consultation with the City Traffic Engineer and the Advisory Committee, to monitor and manage the flow of transit and traffic surrounding the Event Center, including using funds in the Designated Overlapping Event Reserve and also any balance in the Fund that is not then budgeted for other purposes, to prevent any considerable additional traffic congestion from occurring in the pre-event peak period (for this purpose, 6-7:30 p.m.) during weekday evenings when there is an event - other than a Warriors game - with more than 12,500 people at the Event Center and a regular season evening Giants game at AT&T Park, consistent with the Designated Overlapping Event Transportation Strategies; and, be it further

RESOLVED, That the SFMTA Board of Directors delegates to the Director of Transportation, or designee, in his or her discretion and in accordance with the uses set forth in the Designated Overlapping Event Transportation Strategies, the authority to expend monies in the Designated Overlapping Event Reserve, including, but not limited to, executing contracts using such monies, up to the amount in the Designated Overlapping Event Reserve at the time of the expenditure, and requests that the Director of Transportation provide an annual written report to the SFMTA Board of Directors on expenditures from the Designated Overlapping Event Reserve; and, be it further

RESOLVED, If the Advisory Committee finds that a specified additional travel time delay for hospital employees exceeds the median travel time (the "Delay Metric") specified in the Improved Hospital Employee Access Strategies, and the Advisory Committee recommends using, in addition to the Designated Overlapping Event Reserve, any balance in the Fund that is not budgeted for other purposes under this Resolution and the Fund Ordinance, for services or capital projects to address such occurrence, then the Director of Transportation shall consider approving such recommendations, which approval the Director shall not unreasonably withhold or delay so long as such recommendations are consistent with the Improved Hospital Employee Access Strategies, and the Director shall take such actions as are necessary to seek any required approvals and implement such recommendations; and, be it further

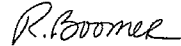
RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to approve any modification to the Delay Metric if the Advisory Committee recommends such modification under the Improved Hospital Employee Access Strategies based on SFMTA data collection and experience in using various strategies to address traffic conditions; and, be it

RESOLVED, That the Director of Transportation shall consult with the Advisory Committee regarding expenditures from the Fund and the Designated Overlapping Event Reserve and send an explanatory report to the SFMTA Board of Directors if the Director

determines not to follow particular recommendations of the Advisory Committee; and, be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to obtain any further approvals and carry out any actions needed to implement the Event Center Project, including, but not limited to, implementing the Transportation Service Plan, Local/Hospital Access Plan and Designated Overlapping Event Transportation Strategies and providing administrative support and staffing for the Advisory Committee referenced above.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of November 3, 2015.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

The Economics of Land Use



Report

San Francisco Multi-Purpose Venue Project

Fiscal Impact Analysis: Revenues

Prepared for:

The City and County of San Francisco

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EXECUTIVE SUMMARY

This report evaluates the public revenues expected to be generated by the proposed development of the Multi-Venue Project proposed by the Golden State Warriors (GSW) on the 12-acre site located in Mission Bay (the "Project"). A more detailed description of the Project is provided in **CHAPTER 1**. This report updates public tax revenues estimated in the Chapter 29 report prepared for the previous GSW proposal at Piers 30-32.

Potential costs have been separately estimated by the City. **Appendix A** documents the estimates and calculations that generate the projected tax revenues. The estimates in this analysis will change as a result of program refinement, actual attendance and expenditures, future local and State budget and fiscal conditions, and other cyclical economic factors.

Table 1 Fiscal Results Summary – Ongoing Revenues (2014\$)

Item	Calculation Reference	Annual Total*
Annual General Revenue		
Property Tax	Table A-4	\$912,000
Property Tax in Lieu of VLF	Table A-5	\$868,000
Sales Tax	Table A-7	\$521,000
Hotel/Motel Tax	Table A-8	\$1,667,000
Parking Tax	Table A-9 - A-10	\$482,000
Stadium Admission Tax	Table A-11	\$4,336,000
Gross Receipts Tax:		
On-site	Table A-12	\$2,431,000
Off-site	Table A-12	\$42,000
Utility User Tax	Table A-13	\$254,000
Subtotal		\$11,513,000
Annual Other Dedicated and Restricted Revenue		
Special Fund Property Taxes (Children's, Library, and Open Space)	Table A-4	\$148,000
Public Safety Sales Tax	Table A-7	\$260,000
SF County Transportation Authority Sales Tax	Table A-7	\$260,000
Parking Tax (MTA 80%)	Table A-9 - A-10	\$1,929,000
Subtotal		\$2,597,000
Total, General plus Other Dedicated and Restricted Revenues		\$14,110,000

* Numbers are rounded to the nearest thousand.

TABLE 2 summarizes various one-time revenues anticipated from development of the Project. These revenues will be spread over the initial years of Project development.

Table 2 Fiscal Results Summary, One-Time Revenues

Item	Calculation Reference	Total
<u>Development Impact Fees</u>		
Child Care	Table A-2	\$662,000
TIDF - §411.3	Table A-2	\$17,436,000
<u>Other One-Time Revenues</u>		
Sales Taxes During Construction	Table A-6	\$1,648,000
Gross Receipts Tax During Construction	Table A-11	\$2,953,000
Property Transfer Tax from Initial Land Sale	Table A-5	<u>\$4,200,000</u>
Total One-Time Revenues		\$26,899,000

* Numbers have been rounded to the nearest thousand.

1. PROJECT DESCRIPTION

The proposed Project includes a range of uses on a 12 acre site located at Mission Bay. The Project is located on a portion of the original Salesforce site and consists of a 750,000-square foot arena and 25,000 square feet of event management and team operations space. Additional development includes 522,000 square feet of office and 112,500 square feet of retail uses. The Project is also envisioned to include 950 parking spaces and 3.2 acres of open space, as shown in **TABLE 3**.

The proposed Project involves GSW's construction of a new privately financed, state-of-the art multi-purpose venue with seating for approximately 18,000 persons, capable of being used as an event venue and for other public assembly uses, including conventions, Golden State Warriors' home games, performing arts, and other purposes. The arena is envisioned to generate 205 annual events and attract about 2,071,400 paid visitors.

