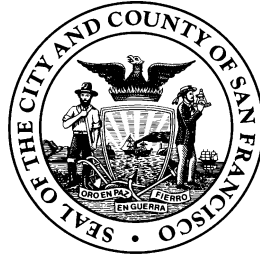


BOARD of SUPERVISORS



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: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight Committee,
Board of Supervisors

DATE: February 12, 2020

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Government Audit and Oversight Committee

The Board of Supervisors' Government Audit and Oversight Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 200117

Resolution declaring the intention to establish the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) and a future annexation area; ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on April 7, 2020, at 3:00 p.m.; determining other matters in connection therewith, as defined herein; and making findings under the California Environmental Quality Act.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

_____ **No Comment**

_____ **Recommendation Attached**

Chairperson, Small Business Commission

1 [Resolution of Intention - Establishing the Mission Rock Special Tax District No. 2020-1
2 (Mission Rock Facilities and Services) - April 7, 2020, at 3:00 p.m.]

3 **Resolution declaring the intention to establish the City and County of San Francisco**
4 **Special Tax District No. 2020-1 (Mission Rock Facilities and Services) and a future**
5 **annexation area; ordering and setting a time and place for a public hearing of the**
6 **Board of Supervisors, sitting as a Committee of the Whole, on April 7, 2020, at 3:00**
7 **p.m.; determining other matters in connection therewith, as defined herein; and making**
8 **findings under the California Environmental Quality Act.**

9
10 WHEREAS, California Statutes of 1968, Chapter 1333 ("Burton Act") and San
11 Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581, empower the
12 City and County of San Francisco ("City"), acting through the San Francisco Port Commission
13 ("Port" or "Port Commission"), with the power and duty to use, conduct, operate, maintain,
14 manage, regulate, and control the lands within Port jurisdiction; and

15 WHEREAS, Seawall Lot 337 Associates, LLC, a Delaware limited liability company
16 ("Master Developer") and the City, acting by and through the Port, are parties to a Disposition
17 and Development Agreement (as amended from time to time, "DDA"), including a Financing
18 Plan (as amended from time to time, "Financing Plan"), that governs the disposition and
19 development of certain parcels in the jurisdiction of the Port, including Seawall Lot 337, 3.53
20 acres of Terry A. Francois Boulevard from Third Street to Mission Rock Street, China Basin
21 Park and ½ acre to the east of Terry A. Francois Boulevard between Pier 48 and Pier 50
22 ("Project Site"), and also provides for development of Pier 48, which DDA was approved by
23 the Board of Supervisors of the City ("Board of Supervisors") by Resolution No. 42-18,
24 adopted on February 13, 2018, signed by the Mayor on February 23, 2018, and a copy of
25 which is in Board File No. 180092 ("Mission Rock Project Resolution"); and

1 WHEREAS, The Port collaborated with the State Lands Commission and California
2 legislators to amend the Burton Act to lift or suspend its statutory trust use restrictions that
3 impede the Port's ability to realize the development potential of Port lands; Under Senate
4 Bill 815 (Stats. 2007, ch. 660, as amended by Stats. 2016, ch. 529) ("SB 815"), the Port is
5 authorized to lease certain seawall lots south of Market Street, including the Project Site, for
6 nontrust purposes, providing revenues for rehabilitation of historic wharves and piers and
7 other trust uses; SB 815 allows long-term nontrust uses that are not permissible under the
8 Burton Act as a primary mechanism to generate Port revenues for trust purposes, including
9 the construction of infrastructure needed for development; and

10 WHEREAS, On November 3, 2015, San Francisco voters approved the Mission Rock
11 Affordable Housing, Parks, Jobs and Historic Preservation Initiative ("Proposition D"), which
12 authorized increased height limits on the Project Site, subject to environmental review, and
13 established a City policy to encourage development of the Project Site; Proposition D
14 specifically provides that it is intended to encourage and implement the lease and
15 development of the Project Site as described in SB 815 to support the purposes of the Burton
16 Act, especially the preservation of historic piers and historic structures and construction of
17 waterfront plazas and open space; and

18 WHEREAS, The proposed development of the Project Site, which is commonly
19 referred to as the Mission Rock project ("Project"), will be a new mixed-use neighborhood that
20 is proposed to include a mix of commercial/office, retail, parking, and market rate and
21 affordable residential uses and approximately eight acres of new and expanded parks and
22 shoreline access; and

23 WHEREAS, Under the DDA, (i) the Developer is responsible for master development of
24 the Project Site, including construction of public infrastructure, (ii) the Port and Developer will
25 enter into a master lease for all of the Project Site, (iii) the Port will convey development

1 parcels to vertical developers and those parcels will be released from the master lease, and
2 (iv) the Port may enter into a separate lease with the Developer (or an affiliate) for
3 development of Pier 48; and

4 WHEREAS, The City anticipates that, in addition to the public infrastructure and private
5 development described above, future improvements will be necessary to ensure that the
6 shoreline, public facilities, and public access improvements will be protected should sea level
7 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a
8 mechanism to pay for the costs of such improvements; and

9 WHEREAS, At its hearing on October 5, 2017, and prior to recommending the
10 proposed Planning Code amendments for approval, by Motion No. M-20017, the Planning
11 Commission certified a Final Environmental Impact Report ("FEIR") for the Project pursuant to
12 the California Environmental Quality Act ("CEQA") (California Public Resources Code,
13 Section 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg., Section 15000 et seq.),
14 and Administrative Code, Chapter 31; a copy of said Motion is on file with the Clerk of the
15 Board of Supervisors in File No. 171117, and is incorporated herein by reference; and

16 WHEREAS, In recommending the proposed Planning Code Amendments for approval
17 by this Board of Supervisors at its hearing on October 5, 2017, by Motion No. M-20018, the
18 Planning Commission also adopted findings under CEQA, including a statement of overriding
19 consideration, and a Mitigation Monitoring and Reporting Program ("MMRP"), and copies of
20 said Motion and MMRP are on file with the Clerk of the Board of Supervisors in File
21 No. 171117, and are incorporated herein by reference; and

22 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
23 it may be amended from time to time, "Code"), which Code incorporates by reference the
24 Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), this Board of
25

1 Supervisors is authorized to establish a special tax district and to act as the legislative body
2 for a special tax district; and

3 WHEREAS, This Board of Supervisors now desires to proceed with the establishment
4 of a special tax district in order to finance the costs of infrastructure and other authorized
5 facilities and certain services necessary or incident to development of the Project Site,
6 including, without limitation, future improvements necessitated by sea level rise; and

7 WHEREAS, The Financing Plan provides for the possibility of annexation of certain
8 parcels into the proposed special tax district, and this Board of Supervisors further desires to
9 undertake proceedings to provide for future annexation of territory to the proposed special tax
10 district; now, therefore, be it

11 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
12 establish a special tax district pursuant to the Code and hereby determines that public
13 convenience and necessity require that a future annexation area be established; and, be it

14 FURTHER RESOLVED, That the name proposed for the special tax district is "City and
15 County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and
16 Services)" ("Special Tax District"); and, be it

17 FURTHER RESOLVED, That the name proposed for the territory proposed to be
18 annexed into the Special Tax District in the future is "City and County of San Francisco
19 Community Facilities District No. 2020-1 (Mission Rock Facilities and Services) (Future
20 Annexation Area)" ("Future Annexation Area"); and, be it

21 FURTHER RESOLVED, That the proposed boundaries of the Special Tax District and
22 the Future Annexation Area are as shown on the map of them on file with the Clerk of the
23 Board of Supervisors, which boundaries are hereby preliminarily approved and to which map
24 reference is hereby made for further particulars, and the Clerk of the Board of Supervisors is
25 hereby directed to record, or cause to be recorded, the map of the boundaries of the Special

1 Tax District and the Future Annexation Area in the office of the Assessor-Recorder for the City
2 and County of San Francisco within 15 days of the date of adoption of this Resolution; and, be
3 it

4 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
5 Area shall be annexed to the Special Tax District only with the unanimous approval (each, a
6 "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that such
7 parcel(s) are annexed; pursuant to Section 43.10.14 of the Code, a Unanimous Approval
8 executed by the owner of a parcel constitutes the vote of the qualified elector in favor of the
9 matters addressed in the Unanimous Approval for purposes of the California Constitution,
10 including, but not limited to, Articles XIII A and XIII C; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors hereby determines that any
12 property for which the owner or owners execute a Unanimous Approval in accordance with
13 applicable law shall be added to the Special Tax District without any further hearings or
14 proceedings and the Clerk of the Board of Supervisors is hereby directed to record an
15 amendment to the notice of special tax lien for the Special Tax District pursuant to Streets &
16 Highways Code, Section 3117.5 as a result of which the obligation to pay the Special Tax
17 shall become a lien upon the annexed property; provided, however, the designation of
18 property as Future Annexation Area and the ability to annex property to the Special Tax
19 District based on a Unanimous Approval shall not limit, in any way, the annexation of property
20 in the Future Annexation Area to the Special Tax District pursuant to other provisions of
21 applicable law; and, be it

22 FURTHER RESOLVED, That the Director of the Controller's Office of Public Finance
23 ("Director") is hereby directed, from time to time in her discretion, to cause to be recorded one
24 or more consolidated maps of the Special Tax District reflecting all prior modifications,
25

1 amendments, and annexations pursuant to Section 3113.5 of the Streets & Highways Code;
2 and, be it

3 FURTHER RESOLVED, That the type of facilities proposed to be financed by the
4 Special Tax District and the Future Annexation Area shall consist of those listed as facilities
5 on Exhibit A hereto and hereby incorporated herein ("Facilities"), subject to compliance with
6 the Code, and this Board of Supervisors hereby determines that the Facilities are necessary
7 to meet increased demands placed upon local agencies as the result of development
8 occurring within the Special Tax District and the Future Annexation Area and that the
9 financing of such Facilities constitutes a public purpose of the City; and, be it

10 FURTHER RESOLVED, That in order to advance the public purposes of the City, the
11 Special Taxes and proceeds of bonds and other debt issued by the Special Tax District may
12 be used to finance the incidental expenses described in Exhibit A hereto and hereby
13 incorporated herein ("incidental expenses"); and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby finds and determines
15 that the public interest will not be served by allowing the property owners in the Special Tax
16 District to enter into a contract in accordance with Mello-Roos Act, Section 53329.5(a), and
17 notwithstanding the foregoing, this Board of Supervisors, on behalf of the Special Tax District,
18 may enter into one or more contracts directly with any of the owners or lessees of property in
19 the Special Tax District with respect to the construction and/or acquisition of any portion of the
20 Facilities; and, be it

21 FURTHER RESOLVED, That the Director is hereby authorized and directed to enter
22 into joint community facilities agreements with any entity that will own or operate any of the
23 Facilities, as may be necessary to comply with the provisions of the Code, and this Board of
24 Supervisors' approval of a joint community facilities agreement shall be conclusively
25 evidenced by the execution and delivery thereof by the Director, and this Board of Supervisors

1 hereby declares that such joint agreements will be beneficial to owners and lessees of
2 property in the area of the Special Tax District; and, be it

3 FURTHER RESOLVED, That the type of services proposed to be financed by the
4 Special Tax District and the Future Annexation Area shall consist of those listed in Exhibit A
5 hereto and hereby incorporated herein ("Services"), subject to compliance with the Code, and
6 this Board of Supervisors hereby determines that the Services are necessary to meet
7 increased demands for such services placed upon local agencies as the result of
8 development occurring within the area of the Special Tax District and the Future Annexation
9 Area and that the financing of such Services constitutes a public purpose of the City; and, be
10 it

11 FURTHER RESOLVED, That except to the extent that funds are otherwise available,
12 the City will levy a special tax ("Special Tax") to pay directly for the Facilities, to pay for the
13 Services, to pay for the incidental expenses and to pay the principal and interest on bonds
14 and other debt (as defined in the Mello-Roos Act) of the City issued for the Special Tax
15 District to finance the Facilities; and, be it

16 FURTHER RESOLVED, That the Special Tax will be secured by recordation of a
17 continuing lien against all non-exempt real property in the Special Tax District, and will be
18 levied annually within the Special Tax District, and collected in the same manner as ordinary
19 ad valorem property taxes, or in such other manner as this Board of Supervisors or its
20 designee shall determine, including direct billing of the affected owners or lessees of property
21 in the Special Tax Districts; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors expects the non-exempt real
23 property to consist of leasehold or possessory interests in land owned by the City or the Port
24 Commission, and hereby approves the levy of Special Taxes on such leasehold or
25 possessory interests on the secured roll; and, be it

1 FURTHER RESOLVED, That the proposed rate and method of apportionment of the
2 Special Tax among the parcels of real property within the Special Tax District, in sufficient
3 detail to allow each owner or lessee of property within the Special Tax District to estimate the
4 maximum amount such owner or lessee will have to pay, is described in Exhibit B attached
5 hereto and hereby incorporated herein (“Rate and Method”); and, be it

6 FURTHER RESOLVED, That the Special Tax to be levied in the Special Tax District
7 shall not be levied in the Special Tax District to finance Facilities after the fiscal year
8 established for that purpose in the Rate and Method, except that a Special Tax that was
9 lawfully levied in or before the final tax year and that remains delinquent may be collected in
10 subsequent years; under no circumstances shall the Special Tax levied against any parcel in
11 the Special Tax District to finance Facilities (“Facilities Special Tax”) in any fiscal year be
12 increased in that fiscal year as a consequence of delinquency or default by the owner or
13 lessee of any other parcel or parcels within the Special Tax District by an amount that
14 exceeds 10% of the maximum Facilities Special Tax applicable to such parcel for that fiscal
15 year; and, be it

16 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions
17 of Mello-Roos Act, Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to ad
18 valorem property taxes and schools financed by a community facilities district) are
19 inapplicable to the proposed Special Tax District; and, be it

20 FURTHER RESOLVED, That as required by Mello-Roos Act, Section 53339.3(d), this
21 Board of Supervisors hereby determines that the Special Tax proposed to pay for the costs of
22 the Facilities to be supplied within the Future Annexation Area that are financed with bonds
23 that have already been issued and that are secured by previously-existing areas of the
24 Special Tax District will be equal to the Special Taxes levied to pay for the same Facilities in
25 previously-existing areas of the Special Tax District, except that (i) a higher Special Tax may

1 be levied within the Future Annexation Area to pay for the same Facilities to compensate for
2 the interest and principal previously paid from Special Taxes in the original area of the Special
3 Tax District, less any depreciation allocable to the financed Facilities and (ii) a higher Special
4 Tax may be levied in the Future Annexation Area to pay for new or additional Facilities, with or
5 without bond financing; and, be it

6 FURTHER RESOLVED, That as required by the Mello-Roos Act, this Board of
7 Supervisors hereby further determines that the Special Tax proposed to pay for Services to be
8 supplied within the Future Annexation Area shall be equal to any Special Tax levied to pay for
9 the same Services in the existing Special Tax District, except that a higher or lower tax may
10 be levied within the Future Annexation Area to the extent that the actual cost of providing the
11 Services in the Future Annexation Area is higher or lower than the cost of providing those
12 Services in the existing Special Tax District; in so finding, this Board of Supervisors does not
13 intend to limit its ability to levy a Special Tax within the Future Annexation Area to provide new
14 or additional services beyond those supplied within the existing Special Tax District or its
15 ability to implement changes to the extent permitted by law; and, be it

16 FURTHER RESOLVED, That as of the date hereof, there are no Leasehold Interests in
17 Assessor's Parcels (as those terms are defined in the Rate and Method) within the proposed
18 boundaries of the Special Tax District that are intended to be exempt from the levy of Special
19 Taxes; the Board of Supervisors intends for Leasehold Interests in Taxable Parcels within the
20 proposed boundaries of the Special Tax District that are purchased by a public entity,
21 including the United States, the State of California and/or the City, or any departments or
22 political subdivisions thereof ("public entity"), after formation of the Special Tax District to be
23 subject to the Special Tax, and, if a public entity purchases a Leasehold Interest in a Taxable
24 Parcel after formation of the Special Tax District, the obligation to pay Special Taxes on such
25