Table 3 Summary Project Description

Item	Total
Multi-Purpose Venue	
Building Area (1)	750,000 sq.ft.
Number of Seats	18,064 seats
Events	205 annually
Annual Paid Attendance (rounded)	2,071,400
Annual turnstile Attendance (2)	1,899,000
Parking (3)	950 spaces
Parking Area	427,500 sq.ft.
Other Development	
Event Management/Team Operations Space	25,000 sq.ft.
Retail	112,500 sq.ft.
Office	522,000 sq.ft.
Open Space	3.2 acres

(1) Includes 25,000 square feet associated with the practice facility/training areas.

(2) Based on a weighted avg. of approximately 90% of sold event tickets.

(3) Additional 132 offsite spaces for team operations not included.

Source: GSW; Economic & Planning Systems, Inc.

2. KEY ASSUMPTIONS AND METHODOLOGY

The Project will generate a range of tax revenues as summarized in **TABLES 1** and **2**. These revenues will help fund services to the Project area, as well as Citywide services and facilities. This section describes the revenues and basic methodology for the estimates. Assumptions and calculations of fiscal benefits are further described in **APPENDIX A**. Actual results will vary depending on the actual levels and types of activities, as well as fiscal and economic conditions at the time the Project is completed and open.

Property Taxes

Property tax based on 1 percent of value will be collected from the land and improvements in the Project. The Project is located in the Mission Bay South Redevelopment Area. Within this Redevelopment Area, the taxes collected will be distributed to the Office of Community Investment and Infrastructure, successor agency to the San Francisco Redevelopment Agency for redevelopment purposes. As a committed obligation under the California Redevelopment Law before the dissolution of redevelopment in California, a 20 percent portion¹ of the 1.0 percent gross "tax increment" collected is required to be passed-through to taxing entities (including the CCSF), and 20 percent is required to be allocated to affordable housing purposes. The remainder is available for redevelopment purposes, namely payment of existing debt service obligations that extend beyond the development period. After buildout, tax increment not otherwise committed to debt service or other redevelopment purposes could be available for distribution to taxing entities, including the General Fund.

The Project would result in annual revenue of \$912,000 to the CCSF based on AB1290 pass-through allocations (after distributions to affordable housing set-asides and debt service purposes) at buildout. The estimates are based on the amount of property tax increment pass-through to the General Fund after accounting for adjustments to ERAF² deductions; the General Fund would receive 55.59 percent of the 20 percent pass-through of gross tax increment.³

The General Fund distributes 9 cents from its property tax revenue to other dedicated City purposes, including the Children's Fund, Library Fund, and Open Space Fund. The assessed value is assumed to grow at a 2 percent annual rate (or at CPI, whichever is less) as required by State

¹ While the Project Area is currently in Tier 2 that requires an additional 16.8 percent allocation, the City and County of San Francisco (CCSF) General Fund and Special Funds only capture a share of 20 percent in Tier 1, while the San Francisco Unified School District captures a property tax from both tiers.

² ERAF is the Education Revenue Augmentation Fund that receives a share of property tax and is used by the State to supplement education funding.

³ Source: Correspondence from Seifel Consulting Inc., per discussions with CCSF Controller's Office, 2/5/10. Subsequent dissolution of redevelopment has no impact on the City's capture of the tax increment generated by the Project.

law, unless a transaction occurs which would reset the assessed value to the transaction price, or depreciation negatively affects assessed value.

The secured assessed value of the multi-purpose venue and parking is based on the direct construction cost for the structure, which is conservative. Market values for other uses are based on the capitalized value of their net income stream. Unsecured property tax revenues are added to the estimates; the values shown are based on current GSW tax payments, and are likely to be higher in a new facility. It is likely that property taxes will also accrue during construction, depending on the timing and method of assessment and tax levy.

Property Tax In-Lieu of Vehicle License Fees

Changes in the State budget converted a significant portion of Motor Vehicle License Fee (VLF) subventions, previously distributed by the State based on a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value growth within each entity. To the extent that development of the Multi-Purpose Venue results in an increase in the City assessed value, these revenues are projected to increase proportionately.

Property Transfer Tax

The City collects a property transfer tax of \$6.80 per \$1,000 of transferred value on transactions up to \$1 million, \$7.50 per \$1,000 on transactions up to \$5 million, \$20.00 per \$1,000 on transactions from \$5 million to \$10 million, and \$25.00 per \$1,000 on transactions above \$10 million.

The City will receive one-time transfer tax from the land transaction between Salesforce and GSW. Because of the infrequency of commercial sales, no transfer taxes are assumed from commercial properties or the multi-purpose venue.

Sales Taxes

The City General Fund receives 1 percent of taxable sales, in addition to sales taxes for public safety and transportation purposes.

Sales taxes will be generated from several Project-related sources:

- Concession sales from the multi-purpose venue
- Sales at new retail uses

Visiting basketball teams can generate a significant amount of commercial activity, including taxable expenditures and hotel revenues; however, nearly all of the Warriors opponents currently stay in San Francisco, therefore they will not represent a net increase in economic activity or public revenues.

In addition to the 1 percent sales tax received by every city and county in California, voter-approved local taxes dedicated to transportation purposes are collected. Two special districts, the San Francisco County Transportation Authority and the San Francisco Public Financing Authority (related to San Francisco Unified School District) also receive a portion of sales taxes (0.50 and

0.25 percent, respectively, in addition to the 1 percent local portion). The City also receives revenues from the State based on sales tax for the purpose of funding public safety-related expenditures.

Sales Taxes from Construction

One-time revenues during the construction phases of the Project will be generated by sales and use tax on construction materials and fixtures. Sales tax would be allocated directly to the City and County of San Francisco.

Transient Occupancy Tax (TOT)

Hotel Room Tax (also known as Transient Occupancy Tax or TOT) will be generated by hotel occupancies generated by the Project. The City currently receives 14 percent of room charges. While all of the Hotel Room Tax proceeds can be allocated to the General Fund, historically, a share also funded special programs like cultural equity endowment fund, culture centers, publicity/advertising events, and War Memorial. The actual allocations vary depending on future policy decisions by the Board of Supervisors.

TOT estimates are based on total room-nights generated by a portion of visitors from outside the region. This potential demand was reduced by 50 percent to account for a portion of visitors that will choose not to stay overnight in San Francisco or those that would have stayed in San Francisco regardless of the Project.

Parking Tax

The City collects tax on parking charges at garages and lots open to the public. The tax is 25 percent of the pre-tax parking charge. The SFMTA retains 80 percent of the parking tax revenue, the other 20 percent is available to the General Fund for allocation to special programs or purposes.

Although the proposed parking garage in the Project will provide parking that may be included in the cost of certain basketball season tickets, it is assumed that the equivalent parking tax would be charged for the value of the parking services provided.⁴ Similarly, parking tax is assumed to be paid for the use of garage parking spaces by GSW staff and visiting teams, as well as other staff or performers at the multi-purpose venue.

Additional parking tax revenues would be generated by visitors to events at the multi-purpose venue and office and retail uses. Parking tax is based on total cars parking on-site and off-site generated by demand from the multi-purpose venue events. This analysis assumes that spillover parking demand generated by the Project in excess of that accommodated on site would generate parking tax revenue elsewhere in the City.

⁴ Correspondence from the Treasurer-Tax Collector's Office, David Augustine to Jennifer Matz, 09/14/2012

Stadium Admissions Tax

Events at the multi-purpose venue are subject to the current stadium admissions tax.⁵ Currently, the San Francisco Giants pay a Stadium Tax of 25 cents per ticket for events at AT&T Park. The majority of events at the proposed multi-purpose venue would be subject to a tax rate of \$2.25 ticket, while non-basketball events would be subject to a lower tax. An average rate of \$2.10 per ticket is used for this analysis. The analysis applies the tax, assuming a mix of ticket prices, to all events except fixed fee rentals. Stadium Tax receipts will be deposited into the City's General Fund.

Gross Receipts Tax

Estimated gross receipts tax revenues from on-site businesses and activities are derived from revenue estimates using data from the City's Assessor, retail sales, and parking revenue projections. This analysis does not estimate the "phase in" of this tax during the 2014 to 2017 period and assumes gross receipts taxes will be substantial enough to replace the existing payroll tax. Actual revenues from future gross receipt taxes will depend on a range of variables, including the multi-purpose venue performance, business sizes, share of activity within San Francisco, and other factors.

Additional taxes will be generated through indirect economic activity; these are estimated and shown separately from direct tax revenues because of their secondary nature.

Utility User Tax

The utility user tax is a 7.5 percent tax on commercial utility billings. The fiscal analysis estimates the revenues based on the existing GSW arena utility cost of \$1.5 million a year, which is below comparable arenas. In addition, utility costs for commercial uses are estimated on a per square foot basis.

One-Time Revenues

The City will collect a number of revenues that are not recurring, as described in prior sections. One-time revenues include:

- Transfer taxes on the initial land sale
- Sales taxes from the purchase of construction materials
- Gross receipts taxes from construction activity

The Project will also pay development impact fees, as explained below.

⁵ Correspondence from the Treasurer-Tax Collector's Office, David Augustine to Jennifer Matz, 09/14/2012

Development Impact Fees

GSW will pay to the City all applicable development impact fees relating to developing the Project. Applicable City impact fees include:

- Child Care (Planning Code Sec. 414) – A fee per square foot paid by office and event management space uses
- Transit Impact Development Fee (Planning Code Sec. 411.3) – A fee per square foot paid by all commercial uses.

In addition to the impact fees charged by the City, there are a range of other utility connection and capacity charges that will be collected based on utility consumption and other factors. Other fees will include school impact fees to be paid to the San Francisco Unified School District.

APPENDIX A:
Fiscal Analysis



**Table A-1
San Francisco Revenue Summary (2014 dollars)
Multi-Purpose Venue**

Item	Calculation Reference	Annual Total
Annual General Revenue		
Property Tax (General Fund)	Table A-3	\$911,515
Property Tax in Lieu of VLF	Table A-4	\$868,367
Sales Tax	Table A-6	\$520,948
Hotel/Motel Tax (General Fund)	Table A-7	\$1,667,012
Parking Tax	Table A-9 - A-10	\$482,197
Stadium Admissions Tax	Table A-10	\$4,335,920
Gross Receipts Tax:		
On-site	Table A-11	\$2,431,277
Off-site (1)	Table A-11	\$42,151
Utility User Tax	Table A-12	<u>\$253,707</u>
Subtotal		\$11,513,096
Annual Other Dedicated and Restricted Revenue		
Special Fund Property Taxes (Children's, Library, and Open Space)	Table A-3	\$148,000
Public Safety Sales Tax	Table A-7	\$260,474
San Francisco County Transportation Authority Sales Tax	Table A-7	\$260,474
MTA Parking Tax	Table A-9 - A-10	<u>\$1,928,789</u>
Subtotal		\$2,597,737
TOTAL REVENUES		\$14,110,833

(1) Reflects additional tax generated by the Multi-Purpose Venue visitors off-site from additional hotel.

Source: Economic & Planning Systems, Inc.

**Table A-2
San Francisco City One-Time Fee Revenue Estimate
Multi-Purpose Venue**

Item	Office/Event Management Space	Retail	Multi-Purpose Venue (1)	TOTAL
New Gross Building Area (sq.ft.) (2)	547,000	112,500	750,000	
City Fees (per gross building sq.ft.) (3)				
Child Care	\$1.21	\$0.00	\$0.00	\$661,870
Transit Impact Development Fee (§411.3) (4)	\$8.87	\$14.59	\$14.59	\$17,435,765
Total Development Impact Fee	\$5,513,760	\$1,641,375	\$10,942,500	\$18,097,635
Other In-Lieu Impact Fees (5)				
One-Time Transfer Tax		<i>see Table A-6</i>		\$4,200,000

(1) Estimated subject to fees based on the gross area.