1 Leasehold Interest shall be governed by Sections 53317.3 and 53317.5 of the Mello-Roos
2 Act; and, be it

3 FURTHER RESOLVED, That in the event that a portion of the property within the
4 Special Tax District shall become for any reason exempt, wholly or in part, from the levy of the
5 Special Tax, this Board of Supervisors will, on behalf of the Special Tax District, increase the
6 levy to the extent necessary upon the remaining property within the Special Tax District which
7 is not exempt in order to yield the required debt service payments and other annual expenses
8 of the Special Tax District, if any, subject to the provisions of the Rate and Method; and, be it

9 FURTHER RESOLVED, That the levy of the Special Tax in the Special Tax District
10 shall be subject to the approval of the qualified electors of the Special Tax District at a special
11 election, and the proposed voting procedure shall be by mailed or hand-delivered ballot
12 among the landowners in the Special Tax District, with each landowner having one vote for
13 each acre or portion of an acre such landowner owns in the Special Tax District not exempt
14 from the Special Tax; and, be it

15 FURTHER RESOLVED, That the Director, Department of Elections has reported that
16 there were no registered voters in the boundaries of the proposed special tax district as of
17 February 3, 2020; and, be it

18 FURTHER RESOLVED, That this Board of Supervisors has received and hereby
19 approves, ratifies and accepts a Public Agency Statement and Consent executed by the Port
20 Commission in which it declares that the City is a "landowner" in the Special Tax District (as
21 defined in the Mello-Roos Act) and qualified elector for the Special Tax District because the
22 property owned by the City within the proposed boundaries of the Special Tax District either
23 will be (a) transferred by conveyance of the fee interest to private ownership for the
24 construction of improvements, in which case the City agrees that such property will be subject
25 to the special tax on the same basis as private property within the Special Tax District and

1 affirmatively waives any defense based on the fact of public ownership to any action to
2 foreclose on such property in the event of nonpayment of the special tax or (b) leased to a
3 nonexempt person or entity and, pursuant to Section 53340.1 of the Mello-Roos Act, the
4 special tax will be levied on the leasehold interest and payable by the owner of the leasehold
5 interest, a copy of which Public Agency Statement and Consent is on file with the Clerk of the
6 Board of Supervisors in File No. 200117 and is incorporated herein by reference; and, be it

7 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation
8 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at
9 the time that parcel or those parcels are annexed into the Special Tax District and in
10 accordance with the procedure established by applicable law; and, be it

11 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
12 the legislative body of the Special Tax District, to cause bonds of the City and other debt (as
13 defined in the Mello-Roos Act) to be issued for the Special Tax District pursuant to the Code
14 to finance in whole or in part the construction and/or acquisition of the Facilities and the
15 incidental expenses; and, be it

16 FURTHER RESOLVED, That such debt may include an agreement by the Special Tax
17 District (or the City on behalf of the Special Tax District) to repay the City, acting by and
18 through the Port Commission, for one or more advances of land proceeds and other sources
19 of Port funding to pay the costs of the Facilities and incidental expenses ("Advances"), which
20 repayment obligation ("Repayment Obligation") may be evidenced by a promissory note
21 ratified or executed by the Special Tax District (or the City on behalf of the Special Tax
22 District) in favor of the Port Commission; and, be it

23 FURTHER RESOLVED, That the bonds and other debt shall be in the aggregate
24 principal amount of not to exceed \$3,700,000,000 ("Limit"), shall be issued in such series and
25 bear interest payable semi-annually or in such other manner as this Board of Supervisors

1 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by
2 applicable law at the time of sale of each series of bonds and other debt, and shall mature not
3 later than 40 years from the date of the issuance thereof; and, be it

4 FURTHER RESOLVED, That because the City expects to repay the Repayment
5 Obligation with, among other sources, Special Taxes and proceeds of bonded indebtedness
6 and other debt incurred by or on behalf of the Special Tax District, the Board of Supervisors
7 hereby determines that (i) the Repayment Obligation shall be included in the calculation of the
8 Limit and (ii) any such bonded indebtedness or other debt (as defined in the Mello-Roos Act)
9 incurred by or on behalf of the Special Tax District to repay the Repayment Obligation (and
10 the related costs of issuance and costs of funding a debt service reserve fund) shall not be
11 included in the calculation of the Limit; and, be it

12 FURTHER RESOLVED, That the Director, as the officer having charge and control of
13 the Facilities and the Services in and for the Special Tax District and the Future Annexation
14 Area, is hereby directed to study said proposed Facilities and Services and to make, or cause
15 to be made, and file with the Clerk of the Board of Supervisors a report in writing ("Special Tax
16 District Report") presenting the following:

17 (a) A description of the Facilities and the Services by type which will be required to
18 adequately meet the needs of the Special Tax District and the Future Annexation Area.

19 (b) An estimate of the fair and reasonable cost of the Facilities including the cost of
20 acquisition of lands, rights-of-way and easements, any physical facilities required in
21 conjunction therewith and incidental expenses in connection therewith, including the costs of
22 the proposed bond financing and other debt and all other related costs as provided in Mello-
23 Roos Act, Section 53345.3.

24 (c) An estimate of the fair and reasonable cost of the Services and incidental
25 expenses in connection therewith, and all other related costs.

1 The Special Tax District Report shall be made a part of the record of the public hearing
2 specified below; and, be it

3 FURTHER RESOLVED, April 7, 2020, at 3:00 p.m. or as soon as possible thereafter,
4 and the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San Francisco,
5 California, are hereby fixed as the time and place when and where this Board of Supervisors,
6 as the legislative body for the Special Tax District, will conduct a public hearing on the
7 establishment of the Special Tax District and the Future Annexation Area, and consider and
8 finally determine whether the public interest, convenience and necessity require the formation
9 of the Special Tax District and the Future Annexation Area and the levy of the Special Tax;
10 and, be it

11 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
12 to cause notice of the public hearing to be given by publication one time in a newspaper
13 published in the area of the Special Tax District and the Future Annexation Area; the
14 publication shall be completed at least seven days before the date of the public hearing
15 specified above; the notice shall be substantially in the form specified in Mello-Roos Act,
16 Section 53322, with the form summarizing the provisions hereof hereby specifically approved;
17 and, be it

18 FURTHER RESOLVED, Notwithstanding the foregoing, because of the complexity
19 associated with the Project and the Financing Plan, the Board of Supervisors hereby
20 authorizes the Clerk of the Board of Supervisors to determine that the public hearing should
21 be held on a later date or time and to cause notice of such later date or time to be given by
22 publication one time in a newspaper published in the area of the Special Tax District and the
23 Future Annexation Area; and, be it

24 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either
25 before or after formation of the Special Tax District, the City may accept advances of funds

1 and may provide, by resolution, for the use of those funds, including but not limited to pay any
2 cost incurred by the local agency in creating the Special Tax District, and may agree to
3 reimburse the advances under all of the following conditions: (A) the proposal to repay the
4 advances is included both in the resolution of intention and the resolution of formation to
5 establish the Special Tax District; and (B) any proposed special tax is approved by the
6 qualified electors of the Special Tax District and, if the qualified electors of the Special Tax
7 District do not approve the proposed special tax, the City shall return any funds which have
8 not been committed for any authorized purpose by the time of the election and, in furtherance
9 of Mello-Roos Act, Section 53314.9, the Board of Supervisors hereby declares its intent to
10 enter into an agreement providing for the advance and reimbursement of funds between the
11 Port and the Master Developer; and, be it

12 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either
13 before or after formation of the Special Tax District, the City may accept work in-kind from any
14 source, including, but not limited to, private persons or private entities, may provide, by
15 resolution, for the use of that work in-kind for any authorized purpose and this Board of
16 Supervisors may enter into an agreement, by resolution, with the person or entity advancing
17 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of
18 the work in-kind, as determined by this Board of Supervisors, with or without interest, under
19 the conditions specified in the Mello-Roos Act; any work in-kind must be performed or
20 constructed as if the work had been performed or constructed under the direction and
21 supervision, or under the authority of, the City and, in furtherance of Mello-Roos, Act
22 Section 53314.9, the Board of Supervisors previously authorized the Port to enter into an
23 acquisition and reimbursement agreement with the Master Developer and other entities
24 responsible for developing the Project pursuant to the Mission Rock Project Resolution; and,
25 be it

1 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and
2 authority set forth in Mello-Roos Act, Section 53344.1, subject to any limitations set forth in
3 any bond resolution or trust indenture related to the issuance of bonds; and, be it

4 FURTHER RESOLVED, That this Board of Supervisors hereby waives any provisions
5 of the Amended and Restated Local Goals and Policies for Community Facilities Districts and
6 Special Tax Districts ("Goals and Policies") adopted by this Board of Supervisors by
7 Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the
8 provisions hereof or the DDA; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors hereby approves and ratifies
10 the appointment of the Port as the CFD Agent (as defined in the DDA) for the Special Tax
11 District and approves and ratifies all actions taken prior to the date hereof by the Port in its
12 capacity as CFD Agent, including, but not limited to, execution of one or more promissory
13 notes to evidence the Repayment Obligation and execution of one more pledge agreements
14 with an infrastructure financing district to receive property tax revenues to repay the
15 Repayment Obligation; and, be it

16 FURTHER RESOLVED, That in accordance with the actions contemplated herein, this
17 Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the
18 Planning Commission's certification of the FEIR, and finds that the actions contemplated
19 herein are within the scope of the Project described and analyzed in the FEIR; and, be it

20 FURTHER RESOLVED, That this Board of Supervisors hereby adopts and
21 incorporates by reference as though fully set forth herein the Planning Commission's CEQA
22 approval findings in the MMRP, including the statement of overriding considerations, and
23 adopts and incorporates by reference as though fully set forth herein the Project's MMRP;
24 and, be it

1 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of
2 Supervisors to form the Special Tax District and the Future Annexation Area; the formation of
3 the Special Tax District and the Future Annexation Area shall be subject to the approval of
4 this Board of Supervisors by resolution following the holding of the public hearing referred to
5 above; and, be it

6 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
7 word of this Resolution, or any application thereof to any person or circumstance, is held to be
8 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
9 shall not affect the validity of the remaining portions or applications of this Resolution, this
10 Board of Supervisors hereby declaring that it would have passed this Resolution and each
11 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
12 unconstitutional without regard to whether any other portion of this Resolution or application
13 thereof would be subsequently declared invalid or unconstitutional; and, be it

14 FURTHER RESOLVED, That the Mayor, the Controller, the Director, the Clerk of the
15 Board of Supervisors and any and all other officers of the City are hereby authorized, for and
16 in the name of and on behalf of the City, to do any and all things and take any and all actions,
17 including execution and delivery of any and all documents, assignments, certificates,
18 requisitions, agreements, notices, consents, instruments of conveyance, warrants and
19 documents, which they, or any of them, may deem necessary or advisable in order to
20 effectuate the purposes of this Resolution; provided however that any such actions be solely
21 intended to further the purposes of this Resolution, and are subject in all respects to the terms
22 of the Resolution; and, be it

23 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
24 consistent with any documents presented herein, and heretofore taken are hereby ratified,
25 approved and confirmed by this Board of Supervisors; and, be it

1 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

2 APPROVED AS TO FORM:
3 DENNIS J. HERRERA, City Attorney

4
5 By:


6 Mark D. Blake
Deputy City Attorney

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EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2020-1
(Mission Rock Facilities and Services)

DESCRIPTION OF FACILITIES, SERVICES AND OTHER COSTS TO BE
FINANCED BY THE SPECIAL TAX DISTRICT

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the “STD”), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement (“DDA”), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit A, “including” has the meaning given to it in the DDA.

Authorized Facilities

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code, ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code, Section 53311 et seq.), including:

1. Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA.

- 1
- 2 2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs,
3 including abatement of hazardous materials, removal of below-grade, at-grade, and
4 above-grade facilities, and recycling or disposal of waste, including demolition and
5 abatement within future vertical sites that is necessary for Horizontal Improvements.
6
- 7 3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves,
8 fire hydrants, cathodic protection, tie-ins, and any other components required for onsite
9 and offsite high pressure water supply network intended for fire suppression.
10
- 11 4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters,
12 water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants,
13 cathodic protection, tie-ins, and any other components required for onsite and offsite low
14 pressure water supply network intended for domestic use.
15
- 16 5. Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited
17 to, water recycling production equipment such as buffer and treatment tanks, reverse
18 osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as
19 pumps, valves, and electrical equipment; distribution facilities such as main pipes,
20 laterals, and valves; customer interface equipment such as water meters, back flow
21 preventers, and valves; along with financing costs and any other components required
22 for non-potable water supply system (whether publicly or privately owned) intended to
23 provide treated wastewater for use in, among other things, irrigation of parks,
24 landscaping, and non-potable uses within buildings, and any other components or
25 administrative costs required for non-potable water system.

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6. District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment; distribution facilities such as main pipes, laterals, and valves; customer interface equipment such as energy meters and energy transfer stations; along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings.

7. Sanitary Sewer, Storm Drain, and Stormwater Management– includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements.

8. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services.

1 9. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities
2 including importation of clean fill materials, clearing and grubbing, slope stabilization,
3 ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock
4 fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill,
5 compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-
6 construction stabilization such as hydroseeding. Also, includes, but is not limited to,
7 excavation of future vertical development sites if the excavated soils is used on site for
8 purposes of raising Horizontal Improvements.
9

10 10. Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public
11 Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt
12 wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete,
13 pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other
14 components required for onsite and offsite roadways, transit stops, bus facilities,
15 permanent pavement marking and striping, traffic control signage, traffic light signals,
16 offsite traffic improvements, and any other components or appurtenant features as
17 required in the approved Improvement Plan details and specifications. through the
18 permitting process.
19

20 11. Streetscape – includes, but is not limited to, subgrade preparation, aggregate base,
21 sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations,
22 signage, emergency services infrastructure, landscaping (including trees and Silva cells
23 and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared
24 bike parking facilities (whether publicly or privately owned), newspaper stands, any other
25 components or appurtenant features as required in the approved Improvement Plan

1 details and specifications through the permitting process, and wayfinding and
2 interpretative signage and facilities.

3
4 12. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and
5 treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed
6 antenna systems, security infrastructure, low-voltage electrical, various hardscaping,
7 irrigation, landscaping, various concrete structures, site furnishings, public art,
8 wayfinding, interpretive and other park signage, viewing platforms, water access facilities
9 (including boat launch), retrofit of shoreline structures and slopes (including demolition,
10 excavation, installation of revetment, structural repair, construction and occupancy costs
11 of park structures, and any other components, e.g., Shoreline Improvements), and any
12 other associated work in publicly accessible spaces such as parks, open spaces, plazas,
13 and mid-block passages, including publicly-accessible parks, plazas, mid-block
14 passages and open space that is located on private property, but identified as public
15 open space in the DDA, Design Controls documents, or Subdivision Map.

16
17 13. Water-based Transportation Improvements – includes, but not limited to, modes of
18 water-based transportation and all infrastructure, design, and permitting costs related to
19 providing water-based transportation facilities at the Project.

20
21 14. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not
22 limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic
23 Pier 48.

1 15. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of
2 contaminated soil which cannot be reused on site in accordance with the Mission Rock
3 Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated
4 November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other
5 related documents, and associated with public improvements.

6
7 16. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to
8 characterize the preferred Shoreline Protection Project and alternatives, including pre-
9 entitlement planning and design work, environmental review, negotiation, and
10 Regulatory Approvals related to the Shoreline Protection Facilities.