(2) Excludes parking area.

(3) All impact fees are effective as of 1/1/15 and are subject to change based on final project scope of project.

(4) The office fee reflects the increment between the current maximum and the baseline \$5 per square foot fee established with the Redevelopment Plan.

(5) Include public art installation fee of 1% of construction value and street trees fees. These fees can be offset by the developer's construction of public

**Table A-3
Property Tax Estimate
Multi-Purpose Venue**

Item	Assumptions	Total
Secured Assessed Value (1)		
Multi-Purpose Venue		\$550,000,000
Other Development		
Event Management/Team Operations Space		\$14,500,000
Retail		\$41,343,750
Office		\$302,760,000
Parking		<u>\$33,250,000</u>
Subtotal		\$391,853,750
New Taxable Value		\$941,853,750
Gross Secured Possessory Interest/Property Tax	1.0% of new AV	\$9,418,538
Unsecured Tax from the Warriors (2)		\$183,333
Unsecured Tax From Other Uses (3)		<u>\$391,854</u>
Subtotal		\$9,993,725
(less) Existing Taxes (4)		(\$1,795,169)
Total		\$8,198,556
Property Tax		
Tier 1 Property Tax Pass Through (5)	20.0%	1,639,711
Tier 2 Property Tax Pass Through (5)	<u>16.8%</u>	<u>1,377,357</u>
Tier 1 and 2 Property Tax Pass Throughs (5)	36.8%	3,017,069
Net New General Fund Share (after ERAF)	55.59% property tax tier 1 pass through	\$911,515
Special Funds (6)	9.00% property tax tier 1 pass through	\$147,574
SF Unified School District	7.70% property tax pass through	\$232,314
Affordable Housing Set Aside		\$1,639,711

Notes to Table A-3

Note: Total assessed value slightly less than total development costs due to the exclusion of "soft costs" from assessed value; this is a conservative assumption.

- (1) Initial secured assessed valuation is based on the assessed value of \$550 million for the Multi-Purpose Venue (equal to the hard construction costs of the structure), and the market values of all other uses as follows: \$580 per square foot for office space and Warriors Event Management/Team Operations Space, \$368 per square foot for retail, and construction cost of \$45,000 per space for parking. Assessment is assumed to include the existing land value.
- (2) Based on the existing Golden State Warriors assessment and payment adjusted for the difference in tax rates; the new assessment is likely to exceed this payment.
- (3) Assumed at 10% of Warriors Event Management/Team Operations Space and retail assessed value.
- (4) Reflects the existing property tax based on the purchase price from Salesforce inflated by 2% a year over 2 years.
- (5) While the pass throughs increase above 20% in tiers 2 and 3 per AB1290, the City only receives the share of Tier 1 pass through. The City's share of Tiers 2 and 3 goes to the redevelopment agency successor (02.13.13 interview with the SF Controller's Office). Mission Bay South redevelopment area is currently in Tier 2 with 36.8% generated in pass throughs.
- (6) Special funds include property tax set aside for Library, Open Space, and Children's Fund. This reflects the recent approval of Measure C, which will start shifting the General Fund allocation to Children's Fund by 0.25% increments of pass throughs starting in FY15-16 until reaching 55.59% of the 1% base property tax, a reduction from the current 56.59%. These allocations have not changed from the dissolution of redevelopment with proceeds that would have been received by the redevelopment agency now received by the successor agency (the Office of Community Investment and Infrastructure).

Sources: Golden State Warriors; City of San Francisco; Economic & Planning Systems, Inc.

**Table A-4
Property Tax in Lieu of VLF Estimate
Multi-Purpose Venue**

Item	Total
Citywide Total Assessed Value (millions \$) (1)	\$172,489
Total Assessed Value of Project (see property tax calculation)	\$941.85
(less) Existing Value	<u>-\$179.52</u>
Net Increase in Project Assessed Value (millions \$)	\$762.34
Growth in Citywide AV due to Project	0.442%
Total Property Tax in Lieu of Vehicle License Fee (VLF) (FY2014-15)	\$196,480,000
Net New Property Tax in Lieu of VLF	\$868,367

Sources: Economic & Planning Systems, Inc.

**Table A-5
Property Transfer Tax
Multi-Purpose Venue**

Item	Assumptions	Total
<u>One-Time Transfer Tax</u> Estimated Land Sale (1)		\$172,546,000
One-time Transfer Tax (2)	\$24.34 per \$1,000 value	\$4,200,000

(1) Reflects a land acquisition of a portion of the original Salesforce site based on the FAR allocation (1 mill. sq.ft.). The estimate is based on review of recent prevalent land prices as of the date of this report the actual land sale is not available.

(2) Based on the City's graduated tax that varies between \$5 per \$1,000 on the first \$250,000 in value and \$25 per \$1,000 on value above \$10 million with the total provided by the City.

Sources: GSW; City of San Francisco; Economic & Planning Systems, Inc.