11
12 17. Shoreline Protection Facilities includes, but is not limited to, waterfront Improvements at
13 the San Francisco Bay shoreline to provide stability, to protect the area from perils
14 associated with seismic events and climate change, including sea level rise and floods,
15 and other public improvements approved by the Port Commission and the Board of
16 Supervisors.

17 18. Deferred Infrastructure.

18
19 19. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary
20 to proceed with development incurred after the Reference Date, such as the cost to
21 comply with the California Environmental Quality Act, negotiate transaction documents,
22 permitting of Horizontal Improvements, subdivision mapping, conduct community
23 outreach, and prepare development design and land use requirements, but not expenses
24 related to any campaign or ballot measure or any other expenses prohibited by law.
25

1 Entitlement costs may include interim costs as approved from time to time by the Board
2 of Supervisors.

3
4 20. Associated Public Benefits – including, but not limited to, costs required to provide
5 Associated Public Benefits related to transportation, childcare, public open space,
6 sustainability, community meeting space and programs, and other public-benefitting
7 improvements and expenditures.

8
9 21. Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs
10 associated with implementing the DDA, including any additional costs that the Parties
11 agree shall be incurred by the Developer for the Project, including workforce liaisons;
12 studies and consultants required to comply with the DDA, such as auditors, inspectors,
13 attorneys and appraisers; replacement and rework costs, including repairs to correct
14 incidental damage that occurs throughout the course of construction and restoration of
15 roadway pavement in areas where there are trenches excavated after the initial roadway
16 is paved, and maintenance prior to acceptance by the City and/or Port.

17
18 22. Any other costs authorized to be financed by the STD under the DDA.

19
20 23. Interim improvements required for the use of the Project Site including temporary bike
21 lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other
22 improvements required for the interim use of the remaining Project Site.

1 24. Soft Costs required to support the construction of the Horizontal Improvements and
2 implementation of the DDA, including developer management costs, third party
3 professional services, construction management Fees, and asset management costs.
4

5 25. Developer Mitigation Measures, including the formation of the Transportation
6 Management Association and dust, vibration, asbestos and settlement monitoring.
7

8 26. Insurance, Bonding and Warranty costs as required by the City in connection with the
9 authorized improvements.
10

11 27. Miscellaneous Costs, such as costs associated with implementing the DDA, including
12 any additional costs that the Parties have agreed shall be incurred by the Developer for
13 the Project, such as master planning for each phase, audits, appraisals, workforce
14 development costs (such as a liaison), cash payments and community outreach
15 initiatives.
16

17 Any facility authorized to be financed by the STD may be financed through the construction and
18 acquisition of the facility or through the payment of fees for such facility.
19

20 The facilities authorized to be financed may be located within or outside the boundaries of the
21 STD.
22

23 The facilities to be financed shall include all Hard Costs and Soft Costs associated with the
24 facilities, including the costs of the acquisition of land and rights-of-way, the costs of design,
25 engineering and planning, the costs of any environmental or traffic studies, surveys or other

1 reports, costs related to landscaping and irrigation, soils and other environmental testing and
2 observation, permits, plan check, and inspection fees, insurance, legal and related overhead
3 costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any
4 other costs or appurtenances related to any of the foregoing as further defined in one or more
5 acquisition agreements with the developer of the property in the STD.

6
7 The facilities to be financed shall also include all incidental expenses, defined as follows:

- 8
9 (1) The cost of planning and designing facilities to be financed by the STD, including the cost
10 of environmental evaluations of those facilities.
11 (2) The costs associated with the creation of the STD, issuance of bonds, determination of the
12 amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order
13 to carry out the authorized purposes of the STD.
14 (3) Any other expenses incidental to the construction, completion, and inspection of the
15 authorized work, including costs for temporary facilities with a useful life of at least 3 years
16 that are required to construct an authorized facility.
17 (4) Special taxes levied on a property in the STD and paid by the Developer on behalf of a
18 local agency or other landowner prior to the development of the property.

19
20 The facilities to be financed also includes the interim cost of the facilities, which shall mean the
21 Developer Return or Port Return, as applicable, and any interest payable on any promissory
22 note payable to the STD.

23
24 The STD may also apply bond proceeds and special taxes to repay the Port Commission for
25 advances made to pay for authorized costs, under any promissory note or otherwise.

1
2 Special taxes may be collected and set-aside in designated funds and collected over several
3 years (i.e., reserves), and used to fund facilities authorized to be financed by the STD.
4

5 **AUTHORIZED SERVICES**

6 Special taxes collected in the STD may finance, in whole or in part, the services authorized to
7 be financed by the San Francisco Special Tax Financing Law (Admin. Code, ch. 43, art. X) and
8 the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code, Section 53311 et seq.), in
9 the STD and, to the extent permitted by the DDA, outside the STD, including:
10

- 11 • Maintenance, capital repair, replacement and operation (including public events) of
12 Public Spaces, including facilities for public enjoyment, such as public parks, public
13 recreational facilities, public access, open space, public paseos and other public
14 amenities, some of which may be rooftop facilities or located on privately leased property
15 but identified as public open space in the DDA or Design Controls or Subdivision Map.
- 16 • Maintenance, capital repair, replacement and operation of Public Right-of-Ways
17 (ROWs), including public streets, sidewalks, shared public ways, mid-block passages,
18 bicycle lanes, and other paths of travel, associated landscaping and furnishings,
19 maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete
20 infrastructure, retaining walls within the ROWs and related amenities in the STD, some
21 of which may be located on privately leased property but identified as public open space
22 in the DDA or Design Controls.
- 23 • Maintenance, capital repair, replacement and operation of Shoreline Improvements in
24 and adjacent to the STD that were completed per the DDA, such as shoreline restoration,
25 including installation of stone columns, pilings, secant walls, and other structures to

1 stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access
2 to or environmental remediation of the San Francisco waterfront.

- 3 • Maintenance, capital repair, replacement and operation of landscaping and irrigation
4 systems and other equipment, material, and supplies directly related to maintaining and
5 replacing landscaped areas and water features in Public Spaces and Public ROWs.
- 6 • Maintenance, capital repair, replacement and operation as needed of Public Spaces,
7 including street cleaning and paving.
- 8 • Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash
9 receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and
10 corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs.
- 11 • Maintenance, capital repair, replacement and operation of utilities in Public Spaces and
12 Public ROWs.
- 13 • General liability insurance for any Public ROWs or structures in Public ROWs that Public
14 Works does not submit to the Board of Supervisors for City acceptance for City General
15 Fund liability purposes and other commercially reasonable insurance coverages.
- 16 • Port, City, or third party personnel, administrative, and overhead costs related to
17 maintenance or to contracting for and managing third-party maintenance, including rent
18 for storage space needed to support the maintenance activities.
- 19 • Any other costs authorized to be financed by the STD under the DDA.

20 Special taxes may be collected and set-aside in designated funds and collected over several
21 years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term
22 “**operation**” includes providing security and hosting special events.

23
24 **INCIDENTAL COSTS**
25

1 Special taxes collected in the STD will also fund, in whole or in part, the incidental costs
2 associated with the facilities and services authorized to be financed. Incidental costs include,
3 but are not limited to:

- 4
- 5 1. Administrative expenses and fees including costs incurred to form the STD, to
6 annex territory to the STD, to annually administer the STD, to levy and collect
7 special taxes for the STD, and any other costs incurred in standard administration
8 of the STD by the City or their authorized consultants;
 - 9
 - 10 2. Any amounts needed to cure actual or estimated delinquencies in special taxes
11 for the current or previous fiscal years;
 - 12
 - 13 3. Bond related expenses, including underwriters discount, reserve fund, capitalized
14 interest, bond, disclosure, and underwriter counsel fees and all other incidental
15 expenses; and
 - 16
 - 17 4. Reimbursement of costs related to the formation of the STD advanced by the City
18 and any landowner(s) in the STD, or any party related to any of the foregoing, as
19 well as reimbursement of any costs advanced by the City or any landowner(s) in
20 the STD or any party related to any of the foregoing, for facilities, fees or other
21 purposes or costs of the STD.
- 22

23 **COMPLIANCE WITH CFD GOALS**

24 The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this
25 Exhibit A.

1 EXHIBIT B

2 CITY AND COUNTY OF SAN FRANCISCO
3 Community Facilities District No. 2020-1
4 (Mission Rock Facilities and Services)

5 RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

6
7 Special Taxes applicable to the Leasehold Interest in each Taxable Parcel in the City and
8 County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and
9 Services) shall be levied and collected according to the tax liability determined by the
10 Administrator through the application of the appropriate amount or rate for Leasehold Interests
11 in Taxable Parcels, as described below. The Leasehold Interest in all Taxable Parcels in the
12 STD shall be taxed for the purposes, to the extent, and in the manner herein provided,
13 including property subsequently annexed to the STD.
14

15 Special Taxes shall be levied only on Leasehold Interests in Taxable Parcels. In the event a
16 Leasehold Interest in a Taxable Parcel is terminated, the Special Taxes shall be levied on any
17 successor Leasehold Interest in the Taxable Parcel. If a Leasehold Interest terminates while a
18 Special Tax that was previously levied remains unpaid, the owner of the successor Leasehold
19 Interest will take the interest subject to the obligation to pay the unpaid Special Tax along with
20 any applicable penalties and interest.
21

22 The City will covenant in each Indenture that, as long as any Bonds are outstanding, it will not
23 terminate, and it will inhibit the Port from terminating, any Leasehold Interest in a Taxable
24 Parcel unless the Port enters into a new lease the term of which ends on or after the final
25 maturity date of the Bonds and that covers substantially the same real property and

1 improvements as the terminated lease. It will not be a violation of this covenant if the City or
2 the Port initiates judicial foreclosure of any such lease pursuant to the CFD Law.

3
4 **A. DEFINITIONS**

5
6 The terms hereinafter set forth have the following meanings:

7
8 **“Administrative Expenses”** means any or all of the following: the fees and expenses of any
9 fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection
10 with any Bonds, and the expenses of the City carrying out duties with respect to the STD and
11 the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and
12 expenses of legal counsel, charges levied by the City, including the Controller’s Office, the
13 Treasurer and Tax Collector’s Office, the City Attorney, and the Port, costs related to property
14 owner inquiries regarding the Special Taxes, costs associated with appeals or requests for
15 interpretation associated with the Special Taxes and this RMA, costs associated with
16 annexation of property into the STD, amounts needed to pay rebate to the federal government
17 with respect to the Bonds, costs associated with complying with any continuing disclosure
18 requirements for the City and any other major property owner (whether or not deemed to be
19 an obligated person), costs associated with foreclosure and collection of delinquent Special
20 Taxes, and all other costs and expenses of the City in any way related to the establishment or
21 administration of the STD.

22
23 **“Administrator”** means the Director of the Office of Public Finance or his/her designee who
24 shall be responsible for administering the Special Taxes according to this RMA.
25

1 **“Affordable Housing Project”** means a residential or primarily residential project, as
2 determined by the Review Authority, within which 100% of the residential units are Affordable
3 Units.

4
5 **“Affordable Square Footage”** means both: (i) the entire square footage of an Affordable
6 Housing Project; and (ii) the aggregate net rentable square footage that is or is expected to be
7 associated with Affordable Units within a building on a Parcel of Developed Property. The
8 Review Authority shall make the final determination as to the amount of Affordable Square
9 Footage within a building in the STD.

10
11 **“Affordable Unit”** means a Residential Unit for which a deed restriction has been recorded
12 that (i) limits the rental rates on the unit or (ii) in any other way is intended to restrict the
13 current or future value of the unit, as determined by the Review Authority.

14
15 **“Appendix”** means the Appendix to the DDA.

16
17 **“Assessed Parcel”** means, in any Fiscal Year, any Taxable Parcel that meets all five of the
18 following conditions: (i) there is a building on the Taxable Parcel for which a Certificate of
19 Occupancy has been issued; (ii) based on all information available to the Administrator, the
20 Baseline Assessed Value has been determined for the Taxable Parcel; (iii) ad valorem taxes
21 have been levied on the Taxable Parcel based on the Baseline Assessed Value of the
22 building; (iv) by the end of the prior Fiscal Year, at least one year of ad valorem taxes based
23 upon the Baseline Assessed Value of the building have been paid; and (v) the Taxable Parcel
24 does not have outstanding delinquencies in the payment of ad valorem property taxes or
25 Special Taxes at the latest point at which the Administrator is able to receive delinquency

1 information from the County prior to submitting the Development Special Tax levy in any
2 Fiscal Year. Once a Taxable Parcel has been categorized as an Assessed Parcel, such
3 Taxable Parcel shall be considered an Assessed Parcel in all future Fiscal Years in which
4 there are no outstanding delinquencies for the Parcel, regardless of increases or decreases in
5 assessed value.

6
7 **“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map
8 with an assigned Assessor’s Parcel number.

9
10 **“Assessor’s Parcel Map”** means an official map of the County Assessor designating Parcels
11 by Assessor’s Parcel number.

12
13 **“Association”** means a homeowners or property owners association, including any master or
14 sub-association, that provides services to, and collects dues, fees, or charges from, property
15 within the STD.

16
17 **“Association Square Footage”** means square footage within a building that is (i) on property
18 in the STD that is leased to an Association, not including any such property that is located
19 directly under a residential structure, and (ii) used for purposes of the Association and not
20 leased or otherwise used for purposes that are not part of the operation of the Association.

21
22 **“Authorized Expenditures”** means, separately with respect to the Development Special Tax,
23 Office Special Tax, Shoreline Special Tax, and Contingent Services Special Tax, those costs,
24 facilities or public services authorized to be funded by the applicable Special Tax as set forth
25

1 in the Financing Plan and the documents adopted by the Board at STD Formation, as may be
2 amended from time to time.

3
4 **“Base Contingent Services Special Tax”** means, for any Square Footage Category, the per-
5 square-foot Contingent Services Special Tax for square footage within such Square Footage
6 Category, as identified in Table 4 in Section C below, that can be levied on a Leasehold
7 Interest in a Taxable Parcel.

8
9 **“Base Development Special Tax”** means, for any Square Footage Category, the per-square-
10 foot Development Special Tax for Square Footage within such Square Footage Category, as
11 identified in Table 1 in Section C below, that can be levied on a Leasehold Interest in a
12 Taxable Parcel.

13
14 **“Base Office Special Tax”** means, for Office Square Footage and Excess Exempt Square
15 Footage, the per-square-foot Office Special Tax identified in Table 2 in Section C below, that
16 can be levied on a Leasehold Interest in a Taxable Parcel.

17
18 **“Base Shoreline Special Tax”** means, for any Square Footage Category, the per-square-foot
19 Shoreline Special Tax for Square Footage within such Square Footage Category, as identified
20 in Table 3 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.

21
22 **“Base Special Tax”** means, collectively, the Base Development Special Tax, the Base Office
23 Special Tax, the Base Shoreline Special Tax, and the Base Contingent Services Special Tax.

1 **“Baseline Assessed Value”** means, after a Certificate of Occupancy has been issued for a
2 Taxable Parcel, the assessed value that the Port and Vertical Developer mutually agree is the
3 final, unappealable value for the Taxable Parcel.

4
5 **“Board”** means the Board of Supervisors of the City, acting as the legislative body of STD No.
6 2020-1.

7
8 **“Bond Sale”** means, for the Development Special Tax, issuance of Development Special Tax
9 Bonds, for the Office Special Tax, issuance of Office Special Tax Bonds, and, for the
10 Shoreline Special Tax, issuance of Shoreline Special Tax Bonds.

11
12 **“Bonds”** means bonds or other debt (as defined in the CFD Law), whether in one or more
13 series, that are issued or assumed by or for the STD to finance Authorized Expenditures
14 including any Development Special Tax Bonds, Office Special Tax Bonds, and Shoreline
15 Special Tax Bonds. The term “Bonds” includes any promissory note executed by or on behalf
16 of STD No. 2020-1 for the benefit of the Port.

17
18 **“Capitalized Interest”** means funds in any capitalized interest account available to pay debt
19 service on Bonds.

20
21 **“Certificate of Occupancy”** means the first certificate, including any temporary certificate of
22 occupancy, issued by the Port to confirm that a building or a portion of a building has met all
23 of the building codes and can be occupied for residential or non-residential use. For purposes
24 of this RMA, “Certificate of Occupancy” shall not include any certificate of occupancy that was
25 issued prior to January 1, 2019 for a building within the STD; however, any subsequent

1 certificates of occupancy that are issued for new construction, or expansion of a building shall
2 be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated
3 square footage. For Pier 48, only a certificate of occupancy issued in association with the
4 permanent reuse of the building (as determined by the Port) shall qualify as a "Certificate of
5 Occupancy" for purposes of this RMA.

6
7 "**CFD Law**" means the San Francisco Special Tax Financing Law (Admin. Code, ch. 43, art.
8 X), which incorporates the Mello-Roos Act.

9
10 "**City**" means the City and County of San Francisco, California.

11
12 "**Contingent Services Special Tax**" means a special tax levied in any Fiscal Year after the
13 Trigger Event on a Leasehold Interest in a Taxable Parcel to pay the Services Special Tax
14 Requirement.

15
16 "**County**" means the City and County of San Francisco, California.

17
18 "**DDA**" means the Disposition and Development Agreement between the Port and the
19 Developer, including all exhibits and attachments, as may be amended from time to time.

20
21 "**Deputy Director**" means the Deputy Director of Finance and Administration for the Port or
22 other such official that acts as the chief financial officer for the Port.

23
24 "**Developed Property**" means, in any Fiscal Year, all Taxable Parcels for which the 24-month
25 anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year,

1 regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure
2 is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be
3 categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was
4 issued on or prior to June 30 of the preceding Fiscal Year.

5
6 **“Developer”** means Seawall Lot 337 Associates, LLC, or any successor or assign that takes
7 over as tenant under the Master Lease.

8
9 **“Development Approval Documents”** means, collectively, the DDA, any Vertical DDA, any
10 Final Maps, Review Authority approvals, or other such approved or recorded document or
11 plan that identifies the type of structures, acreage, and Market-Rate Residential Square
12 Footage and Office Square Footage approved for development on Taxable Parcels.

13
14 **“Development Special Tax”** means a special tax levied in any Fiscal Year on a Leasehold
15 Interest in a Taxable Parcel to pay the Development Special Tax Requirement.

16
17 **“Development Special Tax Bonds”** means any Bonds secured solely by Development
18 Special Taxes.

19
20 **“Development Special Tax Requirement”** means the amount necessary in any Fiscal Year
21 to: (i) pay principal and interest on Development Special Tax Bonds that are due in the
22 calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Development Special
23 Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate
24 payments; (iii) replenish reserve funds created for Development Special Tax Bonds under the
25 Indenture to the extent such replenishment has not been included in the computation of the

1 Development Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies
2 in the payment of principal or interest on Development Special Tax Bonds which have
3 occurred in the prior Fiscal Year; (v) in any Fiscal Year in which there is a Development
4 Special Tax levied on one or more Parcels pursuant to Step 1d. in Section F below, pay the
5 fee imposed by the City for levying such Development Special Tax on the County tax roll; (vi)
6 pay other obligations described in the Financing Plan; and (vii) pay directly for Authorized
7 Expenditures, so long as such levy under this clause (vii) does not increase the Development
8 Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through
9 (vii) above may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances
10 in funds and accounts for the Development Special Tax Bonds to the extent that such
11 earnings or balances are available to apply against such costs pursuant to the Indenture; (b)
12 in the sole and absolute discretion of the Port, proceeds received by the STD from the
13 collection of penalties associated with delinquent Development Special Taxes; and (c) any
14 other revenues available to pay such costs, as determined by the Administrator, the City, and
15 the Port.

16
17 **“Escalator”** means the lesser of the following: (i) the annual increase, if any, in the Consumer
18 Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region
19 (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States
20 Department of Labor, or, if such index is no longer published, a similar escalator that is
21 determined by the Port and City to be appropriate, and (ii) five percent (5%).

22
23 **“Estimated Base Development Tax Revenues”** means, at any point in time, the amount
24 calculated by the Administrator by multiplying the Base Development Special Tax by square
25

1 footage within each Square Footage Category proposed for development and, if applicable,
2 already in completed buildings on a Taxable Parcel.

3
4 **“Estimated Base Office Special Tax Revenues”** means, at any point in time, the amount
5 calculated by the Administrator by multiplying the Base Office Special Tax by square footage
6 within each Square Footage Category proposed for development and, if applicable, already in
7 completed buildings on a Taxable Parcel.

8
9 **“Estimated Base Shoreline Special Tax Revenues”** means, at any point in time, the amount
10 calculated by the Administrator by multiplying the Base Shoreline Special Tax by square
11 footage within each Square Footage Category proposed for development and, if applicable,
12 already in completed buildings on a Taxable Parcel.

13
14 **“Excess Exempt Square Footage”** means, after the First Bond Sale, any square footage in a
15 building on a Parcel of Developed Property that is determined by the Review Authority to
16 exceed the amount of Exempt Square Footage for such building. Excess Exempt Square
17 Foot means a single square-foot unit of Excess Exempt Square Footage.

18
19 **“Exempt Square Footage”** means, prior to the First Bond Sale, any square footage in or
20 expected in a building on a Parcel of Developed Property that is determined by the Review
21 Authority to be used or reserved for an Exempt Use. After the First Bond Sale, “Exempt
22 Square Footage” for any building on a Parcel of Developed Property shall be the sum of
23 following, as determined by the Review Authority:

- 24
25 1. The Initial Exempt Square Footage for the building; and

1
2 2. Square footage in or expected in the building that (i) exceeds the Initial Exempt
3 Square Footage, and (ii) if exempted from Special Taxes, would not reduce coverage on
4 outstanding Bonds below the Required Coverage.

5
6 **“Exempt Use”** means any of the following uses:

- 7 1) Affordable Square Footage
- 8 2) Association Square Footage
- 9 3) Child Care – child care uses that qualify for exemption from the Special Taxes,
10 as determined by the Review Authority after review and consideration of the criteria and
11 requirements set forth in the Parcel Lease and DDA.
- 12 4) Parking – areas reserved for automobile, motorcycle, or bicycle parking
- 13 5) Retail – commercial establishments that sell general merchandise, hard goods,
14 food and beverage, personal services, and other items directly to consumers, including but
15 not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry
16 cleaners, repair shops, storage facilities, and parcel delivery shops. In addition: (i) all street-
17 level retail bank branches, real estate brokerages, and other such ground-level uses that are
18 open to the public, and (ii) any area designated, pursuant to Section 102 of the Planning Code
19 or successor sections, for “Planning, Distribution, and Repair” (PDR) services, which includes
20 but will not be limited to the following uses: industrial or agricultural use, ambulance services,
21 animal hospital, automotive service station, automotive repair, automotive wash, arts
22 activities, business services, cat boarding, catering service, commercial storage, kennel,
23 motor vehicle tow service, livery stable, parcel delivery service, public utilities yard, storage
24 yard, trade office, trade shop, wholesale sales, or wholesale storage.
- 25

1 6) Utilities – areas reserved for facilities associated with the treatment of water or
2 sewer, or the transmission or provision of gas and electricity, or the heating and cooling of
3 buildings.

4 7) Amenity Square Footage – areas reserved for sitewide amenities, such as a
5 welcome center, leasing office, sitewide management, or sitewide security.
6

7 **“Expected Land Uses”** means the total Market-Rate Residential Square Footage and Office
8 Square Footage expected on each Planning Parcel in the STD. The Expected Land Uses at
9 STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C,
10 D, and E below.
11

12 **“Expected Maximum Development Special Tax Revenues”** means the aggregate
13 Development Special Tax that can be levied based on application of the Base Development
14 Special Tax to the Expected Land Uses. The Expected Maximum Development Special Tax
15 Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be
16 revised pursuant to Sections B, C, D, and E below.
17

18 **“Expected Maximum Office Special Tax Revenues”** means the aggregate Office Special
19 Tax that can be levied based on application of the Base Office Special Tax to the Expected
20 Land Uses. The Expected Maximum Office Special Tax Revenues for each Planning Parcel
21 at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C,
22 D, and E below.
23

24 **“Expected Maximum Shoreline Special Tax Revenues”** means the aggregate Shoreline
25 Special Tax that can be levied based on application of the Base Shoreline Special Tax to the

1 Expected Land Uses. The Expected Maximum Shoreline Special Tax Revenues for each
2 Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to
3 Sections B, C, D, and E below.

4
5 **“Final Map”** means a final map, or portion thereof, recorded by the County pursuant to the
6 Subdivision Map Act (California Government Code, Section 66410 et seq.) that creates
7 individual lots on which Permits for new construction or historic rehabilitation may be issued
8 without further subdivision.

9
10 **“Financing Plan”** means the Financing Plan attached as Exhibit C1 and incorporated into the
11 DDA, as such plan may be amended or supplemented from time to time in accordance with
12 the terms of the DDA.

13
14 **“First Bond Sale”** means, (i) for the Development Special Tax, a Bond Sale of the first series
15 of Development Special Tax Bonds, (ii) for the Office Special Tax, a Bond Sale of the first
16 series of Office Special Tax Bonds, and (iii) for the Shoreline Special Tax, a Bond Sale of the
17 first series of Shoreline Special Tax Bonds.

18
19 **“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

20
21 **“Future Annexation Area”** means that geographic area that, at STD Formation, was
22 considered potential annexation area for the STD and which was, therefore, identified as
23 “future annexation area” on the recorded STD boundary map. Such designation does not
24 mean that any or all of the Future Annexation Area will annex into the STD, but should owners
25 of property designated as Future Annexation Area choose to annex, the annexation may be

1 processed pursuant to the annexation procedures in the CFD Law for territory included in a
2 future annexation area, as well as the procedures established by the Board and any other
3 applicable provisions of the CFD Law.

4
5 **“Indenture”** means any indenture, fiscal agent agreement, resolution, or other instrument
6 pursuant to which Bonds are issued, as modified, amended, or supplemented from time to
7 time, and any instrument replacing or supplementing the same.

8
9 **“Initial Exempt Square Footage”** means, for any building on a Parcel of Developed Property,
10 the square footage in or expected in the building that, at the time the Parcel became
11 Developed Property, was determined by the Review Authority to be reserved for an Exempt
12 Use.

13
14 **“Land Use Change”** means a change to the Expected Land Uses after STD Formation.

15
16 **“Leasehold Interest”** means a Master Lease, ground lease, or any other lease arrangement
17 of a Parcel or Parcels against which Special Taxes may be levied in any current or future
18 Fiscal Year. The Review Authority shall make the final determination as to whether a Parcel or
19 building in the STD is subject to a Leasehold Interest for purposes of this RMA.

20
21 **“Management Agreement”** means the agreement between the Port and the Association (or
22 related entity) for maintenance, operations, and event planning of the entire public realm
23 (parks, streets, other ROWs) within the Project Site.

1 **“Market-Rate Residential Square Footage”** means, in any building on a Taxable Parcel, the
2 net rentable square footage that is or is expected to be used for one or more of the following
3 uses: (i) Market-Rate Units, (ii) any type of group or student housing that provides lodging for
4 a week or more and may or may not have individual cooking facilities, including but not limited
5 to boarding houses, dormitories, housing operated by medical institutions, and single room
6 occupancy units, or (iii) a residential care facility that is not staffed by licensed medical
7 professionals. As set forth in Section B below, the Review Authority shall make the
8 determination as to the amount of Market-Rate Residential Square Footage on a Taxable
9 Parcel in the STD. Market-Rate Residential Square Foot means a single square-foot unit of
10 Market-Rate Residential Square Footage.

11
12 **“Market-Rate Unit”** means a Residential Unit that is not an Affordable Unit.

13
14 **“Master Lease”** means a lease for all or part of the Project Site that allows the Developer to
15 take possession of the Master Lease Premises and construct horizontal improvements
16 approved under the DDA and to conduct other uses as provided in the DDA.

17
18 **“Master Lease Premises”** means, at any point in time, the area subject to the Master Lease.

19
20 **“Maximum Contingent Services Special Tax”** means, after the Trigger Event, the greatest
21 amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a
22 Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

1 **“Maximum Contingent Services Special Tax Revenues”** means, at any point in time after
2 the Trigger Event, the aggregate Maximum Contingent Services Special Tax that can be
3 levied on all Leasehold Interests in all Taxable Parcels.

4
5 **“Maximum Development Special Tax”** means the greatest amount of Development Special
6 Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year
7 determined in accordance with Sections C, D, and E below.

8
9 **“Maximum Development Special Tax Revenues”** means, at any point in time, the aggregate
10 Maximum Development Special Tax that can be levied on all Leasehold Interests in all
11 Taxable Parcels.

12
13 **“Maximum Office Special Tax”** means the greatest amount of Office Special Tax that can be
14 levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in
15 accordance with Sections C, D, and E below.

16
17 **“Maximum Office Special Tax Revenues”** means, at any point in time, the aggregate
18 Maximum Office Special Tax that can be levied on all Leasehold Interests in all Taxable
19 Parcels.

20
21 **“Maximum Shoreline Special Tax”** means the greatest amount of Shoreline Special Tax that
22 can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in
23 accordance with Sections C, D, and E below.

1 **“Maximum Shoreline Special Tax Revenues”** means, at any point in time, the aggregate
2 Maximum Shoreline Special Tax that can be levied on all Leasehold Interests in all Taxable
3 Parcels.

4
5 **“Maximum Special Tax”** means, for any Leasehold Interest in a Taxable Parcel in any Fiscal
6 Year, the sum of the Maximum Development Special Tax, Maximum Office Special Tax,
7 Maximum Shoreline Special Tax, and Maximum Contingent Services Special Tax.

8
9 **“Maximum Special Tax Revenues”** means, collectively, the Maximum Development Special
10 Tax Revenues, Maximum Office Special Tax Revenues, Maximum Shoreline Special Tax
11 Revenues, and Maximum Contingent Services Special Tax Revenues.

12
13 **“Mello-Roos Act”** means the Mello-Roos Community Facilities Act of 1982, as amended,
14 being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the
15 Government Code of the State of California.

16
17 **“Office Special Tax”** means a special tax levied in any Fiscal Year on Office Square Footage
18 within a Leasehold Interest in a Taxable Parcel to pay the Office Special Tax Requirement.

19
20 **“Office Special Tax Bonds”** means any Bonds secured solely by Office Special Taxes.

21
22 **“Office Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i)
23 pay principal and interest on Office Special Tax Bonds that are due in the calendar year that
24 begins in such Fiscal Year; (ii) pay periodic costs on Office Special Tax Bonds, including but
25 not limited to, credit enhancement, liquidity support and rebate payments; (iii) replenish

1 reserve funds created for Office Special Tax Bonds under the Indenture to the extent such
2 replenishment has not been included in the computation of the Office Special Tax
3 Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal
4 or interest on Office Special Tax Bonds which have occurred in the prior Fiscal Year; (v) pay
5 Administrative Expenses; (vi) pay other obligations described in the Financing Plan; and (vii)
6 pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not
7 increase the Office Special Tax levied on Undeveloped Property. The amount calculated to
8 pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest earnings
9 on or surplus balances in funds and accounts for the Office Special Tax Bonds to the extent
10 that such earnings or balances are available to apply against such costs pursuant to the
11 Indenture; (b) in the sole and absolute discretion of the Port, proceeds received by the STD
12 from the collection of penalties associated with delinquent Office Special Taxes; and (c) any
13 other revenues available to pay such costs, as determined by the Administrator, the City, and
14 the Port.