Table A-6
Sales Tax Estimates
Multi-Purpose Venue

Item	Assumptions	Total
Taxable Sales From Multi-Purpose Venue		
Warriors Game Concessions and Merchandise	\$21.60 per attendee (turnstile)	\$15,768,000
Other Event Concessions	\$11.00 per attendee (turnstile)	<u>\$12,859,000</u>
Total		\$28,627,000
Sales Tax to General Fund	1.0% of sales	\$286,270
(less) Existing Sales Shift (1)		<u>(\$18,447)</u>
Net New Sales Tax		\$267,823
Taxable Sales From Commercial Space		
Retail	\$450 per sq.ft.	\$50,625,000
Sales Tax to San Francisco	1.0% of taxable sales	\$506,250
(less) Shift From Existing Sales (2)		<u>(\$253,125)</u>
Net New Sales Tax		\$253,125
Annual Sales Tax after Shift of Existing Sales		
Sales Tax to the City General Fund	1.00%	\$520,948
Public Safety Sales Tax (3)	0.50% of taxable sales	\$260,474
San Francisco County Transportation Authority (3)	0.50% of taxable sales	\$260,474
SF Public Financing Authority (Schools) (3)	0.25% of taxable sales	\$130,237
One-Time Sales Taxes on Construction Materials and Supplies		
New Taxable Value		\$941,853,750
Supply/Materials Portion of Development Value	50.00%	\$470,926,875
San Francisco Capture of Taxable Sales	50.00%	\$235,463,438
Sales Tax to San Francisco	1.0% of taxable sales	\$2,354,634

(1) A portion of new sales from San Francisco residents at the facility are expected to have occurred elsewhere in San Francisco, were the project not built. To account for this, sales that would have occurred elsewhere in San Francisco are deducted from the total. This proportion is estimated based on the following factors: 30% of Multi-Purpose Venue visitors are San Francisco residents with the remainder drawn from other locations; half of the spending of San Francisco residents is assumed to be shifted from other purchases in the City on non-basketball events.

(2) Deducts share of sales that would have occurred elsewhere in San Francisco (assumes 50%).

(3) Sales tax proportions for these entities are as reported in Controller's Office publication on sales tax from 2008.

Sources: Golden State Warriors; City of San Francisco; Economic & Planning Systems, Inc.

**Table A-7
 Transient Occupancy Tax Estimates
 Multi-Purpose Venue**

Item	Estimating Factor	Total
<u>Overnight Attendees in San Francisco for Multi-Purpose Venue Events</u>		
Events per Year		205
Total turnstile attendance		1,899,000
Potential Overnight Visitors (1)		189,900
Net New Overnight Visitors (2)	50%	94,950
Hotel Room Demand	1.90 people per room	49,974
Off Site Hotel/Motel Room Proceeds (3)	\$238 per room- night	\$11,907,230
Total Hotel/Motel Tax Revenue (4)	14% of room revenue	\$1,667,012

(1) Assumed non-resident visitors from outside Bay Area are estimated based on the traffic analysis allocation of arena visitors.

(2) Estimated share of potential room demand from visitors outside region, who would have stayed in San Francisco anyhow, or stayed elsewhere.

(3) Reflects the FY2013-14 Citywide average reported by CCSF.

(4) Historically, a share of the General Fund revenue was allocated to fund cultural equity endowment fund, culture centers, publicity/advertising events, and War Memorial.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-8
Parking Tax
Multi-Purpose Venue**

Item	Assumption	Total
Total Spaces On Site		950
Parking Revenues On Site		
Total (1)	\$25 per day	\$8,668,750
(less) Vacancy	30%	<u>(\$2,600,625)</u>
Total		\$6,068,125
Spaces Off Site		
Annual Demand (spaces) (2)		178,791
Total Parking Revenue	\$20 per day	\$3,575,821
San Francisco Parking Tax	25% of annual revenue	\$2,410,987
Parking Tax Allocation to Gen'l Fund/Special Prc	20% of tax proceeds	\$482,197
Parking Tax Allocation to Municipal Transp. Fund	80% of tax proceeds	\$1,928,789

(1) Based on parking revenue of \$25 a day net of parking taxes.

(2) Reflects parking demand generated by the Multi-Purpose Venue visitors only in excess of onsite capacity
it is likely that additional revenue will be generated by parking demand resulting from other Project components,
such as commercial space.

Sources: GSW and Economic & Planning Systems, Inc.

**Table A-9
Daily Parking & Transit Demand Estimate
Multi-Purpose Venue**

Events	Event Turnstile Attendance	Average per Car	Daily Event Pkg. Demand (1)	Annual Events	Annual Parking Space	Daily Event Muni Ridership (2)	Annual Ridership (round trip)
Basketball Games	17,000	2.5	3,740	41	153,340	4,080	167,280
GSW Preseason	11,000	2.5	2,420	3	7,260	2,640	7,920
Concerts	12,000	2.8	2,357	30	70,714	2,880	86,400
Concerts Theater	3,000	2.8	589	15	8,839	720	10,800
Other Sporting Events	7,000	2.8	1,375	30	41,250	1,680	50,400
Family Shows	5,000	4.0	688	55	37,813	1,200	66,000
Fixed Fee Rentals/Miscellaneous	9,000	1.5	3,300	<u>31</u>	<u>102,300</u>	2,160	<u>66,960</u>
Total				205	421,516		455,760

(1) On average, 55% of the visitors are assumed to be arriving by car.

(2) Muni ridership assumed to be 60% of transit ridership, which is projected to be 40% of turnstile attendance:

Sources: Golden State Warriors; EPS review of AT&T Park modal split survey (MTA); EPS review of Travel Demand Summary.

**Table A-10
Stadium Admissions Tax
Multi-Purpose Venue**

Item	Total
Annual Multi-Purpose Venue Ticket Sales (1)	
Warriors Games	772,508
Other Events	1,298,889
Average Admission Tax (2)	\$2.10
Warriors Games	\$2.25
Other Events	\$2.00
Total Annual Admission Tax (3)	\$4,335,920

(1) Paid attendance; excludes fixed fee rental events.

(2) Reflects a range of ticket prices with "other events" assumed at \$2 per ticket (assumes 15% of the tickets below \$25, 85% above \$27) and the Warriors games assumed at \$2.25 per ticket (applies to tickets exceeding \$27 in value). Combines regular admission and supplemental admission tax.