15
16 **“Office Square Footage”** means, within any building on a Taxable Parcel: (i) the planning
17 gross square footage for which a Prop. M allocation has been secured, (ii) square footage that
18 is or is expected to be part of a hotel operation, including square footage of hotel rooms,
19 restaurants, meeting and convention facilities, gift shops, spas, offices, and other related
20 uses, and (iii) any other square footage in the building that does not meet the definition of
21 Market-Rate Residential Square Footage, Exempt Square Footage, or Excess Exempt
22 Square Footage. The Review Authority shall make the final determination as to the amount of
23 Office Square Footage within a building in the STD. Office Square Foot means a single
24 square-foot unit of Office Square Footage.

1 **"Parcel Increment"** means, in any Fiscal Year, the amount of Tax Increment and funds from
2 any tax increment reserve fund maintained by the City that the Deputy Director has
3 determined, pursuant to the Financing Plan, is available to reduce the amount of Development
4 Special Tax levied against Assessed Parcels.

5
6 **"Parcel Lease"** means a contract in the form set forth as an exhibit to the DDA by which the
7 Port will convey a leasehold interest in a Taxable Parcel to a Vertical Developer.

8
9 **"Parcel Lease Execution Date"** means the effective date of a Parcel Lease that was fully
10 executed by the Port and a Vertical Developer.

11
12 **"Permit"** means (i) for Pier 48, a permit issued by the Port that allows for rehabilitation of the
13 existing historic structures, and (ii) for all property in the STD (other than Pier 48 if it is
14 annexed to the STD), the first permit, whether a site permit or building permit, issued by the
15 Port that, immediately upon issuance or ultimately after addenda to the permit, allows for
16 vertical construction of a building or buildings.

17
18 **"Pier 48"** is defined in the Appendix.

19
20 **"Planning Code"** means the Planning Code of the City and County of San Francisco, as it
21 may be amended from time to time.

22
23 **"Planning Parcel"** means a geographic area within the STD that, for planning and entitlement
24 purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-
25 numeric identifier to be used for reference until an Assessor's Parcel is created and an

1 Assessor's Parcel number is assigned. The Planning Parcels at STD Formation are identified
2 in Attachment 1 hereto.

3
4 **"Port"** means the Port of San Francisco.

5
6 **"Project Area I"** means the area within the City and County of San Francisco Infrastructure
7 Financing District No. 2 (Port of San Francisco) that covers the Project Site and was formed
8 by Ordinance No. 34-18.

9
10 **"Project Site"** is defined in the Appendix.

11
12 **"Prop. M"** means Proposition M, the citizen-sponsored initiative passed by San Francisco
13 voters in November 1986 that created an annual limit on the square footage of certain office
14 development in the City, and any subsequent proposition that limits office square footage
15 within the STD.

16
17 **"Proportionately"** means, for Developed Property, that the ratio of the actual Contingent
18 Services Special Tax levied in any Fiscal Year to the Maximum Contingent Services Special
19 Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property.
20 For Undeveloped Property, "Proportionately" means that the ratio of the actual Development
21 Special Tax, Office Special Tax, and Shoreline Special Tax levied to the Maximum
22 Development Special Tax, Office Special Tax, and Shoreline Special Tax, respectively, is
23 equal for all Parcels of Undeveloped Property.

1 **“Public Property”** means any property within the boundaries of the STD that is owned by or
2 leased to the federal government, State of California, City, or public agency other than the
3 Port. Parcels of Public Property, and/or Leasehold Interests in Public Property, that do not fall
4 within the definition of Exempt Square Footage shall be taxed as Developed Property or
5 Undeveloped Property, as determined by the Administrator pursuant to the definitions set forth
6 in this RMA.

7
8 **“Remainder Special Taxes”** means, as calculated between September 1st and December
9 31st of any Fiscal Year, any Development Special Tax, Office Special Tax, and Shoreline
10 Special Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i)
11 pay debt service on the applicable Development Special Tax Bonds, Shoreline Special Tax
12 Bonds, or Office Special Tax Bonds that was due in the calendar year that begins in the Fiscal
13 Year in which the Remainder Special Taxes were levied; (ii) pay periodic costs on the
14 applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special
15 Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate
16 payments (iii) replenish reserve funds created for the applicable Development Special Tax
17 Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds under the applicable
18 Indenture; (iv) cure any delinquencies in the payment of principal or interest on applicable
19 Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds
20 which have occurred in the prior Fiscal Year; or (v) pay Administrative Expenses that have
21 been incurred, or are expected to be incurred, by the City or Port prior to the receipt of
22 Development Special Tax, Shoreline Special Tax or Office Special Tax proceeds.

23
24 **“Required Coverage”** means (i) for Development Special Tax Bonds, the amount by which
25 the Maximum Development Special Tax Revenues must exceed the Development Special

1 Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the
2 applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation
3 Proceedings or Bond document that sets forth the minimum required debt service coverage;
4 (ii) for Shoreline Special Tax Bonds, the amount by which the Maximum Shoreline Special
5 Tax Revenues must exceed the Shoreline Special Tax Bond debt service and priority
6 Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special
7 Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the
8 minimum required debt service coverage, and (iii) for Office Special Tax Bonds, the amount
9 by which the Maximum Office Special Tax Revenues must exceed the Office Special Tax
10 Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable
11 Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond
12 document that sets forth the minimum required debt service coverage.

13
14 **“Residential Unit”** means an individual residential housing unit in a residential or mixed-use
15 building.

16
17 **“Review Authority”** means the Deputy Director of Real Estate & Development for the Port or
18 an alternate designee from the Port or the City who is responsible for approvals and
19 entitlements of a development project.

20
21 **“RMA”** means this Rate and Method of Apportionment of Special Taxes.

22
23 **“Services Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i)
24 pay the costs of operations and maintenance or other public services that are included as
25

1 Authorized Expenditures; (ii) cure delinquencies in the payment of Contingent Services
2 Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

3
4 **“Shoreline Special Tax”** means a special tax levied in any Fiscal Year to pay the Shoreline
5 Special Tax Requirement.

6
7 **“Shoreline Special Tax Bonds”** means any Bonds secured solely by Shoreline Special
8 Taxes that have been levied and are available after dividing the Shoreline Special Taxes as
9 set forth in Financing Plan Section 4.7, and factoring in debt service coverage and related
10 Indenture requirements, as determined by the Administrator

11
12 **“Shoreline Special Tax Requirement”** means the amount necessary in any Fiscal Year to
13 pay: (i) pay principal and interest on Shoreline Special Tax Bonds that are due in the calendar
14 year that begins in such Fiscal Year; (ii) pay periodic costs on Shoreline Special Tax Bonds,
15 including but not limited to, credit enhancement, liquidity support and rebate payments; (iii)
16 replenish reserve funds created for Shoreline Special Tax Bonds under the Indenture to the
17 extent such replenishment has not been included in the computation of the Shoreline Special
18 Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of
19 principal or interest on Shoreline Special Tax Bonds which have occurred in the prior Fiscal
20 Year; (v) pay Administrative Expenses; (vi) pay directly for the costs of shoreline
21 improvements so long as such levy under this clause (vi) does not increase the Shoreline
22 Special Tax levied on Undeveloped Property; and (vii) pay other obligations described in the
23 Financing Plan. The amount calculated to pay items (i) through (vii) above may be reduced in
24 any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the
25 Shoreline Special Tax Bonds to the extent that such earnings or balances are available to

1 apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of
2 the Port, proceeds received by the STD from the collection of penalties associated with
3 delinquent Shoreline Special Taxes; and (c) any other revenues available to pay such costs,
4 as determined by the Administrator, the City, and the Port.

5
6 **“Special Taxes”** means the Development Special Tax, Shoreline Special Tax, Office Special
7 Tax, and Contingent Services Special Tax.

8
9 **“Square Footage Category”** means, individually, Market-Rate Residential Square Footage,
10 Office Square Footage, and Excess Exempt Square Footage.

11
12 **“STD”** or **“STD No. 2020-1”** means the City and County of San Francisco Special Tax District
13 No. 2020-1 (Mission Rock Facilities and Services).

14
15 **“STD Formation”** means the date on which the Board approved documents to form the STD.

16
17 **“STD Formation Proceedings”** means the proceedings to form the STD, including all
18 resolutions, reports, and notices.

19
20 **“Sub-Project Areas”** means all sub-project areas designated within Project Area I.

21
22 **“Tax-Exempt Port Parcels”** means Port-owned Parcels that are or are intended to be used
23 as streets, walkways, alleys, rights of way, parks, open space, or other similar uses. The final
24 determination as to whether a Parcel is a Tax-Exempt Port Parcel shall be made by the
25 Review Authority.

1 **“Tax Increment”** means the tax increment generated from all Sub-Project Areas.

2
3 **“Taxable Parcel”** means any Parcel within the STD that is not a Tax-Exempt Port Parcel or a
4 Parcel for which the Special Tax has been prepaid pursuant to Sections 53317.3 or 53317.5
5 of the Mello-Roos Act.

6
7 **“Taxpayer”** means the lessee of a Taxable Parcel within the STD.

8
9 **“Tax Zone”** means a separate and distinct geographic area in the STD within which one or
10 more Special Taxes are applied at a rate or in a manner that is different than in other areas
11 within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto.
12 Parcels that annex into the CFD may annex into Tax Zone 1, Tax Zone 2, or establish a new
13 Tax Zone upon annexation. The Port will determine the applicable Tax Zone for Parcels that
14 annex into the STD.

15
16 **“Trigger Event”** means the earlier of (i) any amendment to the Management Agreement that
17 expressly authorizes the levy of Contingent Services Special Taxes, (ii) the expiration or
18 earlier termination of the Management Agreement, or (iii) any Taxable Parcel becoming
19 Developed Property prior to a Management Agreement being executed by both the Port and
20 the Association (or related entity).

21
22 **“Undeveloped Property”** means, in any Fiscal Year, all Taxable Parcels that are not
23 Developed Property.

1 "Vertical Developer" means a developer that has entered into a Parcel Lease for construction
2 of vertical improvements on a Taxable Parcel or rehabilitation of Pier 48.

3
4 **B. DATA FOR STD ADMINISTRATION**

5
6 On or about July 1 of each Fiscal Year, the Administrator shall identify the current
7 Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i)
8 whether each Taxable Parcel is Developed Property or Undeveloped Property; (ii) the
9 Planning Parcel and Tax Zone within which each Taxable Parcel is located; (iii) for Developed
10 Property, the Market-Rate Residential Square Footage and Office Square Footage within
11 each building; (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel; and (v) the
12 Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special
13 Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year.

14
15 When a Parcel becomes Developed Property, the Administrator and Review Authority
16 shall reference the Permit for each building on the Parcel to determine the Market-Rate
17 Residential Square Footage and/or Office Square Footage within the building(s). If the
18 Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the
19 Permit, the square footage assumptions used in the appraisal prepared when the Vertical
20 DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-
21 Rate Residential Square Footage and/or Office Square Footage within the building. If, after
22 review of the Permit and appraisal, there is still no clear indication of the Market-Rate
23 Residential Square Footage and/or Office Square Footage for a building, the Review Authority
24 shall review the Development Approval Documents and make a determination as to the
25

1 amount of Market-Rate Residential Square Footage and/or Office Square Footage in the
2 building.

3
4 When a Parcel becomes Developed Property, the Administrator and Review Authority
5 shall also identify and document the Initial Exempt Square Footage for the building or
6 buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial
7 Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square
8 footage within a building is designated for Exempt Uses, the Administrator shall compare the
9 actual square footage used for each Exempt Use to the Initial Exempt Square Footage by
10 Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square
11 Footage within a building, the Administrator and Review Authority shall use this comparison to
12 determine which square footage should be designated Excess Exempt Square Footage. In
13 addition, the Administrator shall determine whether the Excess Exempt Square Footage
14 resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage
15 expected in the building and, based on this determination, identify the applicable Maximum
16 Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C
17 below.

18
19 The Administrator shall also: (i) coordinate with the Deputy Director to confirm Parcel
20 Increment; (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have
21 been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal
22 Years; (iii) review the Development Approval Documents and communicate with the
23 Developer and Vertical Developers regarding proposed Land Use Changes; and (iv) upon
24 each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update
25 Attachment 3 to reflect the then-current Expected Land Uses, Expected Maximum

1 Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and
2 Expected Maximum Shoreline Special Tax Revenues. The Developer, Port, or Vertical
3 Developer shall notify the Administrator each time a Parcel Lease is executed in order for the
4 Administrator to keep track of Parcel Lease Execution Dates. In addition, the Port will: (i)
5 provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii)
6 notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii)
7 identify the buildings, Parcels, and Square Footage subject to such leases that establish a
8 Leasehold Interest. Any time a lease on property within the STD is terminated, the Port will
9 immediately notify the Administrator of such termination.

10
11 Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical
12 Developers shall coordinate to review the Expected Land Uses and determine if changes
13 should be made to reflect more current estimates for land uses on each Planning Parcel.
14 Based on this review, the Administrator shall update Attachment 3 with the then-current
15 Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected
16 Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax
17 Revenues, which will be used to size the sale of Bonds unless and until there are additional
18 updates of Attachment 3.

19
20 In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was
21 recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor
22 will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the
23 date the map or plan was recorded, the Assessor does not yet recognize the newly-created
24 Parcels, and (iii) one or more of the newly-created Parcels meets the definition of Developed
25 Property, the Administrator shall calculate the Special Taxes for the property affected by

1 recordation of the map or plan by determining the Special Taxes that applies separately to
2 each newly-created Parcel, then applying the sum of the individual Special Taxes to the
3 Parcel that was subdivided by recordation of the parcel map or condominium plan.
4

5 **C. MAXIMUM SPECIAL TAXES**
6

7 In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in
8 which the boundaries of the Planning Parcels are not identical to the boundaries of the then-
9 current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each
10 Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's
11 Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the
12 Maximum Special Tax Revenues prior to the allocation.
13

14 **1. Undeveloped Property**
15

16 **1a. Development Special Tax, Office Special Tax, Shoreline Special Tax**
17

18 The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum
19 Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall
20 be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office
21 Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in
22 Attachment 3 of this RMA, as it may be amended as set forth herein.
23

24 **1b. Contingent Services Special Tax**
25

1 No Contingent Services Special Tax shall be levied on Parcels of Undeveloped
2 Property in any Tax Zone within the STD.

3
4 **2. Developed Property**

5
6 **2a. Development Special Tax**

7
8 When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the
9 Administrator shall use the Base Development Special Taxes shown in Table 1 below and
10 apply the steps set forth in this Section 2a to determine the Maximum Development Special
11 Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD,
12 different maximum rates and different Square Footage Categories may be established by
13 creating a separate Tax Zone for such annexed property. Alternatively, property may be
14 annexed into Tax Zones that were established prior to the annexation, and such property shall
15 be subject to the Maximum Special Taxes applicable to that Tax Zone.

16
17 **Table 1**
18 **Base Development Special Tax**

| Square Footage Category | Base Development Special Tax Tax Zone 1 (FY 2019-20) * | Base Development Special Tax Tax Zone 2 (FY 2019-20) * |
|--|---|---|
| Market-Rate Residential Square Footage | \$8.58 per Market-Rate Residential Square Foot | \$8.58 per Market-Rate Residential Square Foot |
| Office Square Footage | \$6.50 per Office Square Foot | \$6.50 per Office Square Foot |

| | | |
|------------------------------|---|---|
| Excess Exempt Square Footage | \$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced | \$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced |
|------------------------------|---|---|

****The Base Development Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

Step 1. Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

Step 2. Multiply the applicable Base Development Special Tax from Table 1 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel. Prior to the First Bond Sale, the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel.