(3) Historically, a share of the revenue was allocated to recreation and parks; this analysis assumes the revenue is fully captured by the General Fund.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-11
Gross Receipts Tax Estimates
Multi-Purpose Venue**

Item	Total Gross Receipts (GR)	GR Allocated to SF for GR Tax	Gross Revenue Tier				Gross Receipts Tax
			up to \$1m	\$1m - \$2.5m	\$2.5m - \$25m	\$25m+	
Multi-Purpose Venue (1)	\$67,593,667	\$67,593,667	0.285%	0.285%	0.300%	0.300%	\$202,406
Golden State Warriors (2)	\$160,000,000	\$97,582,418	0.300%	0.325%	0.325%	0.400%	\$371,330
Retail (3)	\$25,312,500	\$25,312,500	0.075%	0.100%	0.135%	0.160%	\$25,313
Office (3) (4)	\$415,917,440	\$374,325,696	0.400%	0.460%	0.510%	0.560%	\$1,721,898
Parking	\$8,668,750	\$8,668,750	0.075%	0.100%	0.135%	0.160%	\$10,578
Office/Retail Rent (3)	<u>\$35,001,000</u>	<u>\$35,001,000</u>	0.285%	0.285%	0.300%	0.300%	<u>\$99,753</u>
Subtotal	\$712,493,356	\$608,484,030					\$2,431,277
<u>Off-Site Impacts</u>							
Parking	\$3,575,821	\$3,575,821	0.075%	0.100%	0.135%	0.160%	\$3,702
Off-site Hotels	<u>\$11,907,230</u>	<u>\$11,907,230</u>	0.300%	0.325%	0.325%	0.400%	<u>\$38,448</u>
Subtotal	\$15,483,051	\$15,483,051					\$42,151
Total Gross Receipts	\$727,976,408	\$623,967,081					\$2,473,428
<u>Project Construction</u>							
New Taxable Value (5)	\$942,000,000	\$942,000,000					
Direct Construction Cost (6)	\$659,400,000	\$659,400,000	0.300%	0.350%	0.400%	0.450%	\$2,953,050

- (1) Includes concessions and merchandise sales during events and ticket sales for non-Warrior games assuming an average ticket sale price of \$30; Warriors ticket sales are captured under the Warriors revenues.
- (2) Assumes that 61% (50% of player salaries and 100% of support staff) of the maximum tax potential would be generated to the City given that players would not be subject to the tax for games played outside of San Francisco.
- (3) Based on the tax rate in the 3rd tier since the number of tenants and associates receipts per tenant are not known.
- (4) Based on the IMPLAN-derived factor of \$213,500 per office employee; 90% of gross receipts are assumed to be subject to the tax as businesses with receipts below \$1 million and employment outside of San Francisco will be exempt.
- (5) See Table A-4; rounded.
- (6) Hard costs have not been estimated for the entire project; as a planning estimate, roughly 30% of costs are assumed to be planning and engineering costs.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-12
Utility User Tax Estimates
Multi-Purpose Venue**

Item	Assumption	Total
<u>Arena Utility Cost (1)</u>		\$1,490,000
<u>Other Uses</u>		
Retail	\$2.87 per sq.ft.	\$322,875
Office (including Event Management and Team Operations)	\$2.87 per sq.ft.	<u>\$1,569,890</u>
Total Annual Commercial Utility Cost		\$3,382,765
Utility User Tax	7.5% of commercial utility cost	\$253,707

(1) Based on the existing annual cost for the Warriors arena in Oakland; this estimate is conservative relative to costs incurred by other comparable arenas across the country.

	ESTIMATED COST	5-Year Plan					Total 5-Year Plan
	FY13-14 \$	FY14-15 1	FY15-16 2	FY16-17 3	FY17-18 4	FY18-19 5	
PRELIMINARY CAPITAL USES							
<u>Transit Investments</u>							
(4) New Light Rail Vehicles	\$18,300,287	-	-	-	21,000,000	-	\$21,000,000
Installation of (3) single crossovers							
Conceptual Engineering Phase	\$176,134	\$182,299	\$0	\$0	\$0	\$0	\$182,299
Detail Design Phase	\$469,691	\$486,130	\$0	\$0	\$0	\$0	\$486,130
Construction Phase	\$7,058,715	\$0	\$0	\$7,826,123	\$0	\$0	\$7,826,123
Bus Substitution Cost	\$650,000	\$0	\$0	\$720,667	\$0	\$0	\$720,667
Total Installation of single crossovers	\$8,354,540	\$668,429	\$0	\$8,546,790	\$0	\$0	\$9,215,219
(Allocation to projects 70%)	\$5,848,178	\$467,900	\$0	\$5,982,753	\$0	\$0	\$6,450,653
Construct new Center Boarding platform 16.6 feet x 320 feet							
Conceptual Engineering Phase	\$500,000	\$0	\$535,613	\$0	\$0	\$0	\$535,613
Detail Design Phase	\$1,500,000	\$0	\$1,606,838	\$0	\$0	\$0	\$1,606,838
Construction Phase	\$17,000,000	\$0	\$0	\$18,848,204	\$0	\$0	\$18,848,204
Bus Substitution Cost	\$3,500,000	\$0	\$0	\$3,880,513	\$0	\$0	\$3,880,513
Total UCSF platform Center Platform	\$22,500,000	\$0	\$2,142,450	\$22,728,716	\$0	\$0	\$24,871,166
Power augments to idling "event" trains	\$6,800,000			\$7,539,282			\$7,539,282
Total Transit Investments	\$55,954,827	\$668,429	\$2,142,450	\$38,814,788	\$21,000,000	\$0	\$62,625,667
Total Transit Investments - Allocation to Project	\$53,448,465	\$467,900	\$2,142,450	\$36,250,751	\$21,000,000	\$0	\$59,861,101
<u>Traffic/Signals Engineering Investments</u>							
CCTV Cameras @ 5 locations	\$175,000	-	\$65,613	\$126,117	-	-	\$191,729
Variable Message Signs (VMT)	\$405,000	-	\$151,846	\$291,870	-	-	\$443,716
Traffic Signals (South Street and Terry Francois Boulevard, and 16th Street and Terry Francois Boulevard, and Illinois Street / M)	\$1,200,000	-	\$449,915	\$864,800	-	-	\$1,314,714
Transportation Management Center Network Upgrades	\$80,000	-	\$29,994	\$57,653	-	-	\$87,648
Total Traffic/Signals Engineering Investments	\$1,860,000	\$0	\$697,367	\$1,340,440	\$0	\$0	\$2,037,807
Mariposa Street Restriping Study	\$20,000		\$20,000				\$20,000
Total Estimated Capital Uses	\$57,814,827	\$668,429	\$2,839,817	\$40,155,228	\$21,000,000	\$0	\$64,663,474
Total Estimated Capital Uses Allocation to Project	\$55,308,465	\$467,900	\$2,839,817	\$37,591,191	\$21,000,000	\$0	\$61,898,909
PRELIMINARY CAPITAL SOURCES							
In Lieu TIDF (SFMTA)	\$17,436,000	-	-	-	\$19,434,536	-	\$19,434,536
General Fund Capital Sources (see Financial Feasibility Study)	\$7,955,799	\$0	\$3,390,000	\$2,255,583	\$2,310,216	\$0	\$7,955,799
Total Estimated Capital Sources	\$25,391,799	\$0	\$3,390,000	\$2,255,583	\$21,744,752	\$0	\$27,390,335
CAPITAL SOURCES LESS USES	(\$32,423,028)	(\$668,429)	\$550,183	(\$37,899,645)	\$744,752	\$0	(\$3,273,139)
CAPITAL SOURCES LESS USES	(\$29,916,666)	(\$467,900)	\$550,183	(\$35,335,608)	\$744,752	\$0	(\$34,508,573)