1 Step 3. Compare the Estimated Base Development Special Tax Revenues from
2 Step 2 to the Expected Maximum Development Special Tax Revenues, and, apply one of the
3 following, as applicable:
4

5 If the Estimated Base Development Special Tax Revenues are: (i) greater than or equal to the
6 Expected Maximum Development Special Tax Revenues or (ii) less than the Expected
7 Maximum Development Special Tax Revenues, but the Maximum Development Special Tax
8 Revenues, assuming the same land uses that went into the calculation of the Estimated Base
9 Development Special Tax Revenues, are still sufficient to provide Required Coverage, then
10 the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be
11 determined by multiplying the applicable Base Development Special Taxes by the actual
12 and/or expected Market-Rate Residential Square Footage and Office Square Footage within
13 each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect
14 the change in the Expected Maximum Development Special Tax Revenues.
15

16 If the Estimated Base Development Special Tax Revenues are less than the Expected
17 Maximum Development Special Tax Revenues, and the Maximum Development Special Tax
18 Revenues, assuming the same land uses that went into the calculation of the Estimated Base
19 Development Special Tax Revenues, are insufficient to provide Required Coverage, then the
20 Administrator and Review Authority shall coordinate with the Developer and Vertical
21 Developer, and the Review Authority shall determine which of the following shall occur:
22

23 (i) the Base Development Special Taxes that were applied to Market-Rate
24 Residential Square Footage and/or Office Square Footage in Step 2 shall be increased
25 proportionately until the amount that can be levied on Leasehold Interests in the Taxable

1 Parcel, combined with the Expected Maximum Development Special Tax Revenues from all
2 other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

3
4 (ii) if Estimated Base Development Special Tax Revenues are less than the
5 Expected Maximum Development Special Tax Revenues due to Excess Exempt Square
6 Footage, then the Base Development Special Tax for Excess Exempt Square Footage shall
7 be levied against all Excess Exempt Square Footage included in Leasehold Interests in the
8 Taxable Parcel.

9
10 If, pursuant to (i) above, the Base Development Special Taxes are proportionately increased
11 to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates
12 to calculate the Maximum Development Special Tax for each building on the Taxable Parcel.
13 The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land
14 Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum
15 Development Special Tax Revenues.

16
17 If, in any Fiscal Year, the Maximum Development Special Tax is determined for Leasehold
18 Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and
19 if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square
20 Footage and/or Office Square Footage of such building(s) is different than that used to
21 determine the Maximum Development Special Tax, then the Administrator shall once again
22 apply Steps 1 through 3 in this Section C.2a to recalculate the Maximum Development
23 Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential
24 Square Footage and/or Office Square Footage that was determined when the Permit was
25 issued.

1
 2 The Administrator shall do a final check of the Market-Rate Residential Square Footage and
 3 Office Square Footage within each building when a Certificate of Occupancy is issued. Once
 4 again, if the Market-Rate Residential Square Footage and/or Office Square Footage is
 5 different than the Market-Rate Residential Square Footage and/or Office Square Footage that
 6 was used to determine the Maximum Development Special Tax after the Permit was issued,
 7 then the Administrator shall apply Steps 1 through 3 in this Section C.2a to recalculate the
 8 Maximum Development Special Tax for Leasehold Interests in the Parcel.

9
 10 **2b. Office Special Tax**

11
 12 When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the
 13 Administrator shall use the Base Office Special Taxes shown in Table 2 below and apply the
 14 steps set forth in this Section 2b to determine the Maximum Office Special Tax for Leasehold
 15 Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum
 16 rates and different Square Footage Categories may be established by creating a separate Tax
 17 Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that
 18 were established prior to the annexation, and such property shall be subject to the Maximum
 19 Special Taxes applicable to that Tax Zone.

20
 21 **Table 3**
 22 **Base Shoreline Special Tax**

| Square Footage Category | Base Shoreline Special Tax Tax Zone 1 (FY 2019-20) * | Base Shoreline Special Tax Tax Zone 2 (FY 2019-20) * |
|--------------------------------|---|---|
|--------------------------------|---|---|

| | | |
|------------------------------|---|---|
| Office Square Footage | \$1.82 per Office Square Foot | \$1.82 per Office Square Foot |
| Excess Exempt Square Footage | \$1.82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced | \$1.82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced |

* The Base Shoreline Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

Step 1. Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

Step 2. Multiply the applicable Base Shoreline Special Tax from Table 3 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel. Prior to the First Bond Sale, the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel.

1 Step 3. Compare the Estimated Base Shoreline Special Tax Revenues from Step
2 to the Expected Maximum Shoreline Special Tax Revenues, and, apply one of the following,
3 as applicable:

4
5 If the Estimated Base Shoreline Special Tax Revenues are: (i) greater than or equal to the
6 Expected Maximum Shoreline Special Tax Revenues or (ii) less than the Expected Maximum
7 Shoreline Special Tax Revenues, but the Maximum Shoreline Special Tax Revenues,
8 assuming the same land uses that went into the calculation of the Estimated Base Shoreline
9 Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum
10 Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by
11 multiplying the applicable Base Shoreline Special Taxes by the actual and/or expected
12 Market-Rate Residential Square Footage and Office Square Footage within each building on
13 the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the
14 Expected Maximum Shoreline Special Tax Revenues.

15
16 If the Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum
17 Shoreline Special Tax Revenues, and the Maximum Shoreline Special Tax Revenues,
18 assuming the same land uses that went into the calculation of the Estimated Base Shoreline
19 Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator
20 and Review Authority shall coordinate with the Developer and Vertical Developer, and the
21 Review Authority shall determine which of the following shall occur:

22
23 (i) the Base Shoreline Special Taxes that were applied to Market-Rate Residential
24 Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately
25 until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined

1 with the Expected Maximum Shoreline Special Tax Revenues from all other Taxable Parcels
2 in the STD, is sufficient to maintain Required Coverage, or

3
4 (ii) if Estimated Base Shoreline Special Tax Revenues are less than the Expected
5 Maximum Shoreline Special Tax Revenues due to Excess Exempt Square Footage, then the
6 Base Shoreline Special Tax for Excess Exempt Square Footage shall be levied against all
7 Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel.

8
9 If, pursuant to (i) above, the Base Shoreline Special Taxes are proportionately increased to
10 maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to
11 calculate the Maximum Shoreline Special Tax for each building on the Taxable Parcel. The
12 Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses
13 (including the addition of Excess Exempt Square Footage) and the Expected Maximum
14 Shoreline Special Tax Revenues.

15
16 If, in any Fiscal Year, the Maximum Shoreline Special Tax is determined for Leasehold
17 Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and
18 if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square
19 Footage and/or Office Square Footage of such building(s) is different than that used to
20 determine the Maximum Shoreline Special Tax, then the Administrator shall once again apply
21 Steps 1 through 3 in this Section C.2c to recalculate the Maximum Shoreline Special Tax for
22 Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage
23 and/or Office Square Footage that was determined when the Permit was issued.

1 The Administrator shall do a final check of the Market-Rate Residential Square Footage and
2 Office Square Footage within each building when a Certificate of Occupancy is issued. Once
3 again, if the Market-Rate Residential Square Footage and/or Office Square Footage is
4 different than the Market-Rate Residential Square Footage and/or Office Square Footage that
5 was used to determine the Maximum Shoreline Special Tax after the Permit was issued, then
6 the Administrator shall apply Steps 1 through 3 in this Section C.2c to recalculate the
7 Maximum Shoreline Special Tax for Leasehold Interests in the Parcel.

8
9 2d. Contingent Services Special Tax

10
11 In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in
12 each Fiscal Year thereafter, this Section C.2d shall be applied to determine the Contingent
13 Services Special Tax for each Taxable Parcel in the STD.

14
15 When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the
16 Administrator shall use the Base Contingent Services Special Taxes shown in Table 4 below
17 and apply the steps set forth in this Section 2d to determine the Maximum Contingent
18 Services Special Tax for Leasehold Interests in the Taxable Parcel. For property that
19 annexes into the CFD, different maximum rates may be established by creating a separate
20 Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones
21 that were established prior to the annexation, and such property shall be subject to the
22 Maximum Special Taxes applicable to that Tax Zone.

23
24

| |
|---|
| Table 4 Base Contingent Services Special Tax |
|---|

25

| Square Footage Category | Base Contingent Services Special Tax Tax Zone 1 (FY 2019-20) * | Base Contingent Services Special Tax Tax Zone 2 (FY 2019-20) * |
|--|--|--|
| Market-Rate Residential Square Footage | \$1.40 per Market-Rate Residential Square Foot | \$1.40 per Market-Rate Residential Square Foot |
| Office Square Footage | \$1.40 per Office Square Foot | \$1.40 per Office Square Foot |
| Excess Exempt Square Footage | \$1.40 per Excess Exempt Square Foot | \$1.40 per Excess Exempt Square Foot |

* The Base Contingent Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.

Step 1. Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

Step 2. Multiply the applicable Base Contingent Services Special Tax from Table 4 by the actual and/or expected Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel. The Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

If additional structures are anticipated to be built on the Taxable Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize each building for which a Permit has been issued as Developed Property, and any remaining buildings for which Permits have not yet been issued shall not be

1 subject to a Contingent Services Special Tax until a Permit is issued for such remaining
2 buildings. To determine the Contingent Services Special Tax for any such Taxable Parcel,
3 the Administrator shall take the sum of the Contingent Services Special Taxes determined for
4 each building.

5
6 **D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

7
8 1. Annual Escalation of Development Special Tax, Office Special Tax, and
9 Shoreline Special Tax

10
11 Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall
12 be increased by 2% of the amount in effect in the prior Fiscal Year: the Base Development
13 Special Tax for each Tax Zone; the Base Office Special Tax for each Tax Zone; the Base
14 Shoreline Special Tax for each Tax Zone; the Expected Maximum Development Special Tax
15 Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum
16 Shoreline Special Tax Revenues in Attachment 3; and the Maximum Development Special
17 Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to
18 the Leasehold Interests in each Taxable Parcel.

19
20 2. Annual Escalation of Contingent Services Special Tax

21
22 Beginning July 1, 2020 and each July 1 thereafter, the Base Contingent Services
23 Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned
24 to the Leasehold Interests in each Taxable Parcel shall be adjusted by the Escalator.
25

1 3. Changes in Square Footage Category on a Parcel of Developed Property

2
3 If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is
4 rezoned or otherwise has a Land Use Change, as determined by the Review Authority, the
5 Administrator shall, separately for each of the Special Taxes, multiply the applicable Base
6 Special Tax by the new square footage within each Square Footage Category; if the First
7 Bond Sale has not yet occurred, this amount shall be the Maximum Special Tax for Leasehold
8 Interests in the Parcel. If the First Bond Sale has taken place, the Administrator shall apply
9 the remainder of this Section D.3.

10
11 If the Maximum Special Tax that would apply to Leasehold Interests in the Parcel after
12 the Land Use Change is greater than the Maximum Special Tax that applied to Leasehold
13 Interests in the Parcel prior to the Land Use Change, the Administrator shall increase the
14 Maximum Special Tax for the Parcel to the amount calculated for each new Square Footage
15 Category. If the Maximum Special Tax after the Land Use Change is less than the Maximum
16 Special Tax that applied prior to the Land Use Change, there will be no change to the
17 Maximum Special Tax for Leasehold Interests in the Parcel. Under no circumstances shall
18 the Maximum Special Tax on Leasehold Interests in any Parcel of Developed Property be
19 reduced, regardless of changes in Square Footage Category or square footage on the Parcel,
20 including reductions in square footage that may occur due to demolition, fire, water damage,
21 or acts of God.

22
23 4. Changes to Planning Parcels and Expected Land Uses

1 If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes
2 changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or
3 more Planning Parcels, as determined by the Review Authority, the Administrator shall update
4 the Expected Land Uses and Expected Maximum Development Special Tax Revenues,
5 Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special
6 Tax Revenues, which will be reflected on an updated Attachment 3. In addition, the
7 Administrator will request updated Attachments 1 and 2 from the Developer. Updated
8 attachments shall be maintained by the Administrator for purposes of applying this RMA, and
9 such updates shall not require recordation of an amended RMA.

10
11 If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make
12 changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or
13 more Planning Parcels, the Administrator shall meet with the Port, Developer, and any
14 affected Vertical Developers to review the proposed changes and evaluate the impact on the
15 Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special
16 Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If the
17 Administrator determines that such changes will not reduce Required Coverage on Bonds that
18 have been or will be issued, the Port will decide whether to allow the proposed changes and
19 corresponding redistribution of the Expected Maximum Development Special Tax Revenues,
20 Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special
21 Tax Revenues. If such changes are permitted, the Administrator will update Attachment 3
22 and request updated Attachments 1 and 2 from the Developer. Updated attachments shall be
23 maintained by the Administrator for purposes of applying this RMA, and such updates shall
24 not require recordation of an amended RMA. If the Administrator determines that the
25

1 proposed changes will reduce Required Coverage on Bonds that have been issued, the Port
2 will not permit the changes.

3
4 5. Reduction in Maximum Development Special Taxes Prior to First Bond Sale

5
6 Prior to the First Bond Sale, if the City, Port and Developer determine that assumptions
7 that were factored into estimates of Tax Increment at STD Formation have changed, and the
8 estimated Tax Increment is expected to be lower than the original estimates, the Port and
9 Developer may agree to a proportional or disproportional reduction in the Base Development
10 Special Tax as set forth in Section 4.5(e) of the Financing Plan. If the parties agree to such a
11 reduction, the Port will direct the Administrator to use the reduced Base Development Special
12 Tax for purposes of levying the taxes pursuant to this RMA, and an amended Notice of
13 Special Tax Lien reflecting the reduction will be recorded against all Taxable Parcels within
14 the STD. The reduction shall be made without a vote of the qualified STD electors.

15
16 **E. ANNEXATIONS**

17
18 If, in any Fiscal Year, a property owner within the Future Annexation Area wants to
19 annex property into the STD, the Administrator shall apply the following steps as part of the
20 annexation proceedings:

21
22 *Step 1.* Working with Port staff, the Administrator shall determine the Expected
23 Land Uses for the area to be annexed and the Tax Zone into which the property will be
24 placed.

1 *Step 2.* The Administrator shall prepare or have prepared updated Attachments
2 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses,
3 Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special
4 Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. After the
5 annexation is complete, the application of this RMA shall be based on the adjusted Expected
6 Land Uses and Maximum Development Special Tax Revenues, Maximum Office Special Tax
7 Revenues, and Maximum Shoreline Special Tax Revenues, as applicable, including the newly
8 annexed property.

9
10 *Step 3.* The Administrator shall ensure that a Notice of Special Tax Lien is
11 recorded against all Parcels that are annexed to the STD.

12
13
14 **F. METHOD OF LEVY OF THE SPECIAL TAXES**

15
16 **1. Development Special Tax**

17
18 Each Fiscal Year, the Administrator shall determine the Development Special Tax
19 Requirement for the Fiscal Year, and the Development Special Tax shall be levied according
20 to the steps outlined below:

21
22 *Step 1.* The Administrator shall determine the Development Special Tax to be
23 levied on Leasehold Interests in each Taxable Parcel of Developed Property, as follows:
24
25

1 *Step 1a.* Calculate the Maximum Development Special Tax for each Leasehold
2 Interest in each Parcel of Developed Property.

3
4 *Step 1b.* In consultation with the City, determine which Parcels of Developed Property
5 are Assessed Parcels.

6
7 *Step 1c.* For all Parcels of Developed Property that are not Assessed Parcels, levy the
8 Maximum Development Special Tax on Leasehold Interests in such Parcels. Any Remainder
9 Special Taxes collected shall be applied pursuant to the Financing Plan.

10
11 *Step 1d.* For all Assessed Parcels:

12
13 *Step 1dA.* Determine the amount of the Parcel Increment.

14
15 *Step 1dB.* If the total amount of Parcel Increment available is equal to or greater than
16 the total aggregate Maximum Development Special Taxes for all Assessed Parcels, then the
17 levy on each Assessed Parcel shall be zero (\$0).