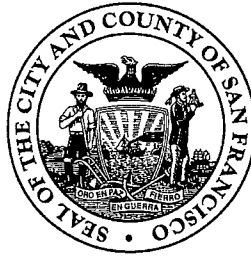
Capital and Operating Cost Estimates for the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 (the Project) (please see notes)

	ESTIMATED COST					Total 5-Year Plan
	FY13-14 \$	FY14-15	FY15-16	FY16-17	FY17-18	
PRELIMINARY OPERATING COSTS						
<u>Transit Operating Costs by Event Type</u>						
Annual Transit Costs: Playoff Basketball Games (16)	\$536,670	-	-	-	\$307,920	\$637,395
Annual Transit Costs: Basketball Games (43)	\$1,442,300	-	-	-	\$827,536	\$1,713,000
Annual Transit Costs: Concerts (30)	\$654,000	-	-	-	\$375,240	\$776,747
Annual Transit Costs: Convention, Theater, Shows & Other Sporting Events (131)	\$916,300	-	-	-	\$525,738	\$1,088,277
Total Transit Operating Costs (89 large events plus 131 other events/Year)	\$3,549,270	\$0	\$0	\$0	\$2,036,434	\$4,215,419
<u>Enforcement Operating Costs by Event Type</u>						
Annual Enforcement Operating Costs: Playoff Basketball Games (16)	\$334,941	-	-	-	\$192,176	\$397,805
Annual Enforcement Operating Costs: Basketball Games (43)	\$900,155	-	-	-	\$516,474	\$1,069,101
Annual Enforcement Operating Costs: Concerts (30)	\$628,015	-	-	-	\$360,331	\$745,885
Annual Enforcement Operating Costs: Local Hospital Access Plan (52)	\$110,933	-	-	-	\$63,649	\$131,754
Annual Enforcement Operating Costs: Convention, Theater, Shows & Other Sporting Events (131)	\$918,794	-	-	-	\$527,168	\$1,091,239
Total Enforcement Operating Costs (89 large events, 52 LHAP and 131 other events/Year)	\$2,892,838	\$0	\$0	\$0	\$1,659,799	\$3,435,784
<u>Mitigation Measure Cost</u>						
Additional PCOs for events 12,500 and over (MM TR-2a)	\$226,967	-	-	-	\$130,225	\$269,565
Additional PCOs during overlapping events (MM TR-11a)	\$11,476	-	-	-	\$6,584	\$13,630
Additional Strategies to Reduce Transportation Impacts of Overlapping Events (M-TR-11c)	\$11,476	-	-	-	\$6,584	\$13,630
Transit Demand Accommodation (22 Fillmore)	\$220,000	-	-	-	\$126,228	\$261,291
Total Mitigation Measure Operating Costs	\$469,918	\$0	\$0	\$0	\$269,621	\$558,115
Total Operating Cost	\$6,912,026	\$0	\$0	\$0	\$3,965,854	\$8,209,318
PRELIMINARY OPERATING SOURCES						
<u>Transit Sources Assumptions by Event Type</u>						
Annual Transit Fares: Basketball Games (59)	\$396,947	-	-	-	\$221,223	\$454,612
Annual Transit Fares: Concerts (30)	\$148,800	-	-	-	\$82,928	\$170,417
Annual Transit Fares: Convention, Theater, Shows & Other Sporting Events (131)	\$322,800	-	-	-	\$179,900	\$369,694
Total Annual Transit Fares	\$868,547	\$0	\$0	\$0	\$484,050	\$994,723
<u>Special Event Parking Sources by Event Type</u>						
Annual Parking Revenues: Basketball Games (59)	\$411,037	-	-	-	\$229,075	\$470,750
Annual Parking Revenues: Concerts (30)	\$156,243	-	-	-	\$87,076	\$178,941
Annual Parking Revenues: Convention, Theater, Shows & Other Sporting Events (131)	\$337,067	-	-	-	\$187,851	\$386,034
Total Annual Incremental Parking Revenues	\$904,347	\$0	\$0	\$0	\$504,002	\$1,035,724
<u>Other SFMTA Revenues</u>						
Total Other SFMTA Revenue (See Financial Feasibility Study)	\$2,981,000	\$0	\$0	\$0	\$1,379,142	\$3,405,761
<u>General Fund Sources - Mission Bay Transportation Improvement Fund</u>						
Total General Fund Sources (See Financial Feasibility Study)	\$2,158,132	\$0	\$0	\$0	\$1,598,660	\$2,773,110
Total Operating Sources	\$6,912,026	\$0	\$0	\$0	\$3,965,854	\$8,209,318
OPERATING SOURCES and LESS USES	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