18
19 *Step 1dC.* If the total amount of Parcel Increment available is less than the aggregate
20 Maximum Development Special Taxes for all Assessed Parcels, the Administrator shall apply
21 the appropriate sub-step below:

22
23 *Substep 1dC(i).* If, after coordination with the City and Port, the Administrator is
24 provided with a breakdown of Parcel Increment on a Parcel-by-Parcel basis in time for
25 submission of the Special Tax levy, the Administrator shall determine the net tax levy on

1 Leasehold Interests in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by taking
2 the following steps in the following order of priority: (i) subtract from the Maximum
3 Development Special Tax for each Assessed Parcel the amount of Parcel Increment
4 generated from the applicable Assessed Parcel, and (ii) for each Assessed Parcel whose tax
5 levy was not reduced to \$0 pursuant to item (i) in this paragraph, apply any remaining Parcel
6 Increment that was not applied pursuant to item (i) in this paragraph to each such Assessed
7 Parcel on a pro rata basis (based on the Assessed Parcel's net remaining tax levy as a
8 percentage of the aggregate net remaining tax levy for all Assessed Parcels for which Parcel
9 Increment was insufficient to pay the full amount of the Assessed Parcel's Maximum
10 Development Special Tax). The Administrator shall levy on Leasehold Interests in each
11 Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any
12 Remainder Special Taxes collected shall be applied pursuant to the Financing Plan.
13

14 *Substep 1dC(ii)*. If, after coordination with the City and Port, the Administrator
15 determines that a breakdown of Parcel Increment on a Parcel-by-Parcel basis cannot be
16 provided in time for submission of the Special Tax levy, the Administrator shall determine the
17 net tax levy on the Leasehold Interest in each Assessed Parcel (the "Net Assessed Parcel
18 Tax Levy") by subtracting from the Maximum Development Special Tax for each Assessed
19 Parcel a pro rata share of the Parcel Increment, with such pro rata share determined based
20 on each Assessed Parcel's Maximum Development Special Tax as a percentage of the
21 aggregate Maximum Development Special Tax for all Assessed Parcels in the STD. The
22 Administrator shall levy on the Leasehold Interest in each Assessed Parcel the Net Assessed
23 Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be
24 applied pursuant to the Financing Plan.
25

1 The Review Authority shall make the final determination regarding available Parcel
2 Increment, the Maximum Development Special Tax that applies to a Parcel based on the
3 Leasehold Interests in the Parcel, and the application of Parcel Increment pursuant to
4 Substeps 1dC(i). and 1dC(ii) above.

5
6 *Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in
7 order to meet the Development Special Tax Requirement after Capitalized Interest has been
8 applied to reduce the Development Special Tax Requirement, the Development Special Tax
9 shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped
10 Property, in an amount up to 100% of the Maximum Development Special Tax for Leasehold
11 Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year.

12
13 **2. Office Special Tax**

14
15 Each Fiscal Year, the Administrator shall determine the Office Special Tax
16 Requirement for the Fiscal Year, and the Office Special Tax shall be levied according to the
17 steps outlined below:

18
19 *Step 1.* Levy the Maximum Office Special Tax on Leasehold Interests in each
20 Taxable Parcel of Developed Property. Any Remainder Special Taxes collected shall be
21 applied pursuant to the Financing Plan.

22
23 *Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in
24 order to meet the Office Special Tax Requirement after Capitalized Interest has been applied
25 to reduce the Office Special Tax Requirement, the Office Special Tax shall be levied

1 Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an
2 amount up to 100% of the Maximum Office Special Tax for Leasehold Interests in each
3 Taxable Parcel of Undeveloped Property for such Fiscal Year.

4
5 **3. Shoreline Special Tax**

6
7 Each Fiscal Year, the Administrator shall determine the Shoreline Special Tax
8 Requirement for the Fiscal Year, and the Shoreline Special Tax shall be levied according to
9 the steps outlined below:

10
11 *Step 1.* Levy the Maximum Shoreline Special Tax on Leasehold Interests in each
12 Taxable Parcel of Developed Property. Any Remainder Special Taxes collected shall be
13 applied pursuant to the Financing Plan.

14
15 *Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in
16 order to meet the Shoreline Special Tax Requirement after Capitalized Interest has been
17 applied to reduce the Shoreline Special Tax Requirement, the Shoreline Special Tax shall be
18 levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped
19 Property, in an amount up to 100% of the Maximum Shoreline Special Tax for Leasehold
20 Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year.

21
22 **4. Contingent Services Special Tax**

23
24 Each Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the
25 Administrator shall coordinate with the City and the Port to determine the Services Special

1 Tax Requirement for the Fiscal Year. The Contingent Services Special Tax shall then be
2 levied Proportionately on Leasehold Interests in each Taxable Parcel of Developed Property,
3 in an amount up to 100% of the Maximum Contingent Services Special Tax for Leasehold
4 Interests in each Parcel of Developed Property for such Fiscal Year until the amount levied is
5 equal to the Services Special Tax Requirement. The Contingent Services Special Tax may
6 not be levied on Undeveloped Property.

7
8 **G. COLLECTION OF SPECIAL TAXES**

9
10 Special Taxes shall be collected in the same manner and at the same time as ordinary
11 ad valorem property taxes on the regular tax roll, provided, however, that the City may directly
12 bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and
13 may collect delinquent Special Taxes through foreclosure or other available methods as
14 authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be
15 levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any
16 Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the
17 possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to
18 the Taxpayer.

19
20 In calculating the Development Special Tax Requirement, Office Special Tax
21 Requirement, or Shoreline Special Tax Requirement, under no circumstances may the
22 Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a
23 Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent
24 (10%) of the respective Maximum Development Special Tax, Maximum Office Special Tax, or
25 Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD

1 Law) as a consequence of delinquency or default in payment of Special Taxes levied on
2 Leasehold Interests in another Parcel(s) in the STD (the "Delinquency Levy").

3
4 The Delinquency Levy, if any, is determined when calculating the Development Special
5 Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on
6 Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1, the Delinquency
7 Levy, if any, has already been applied and, therefore, the Administrator shall not levy any
8 additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax
9 levy reduced or eliminated by Parcel Increment.

10
11 The Development Special Tax shall be levied and collected on Leasehold Interests in
12 each Taxable Parcel until the earlier of: (i) the Fiscal Year in which the Port determines that all
13 Authorized Expenditures that will be funded by the STD have been funded and all
14 Development Special Tax Bonds have been fully repaid; (ii) the Fiscal Year after the Fiscal
15 Year in which Tax Increment is no longer collected within the Sub-Project Area within which
16 the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid,
17 as determined by the Administrator with direction from the Deputy Director; and (iii) Fiscal
18 Year 2093-94.

19
20 The Office Special Tax and the Shoreline Special Tax shall be levied on and collected
21 from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

22
23 Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event
24 occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

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H. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Taxes will be levied on fee simple interests in the STD, including Tax-Exempt Port Parcels.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds.

J. SPECIAL TAX APPEALS

Any Taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the Taxpayer's application. If the Administrator concludes that the computation of the Special Taxes was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Taxes was correct, then such determination shall be final and conclusive, and the Taxpayer shall have no appeal to the Board from the decision of the Administrator.

1 The filing of an application or an appeal shall not relieve the Taxpayer of the obligation
2 to pay the Special Taxes when due.

3
4 Nothing in this Section J shall be interpreted to allow a Taxpayer to bring a claim that would
5 otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere
6 in applicable law.

ATTACHMENT 1

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL TAX DISTRICT NO. 2020-1
(MISSION ROCK FACILITIES AND SERVICES)**

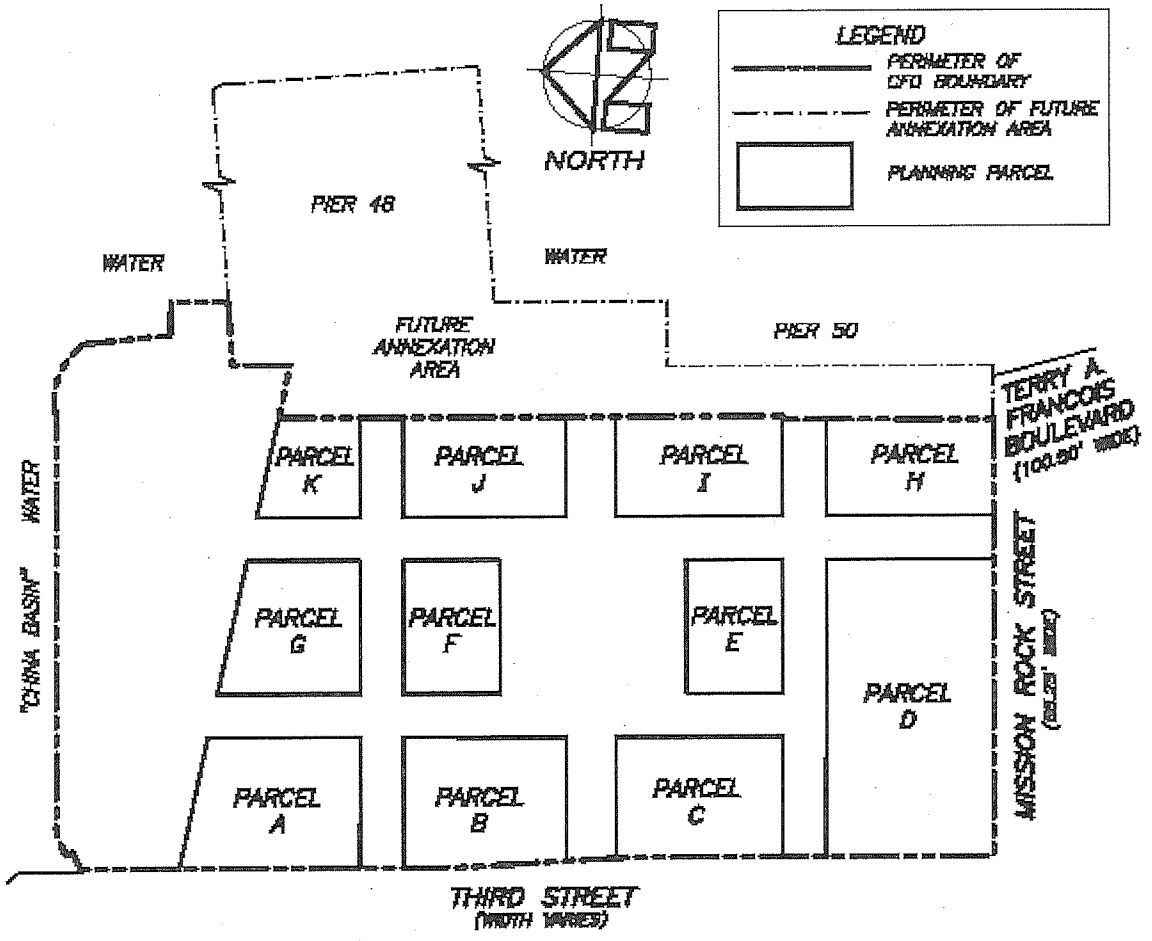
IDENTIFICATION OF PLANNING PARCELS

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ATTACHMENT 1
City and County of San Francisco
Special Tax District No. 2020-1
(Mission Rock Facilities and Services)

IDENTIFICATION OF PLANNING PARCELS



MARTIN M. RON ASSOCIATES, INC.
Land Surveyors
859 HARRISON STREET, SUITE 200
San Francisco, California 94107
S-2020E_EXHIBIT-CFD BOUND.dwg
JANUARY 31, 2020

ATTACHMENT 2

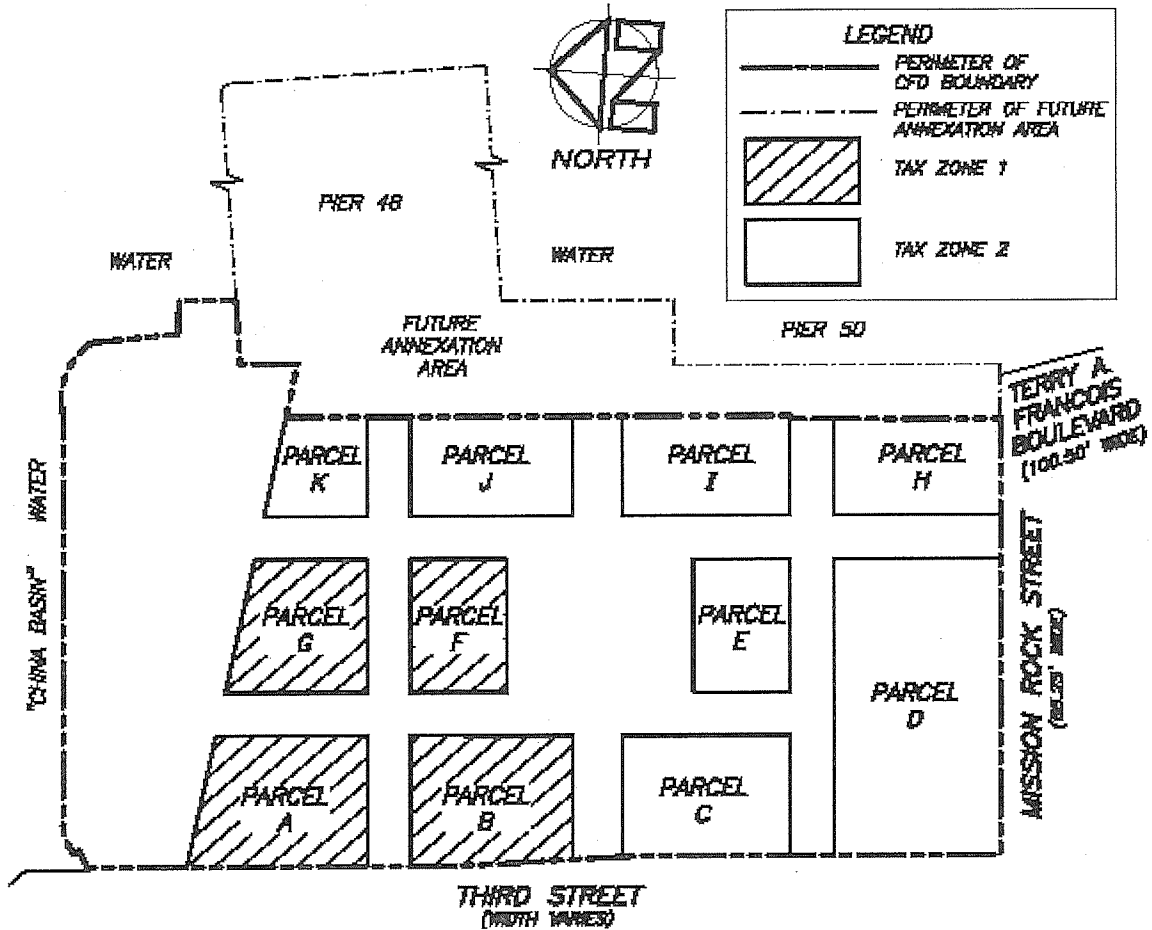
**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL TAX DISTRICT NO. 2020-1
(MISSION ROCK FACILITIES AND SERVICES)**

IDENTIFICATION OF TAX ZONES

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ATTACHMENT 2
City and County of San Francisco
Special Tax District No. 2020-1
(Mission Rock Facilities and Services)
IDENTIFICATION OF TAX ZONES



MARTIN M. RON ASSOCIATES, INC.
 Land Surveyors
 859 HARRISON STREET, SUITE 200
 San Francisco, California 94107
 S-9895E_EXHIBIT-OF-D_BNDY.dwg
 JANUARY 31, 2020

1 ATTACHMENT 3

2 City and County of San Francisco

3 Special Tax District No. 2020-1

4 (Mission Rock Facilities and Services)