- Total estimated 220 events/year for calculating the operating costs and revenue;
- Costs based on FY2014 \$ and inflated to FY2019 \$ with 3.5% increase annually;
- The proposed plan includes purchasing 4 additional trains and shifting 2 two cars from another route(s) at the end of the PM commute period. This could increase crowding in other parts of the system;
- Transit estimates based on 35% mode share;
- Enforcement time at overtime rates;
- Estimated transit revenue based on 57% of regular service revenues - equal to other special events. Estimated parking revenue assumes special event zone equivalent to half core, premium zone for AT&T park. 2.75% annual inflation;
- FY17-18 operating revenue and expense are calculated for half year instead of full year as the Warrior's Arena is projected to be open for events starting January 2017;
- Operating cost for mitigation measurer M-TR-2a: areawide wayfinding plan for parking facilities service the Event Center and M-TR-4a additional Muni service to accommodate transit demand;
- Capital Funding source: 1) TIDF is paid at Certificate of Occupancy in FY17-18; 2) Construction related taxes include sales taxes and gross receipts, projections from Controller
- General fund sources based on Controller's Estimates

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: John Rahaim, Director, Planning Department
Mohammed Nuru, Director, Public Works
Tiffany Bohee, Executive Director, Office of Community Investment and Infrastructure
Ed Reiskin, Executive Director, Municipal Transportation Agency
Harlan Kelly, Jr., General Manager, Public Utilities Commission
John Updike, Director, Real Estate Division
Chief Greg Suhr, Police Department

FROM: Alisa Somera, Assistant Clerk

DATE: October 23, 2015

SUBJECT: LEGISLATION REFERRAL: GOLDEN STATE WARRIORS PROJECT

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by the Mayor, related to the Golden State Warriors Event Center and Mixed Use Project. Under each legislation is a list of documents that need to be submitted for the legislative file.

File No. 150994

Resolution adopting findings under the California Environmental Quality Act (CEQA) and the CEQA Guidelines, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations, in connection with the development of the Golden State Warriors Event Center and Mixed-Use Development at Mission Bay South Blocks 29-32 and the Mission Bay South Redevelopment Plan.

Documents Needed:

- Mitigation Monitoring and Reporting Program
- Statement of Overriding Considerations
- Final Subsequence Environmental Impact Report (FSEIR)
- Draft Summary of Comments and Responses
- OCII Commission FSEIR Certification Resolution
- MTA Board Approving Components/CEQA Findings Resolution

File No. 150995

Ordinance amending the Administrative Code to establish a fund to pay for City services and capital improvements addressing transportation and other needs of the community in connection with events at the Golden Gate Warriors Event Center and Mixed Use Project; create an advisory committee to make recommendations about the use of monies from the fund; and adopting findings under the California Environmental Quality Act.

Document Needed:

- MTA Budget Proposal Resolution

File No. 150996

Ordinance delegating to the Director of Public Works the authority to accept required public improvements related to the development of the Golden State Warriors Events Center and Mixed-Use Development pursuant to the Mission Bay South Redevelopment Plan; authorizing the Director of the Real Estate Division to accept any future easements, licenses, or grant deeds related to the development project, including public sidewalk easements and grant deeds for property underlying public improvements; and adopting findings pursuant to the California Environmental Quality Act.

Documents Needed:

- Legislative Digest
- Application for Tentative Subdivision Map No. 8539
- Public Works Order
- Irrevocable Offers of Dedication
- Grant Deeds
- Public Sidewalk Easement Agreement

File No. 150997

Ordinance ordering the summary vacation of four easements for water line, sanitary sewer, and/or storm water purposes, and two offers of dedication within portions of Assessor's Block No. 8722, Lot Nos. 1 and 8, within the Mission Bay South Redevelopment Plan Area for the Golden State Warriors Event Center and Mixed-Use Development at Mission Bay South Blocks 29-32; authorizing a termination and quitclaim of the easements and other City and County of San Francisco rights and interest in the vacated areas; authorizing the General Manager of the Public Utilities Commission and the Director of Property to execute the quitclaim deeds for the vacated easements and vacation area; retroactively extending a license agreement for the public's use of the temporary Terry A. Francois Boulevard; adopting findings pursuant to the California Environmental Quality Act; and making findings of consistency with the Mission Bay South Redevelopment Plan, the General Plan, and the eight priority policies of Planning Code, Section 101.1, for the actions contemplated in this Ordinance.

Documents Needed:

- Legislative Digest
- Public Works SUR Maps
- Public Works Order
- Planning Department Determination Letter
- Office of Community Investment and Infrastructure Determination Letter
- License Agreement

Please submit all of the listed documentation that your department is responsible for to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email: alisa.somera@sfgov.org.

c: Scott Sanchez, Planning Department
Sarah Jones, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Jeanie Poling, Planning Department
Frank Lee, Department of Public Works
Claudia Guerra, Office of Community Investment and Infrastructure
Natasha Jones, Office of Community Investment and Infrastructure
Janet Martinsen, Municipal Transportation Agency
Kate Breen, Municipal Transportation Agency
Dillon Auyoung, Municipal Transportation Agency
Juliet Ellis, Public Utilities Commission
Christine Fountain, Police Department

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *fd* Mayor Edwin M. Lee *NE*
RE: Administrative Code - Establishing Mission Bay Transportation
Improvement Fund, and Advisory Committee
DATE: October 6, 2015

Attached for introduction to the Board of Supervisors is an ordinance amending the Administrative Code to establish a fund to pay for City services and capital improvements addressing transportation and other needs of the community in connection with events at the Golden Gate Warriors Event Center and Mixed Use Project, and to create an advisory committee to make recommendations about the use of monies from the Fund; and adopting findings under the California Environmental Quality Act.

Please note that this legislation is co-sponsored by Supervisors Kim, Farrell, Tang, Mar, Wiener, Campos, Christensen, Cohen, Yee and Breed,

I respectfully request that this item be calendared in Budget and Finance Committee on November 9, 2015.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

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