5
6 Expected Land Uses, Expected Maximum Development Special Tax Revenues,
7 Expected Maximum Office Special Tax Revenues, and
8 Expected Maximum Shoreline Special Tax Revenues
9

| 10 Planning Parcel | 11 Expected Land Uses | 12 Expected Square Footage | 13 Expected Maximum Development Special Tax Revenues (FY 2019-20)* | 14 Expected Maximum Office Special Tax Revenues (FY 2019-20)* | 15 Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)* |
|----------------------|---|----------------------------|--|---|--|
| 16 <i>Tax Zone 1</i> | | | | | |
| 17 Parcel A | 18 Market Rate Residential Square Footage | 146,000 | \$1,252,680 | \$0 | \$0 |
| | 19 Office Square Footage | 48,447 | \$314,906 | \$93,018 | \$88,174 |
| 22 Parcel B | 23 Market Rate Residential Square Footage | 0 | \$0 | \$0 | \$0 |

| 1 | Planning | Expected | Expected | Expected | Expected | Expected |
|----|-------------------|--|----------|---------------|---------------|---------------|
| 2 | Parcel | Land | Square | Maximum | Maximum | Maximum |
| 3 | | Uses | Footage | Development | Office | Shoreline |
| 4 | | | | Special Tax | Special Tax | Special Tax |
| 5 | | | | Revenues | Revenues | Revenues |
| 6 | | | | (FY 2019-20)* | (FY 2019-20)* | (FY 2019-20)* |
| 7 | | Office Square Footage | 255,008 | \$1,657,552 | \$489,615 | \$464,115 |
| 8 | | | | | | |
| 9 | Parcel G | Market Rate Residential Square Footage | 0 | \$0 | \$0 | \$0 |
| 10 | | Office Square Footage | 283,323 | \$1,841,600 | \$543,980 | \$515,648 |
| 11 | | | | | | |
| 12 | Parcel F | Market Rate Residential Square Footage | 113,000 | \$969,540 | \$0 | \$0 |
| 13 | | Office Square Footage | 0 | \$0 | \$0 | \$0 |
| 14 | | | | | | |
| 15 | Tax Zone 2 | | | | | |
| 16 | | | | | | |
| 17 | Parcel C | Market Rate Residential Square Footage | 0 | \$0 | \$0 | \$0 |
| 18 | | Office Square Footage | 355,000 | \$2,307,500 | \$571,550 | \$646,100 |
| 19 | | | | | | |
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| 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | | | | | |
| Parcel D | Market Rate Residential Square Footage | 76,800 | \$658,944 | \$0 | \$0 |
| | Office Square Footage | 0 | \$0 | \$0 | \$0 |
| Parcel E | Market Rate Residential Square Footage | 0 | \$0 | \$0 | \$0 |
| | Office Square Footage | 141,000 | \$916,500 | \$227,010 | \$256,620 |
| Parcel H | Market Rate Residential Square Footage | 96,000 | \$823,680 | \$0 | \$0 |
| | Office Square Footage | 49,999 | \$324,994 | \$80,498 | \$90,998 |
| Parcel I | Market Rate Residential Square Footage | 0 | \$0 | \$0 | \$0 |

| 1 | Planning | Expected | Expected | Expected | Expected | Expected |
|----|--|--|----------|---------------|---------------|---------------|
| 2 | Parcel | Land | Square | Maximum | Maximum | Maximum |
| 3 | | Uses | Footage | Development | Office | Shoreline |
| 4 | | | | Special Tax | Special Tax | Special Tax |
| 5 | | | | Revenues | Revenues | Revenues |
| 6 | | | | (FY 2019-20)* | (FY 2019-20)* | (FY 2019-20)* |
| 7 | | Office Square Footage | 152,000 | \$988,000 | \$244,720 | \$276,640 |
| 8 | | | | | | |
| 9 | Parcel J | Market Rate Residential Square Footage | 0 | \$0 | \$0 | \$0 |
| 10 | | | | | | |
| 11 | | Office Square Footage | 152,000 | \$988,000 | \$244,720 | \$276,640 |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | Parcel K | Market Rate Residential Square Footage | 62,400 | \$535,392 | \$0 | \$0 |
| 15 | | | | | | |
| 16 | | Office Square Footage | 49,999 | \$324,994 | \$80,498 | \$90,998 |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | TOTAL EXPECTED REVENUES (FY2019-20) | | | \$13,904,280 | \$2,575,611 | \$2,705,932 |

20 *Beginning July, 2020 and each July 1 thereafter, the Base Development Special Tax,
 21 the Base Office Special Tax, and the Base Shoreline Special Tax shall be escalated as
 22 set forth in Section D.1.
 23
 24
 25

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL TAX DISTRICT NO. 2020-1
(MISSION ROCK FACILITIES AND SERVICES)**

PUBLIC AGENCY STATEMENT AND CONSENT

January 31, 2020

Board of Supervisors of the
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Members of the Board of Supervisors:

The Board of Supervisors of the City and County of San Francisco (the "City") has initiated formation of City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (the "Special Tax District") under Chapter 43, Article X of the San Francisco Administrative Code (as it may be amended from time to time, the "Code"), which Code incorporates by reference the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act"). This Public Agency Statement and Consent (this "Statement") is submitted in connection with the formation of the Special Tax District pursuant to Sections 53317(f)(1), 53317(f)(3) and 53326(a) of the Mello-Roos Act.

1. Property Owner. This Statement is submitted by the entity identified below (the "Property Owner"), which is the owner of the fee simple title of the parcels of land identified by the Assessor Parcel Numbers listed on Exhibit B attached hereto and incorporated herein by reference (the "Property"). The undersigned warrants to the City with respect to the Property that it is authorized to execute this Statement and that the submission of this Statement and participation in the proceedings to form the Special Tax District will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of the State of California or the United States of America, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, fiscal agent agreement, contract, agreement or other instrument to which the Property Owner is a party or is otherwise subject or bound.

2. Consent to Proceedings. The Property Owner hereby consents to proceedings under the Code to create the Special Tax District. The Property Owner acknowledges that a two-thirds vote of the qualified electors in the Special Tax District that vote on the issues is required for (i) the levy of special taxes in the Special Tax District pursuant to the Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be prepared by the City, (ii) the issuance of special tax bonds and the incurrence of other debt (as defined in the Mello-Roos Act) for the Special Tax District in an amount to be determined during the formation proceedings, and (iii) the establishment of an appropriations limit for the Special Tax District in an amount to be determined during the formation proceedings.

The Property Owner hereby declares that it is a "landowner" (as defined in Section 53317(f) of the Mello-Roos Act) for purposes of the formation proceedings for the Special Tax District because the Property either will be (a) transferred by conveyance of the fee interest to private ownership for the construction of improvements, in which case the Property Owner hereby agrees that the Property will be subject to the special tax on the same basis as private property within the Special Tax District and affirmatively waives any defense based on the fact of public ownership to any action to foreclose on the Property in the event of nonpayment of the special tax or (b) leased to a nonexempt person or entity and, pursuant to Section 53340.1 of the Mello-Roos Act, the special tax will be levied on the leasehold interest and payable by the owner of the leasehold interest.

3. Boundaries of CFD. The Property Owner hereby consents to the Property being included within the boundaries of the Special Tax District.

4. Purpose of CFD. The Property Owner acknowledges that the Special Tax District will be created for the purpose of financing the facilities, public services and other costs described in Exhibit A attached hereto and incorporated herein by reference.

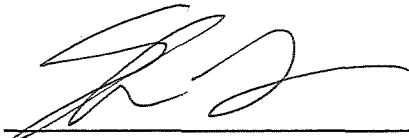
5. Elections. The Property Owner hereby consents to a special election being held under the Code to authorize the special taxes and the issuance of the bonds and other debt and to establish an appropriations limit for the Special Tax District, to the consolidation of the matters into a single election and to the election being conducted by the City and its officials, using mailed or hand-delivered ballots, with such ballots being opened and canvassed and the results certified at the same meeting of the Board of Supervisors as the public hearings on the Special Tax District under the Code or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for the Special Tax District, all notices of hearings and all notices of election, applicable waiting periods under the Code for the election and all ballot analyses and arguments for the election are hereby waived. The Property Owner also waives any requirement as to the specific form of the ballot to be used for the election, whether under the Code, the California Elections Code or otherwise.

This Statement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this Statement, the Property Owner agrees to all of the above.

CITY AND COUNTY OF SAN FRANCISCO,
ACTING BY AND THROUGH THE SAN
FRANCISCO PORT COMMISSION

By: 

Elaine Forbes
Executive Director
San Francisco Port Commission

EXHIBIT A

**PROPOSED DESCRIPTION OF FACILITIES, SERVICES AND OTHER COSTS TO BE
FINANCED BY THE SPECIAL TAX DISTRICT**

EXHIBIT A

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the “STD”), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement (“DDA”), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit A, “including” has the meaning given to it in the DDA.

Authorized Facilities

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code Section 53311 et seq.), including:

1. Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA.
2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements.
3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression.
4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use.
5. Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited to, water recycling production equipment such as buffer and treatment tanks, reverse osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as pumps, valves, and electrical equipment; distribution facilities such as main pipes, laterals, and valves; customer interface equipment such as water meters, back flow preventers, and valves; along with financing costs and any other components required for non-potable water supply system (whether publicly or privately owned) intended to provide treated

wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings, and any other components or administrative costs required for non-potable water system.

6. District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment; distribution facilities such as main pipes, laterals, and valves; customer interface equipment such as energy meters and energy transfer stations; along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings.
7. Sanitary Sewer, Storm Drain, and Stormwater Management– includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements.
8. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services.
9. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding. Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements.
10. Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications. through the permitting process.

11. Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations, signage, emergency services infrastructure, landscaping (including trees and Silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and wayfinding and interpretative signage and facilities.
12. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed antenna systems, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, wayfinding, interpretive and other park signage, viewing platforms, water access facilities (including boat launch), retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, construction and occupancy costs of park structures, and any other components, e.g., Shoreline Improvements), and any other associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space in the DDA, Design Controls documents, or Subdivision Map.
13. Water-based Transportation Improvements – includes, but not limited to, modes of water-based transportation and all infrastructure, design, and permitting costs related to providing water-based transportation facilities at the Project.
14. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic Pier 48.
15. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Mission Rock Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other related documents, and associated with public improvements.
16. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities.
17. Shoreline Protection Facilities includes, but is not limited to, waterfront Improvements at the San Francisco Bay shoreline to provide stability, to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.

18. Deferred Infrastructure.
19. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development incurred after the Reference Date, such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.
20. Associated Public Benefits – including, but not limited to, costs required to provide Associated Public Benefits related to transportation, childcare, public open space, sustainability, community meeting space and programs, and other public-benefitting improvements and expenditures.
21. Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons; studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers; replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port.
22. Any other costs authorized to be financed by the STD under the DDA.
23. Interim improvements required for the use of the Project Site including temporary bike lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other improvements required for the interim use of the remaining Project Site.
24. Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA, including developer management costs, third party professional services, construction management Fees, and asset management costs.
25. Developer Mitigation Measures, including the formation of the Transportation Management Association and dust, vibration, asbestos and settlement monitoring.
26. Insurance, Bonding and Warranty costs as required by the City in connection with the authorized improvements.
27. Miscellaneous Costs, such as costs associated with implementing the DDA, including any additional costs that the Parties have agreed shall be incurred by the Developer for the Project, such as master planning for each phase, audits, appraisals, workforce development costs (such as a liaison), cash payments and community outreach initiatives.

Any facility authorized to be financed by the STD may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

The facilities authorized to be financed may be located within or outside the boundaries of the STD.

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the STD.

The facilities to be financed shall also include all incidental expenses, defined as follows:

- (1) The cost of planning and designing facilities to be financed by the STD, including the cost of environmental evaluations of those facilities.
- (2) The costs associated with the creation of the STD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the STD.
- (3) Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- (4) Special taxes levied on a property in the STD and paid by the Developer on behalf of a local agency or other landowner prior to the development of the property.

The facilities to be financed also includes the interim cost of the facilities, which shall mean the Developer Return or Port Return, as applicable, and any interest payable on any promissory note payable to the STD.

The STD may also apply bond proceeds and special taxes to repay the Port Commission for advances made to pay for authorized costs, under any promissory note or otherwise.

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by the STD.

AUTHORIZED SERVICES

Special taxes collected in the STD may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the

Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), in the STD and, to the extent permitted by the DDA, outside the STD, including:

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, public paseos and other public amenities, some of which may be rooftop facilities or located on privately leased property but identified as public open space in the DDA or Design Controls or Subdivision Map.
- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete infrastructure, retaining walls within the ROWs and related amenities in the STD, some of which may be located on privately leased property but identified as public open space in the DDA or Design Controls.
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the STD that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront.
- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving.
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs.
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages.
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities.
- Any other costs authorized to be financed by the STD under the DDA.

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term “**operation**” includes providing security and hosting special events.

INCIDENTAL COSTS

Special taxes collected in the STD will also fund, in whole or in part, the incidental costs associated with the facilities and services authorized to be financed. Incidental costs include, but are not limited to:

1. Administrative expenses and fees including costs incurred to form the STD, to annex territory to the STD, to annually administer the STD, to levy and collect special taxes for the STD, and any other costs incurred in standard administration of the STD by the City or their authorized consultants;
2. Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years;
3. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond, disclosure, and underwriter counsel fees and all other incidental expenses; and
4. Reimbursement of costs related to the formation of the STD advanced by the City and any landowner(s) in the STD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City or any landowner(s) in the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD.

COMPLIANCE WITH CFD GOALS

The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this Exhibit A.

EXHIBIT B

ASSESSOR PARCEL NUMBERS

Assessor's Parcel Nos.

Names of Property Owners

8719A-002

San Francisco Port Commission



CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF ELECTIONS

John Arntz, Director

February 3, 2020

Board of Supervisors of the
 City and County of San Francisco
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102

Re: Registered Voters within Boundaries of Proposed "City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)"

Honorable Members of the Board of Supervisors:

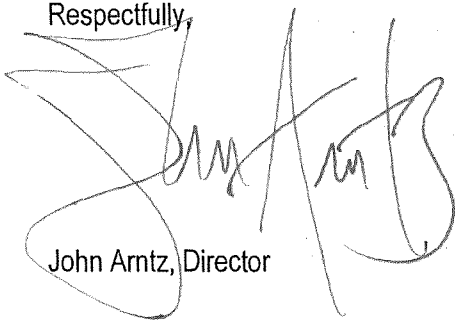
This letter will confirm that on February 3, 2020, I reviewed the records of registered voters for the territory that is encompassed within the proposed boundaries of the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (the "Special Tax District") and the future annexation area (the "Future Annexation Area") proposed to be established for the Special Tax District, as such territory is (a) shown on the boundary map for the Special Tax District and the Future Annexation Area, reference to which map is hereby made and by this reference incorporated herein and (b) identified by the following list of Assessor Parcel Numbers and landowners:

| Block | Lot | Owner per Assessor's Roll | Special Tax District or Future Annexation Area |
|-------|-----|-------------------------------|--|
| 8719A | 002 | San Francisco Port Commission | Special Tax District |
| 8719A | 003 | San Francisco Port Commission | Future Annexation Area |
| 8719A | 001 | San Francisco Port Commission | Future Annexation Area |

I also reviewed a map of the predecessor parcels to the above-listed parcels: 8719-006, 9900-06, 9900-048.

Based on this review, I hereby certify that on the date hereof, there were no registered voters within the boundaries of the Special Tax District and the Future Annexation Area.

Respectfully,



John Arntz, Director

Proposed Boundaries of
 City and County of San Francisco
 Special Tax District No. 2020-1
 (Mission Rock Facilities and Services)
 City and County of San Francisco
 State of California

TAXES LEVIED BY THIS DISTRICT MAY BE USED TO
 PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES.

1. FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF
 SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO THIS
 DAY OF _____, 20____.

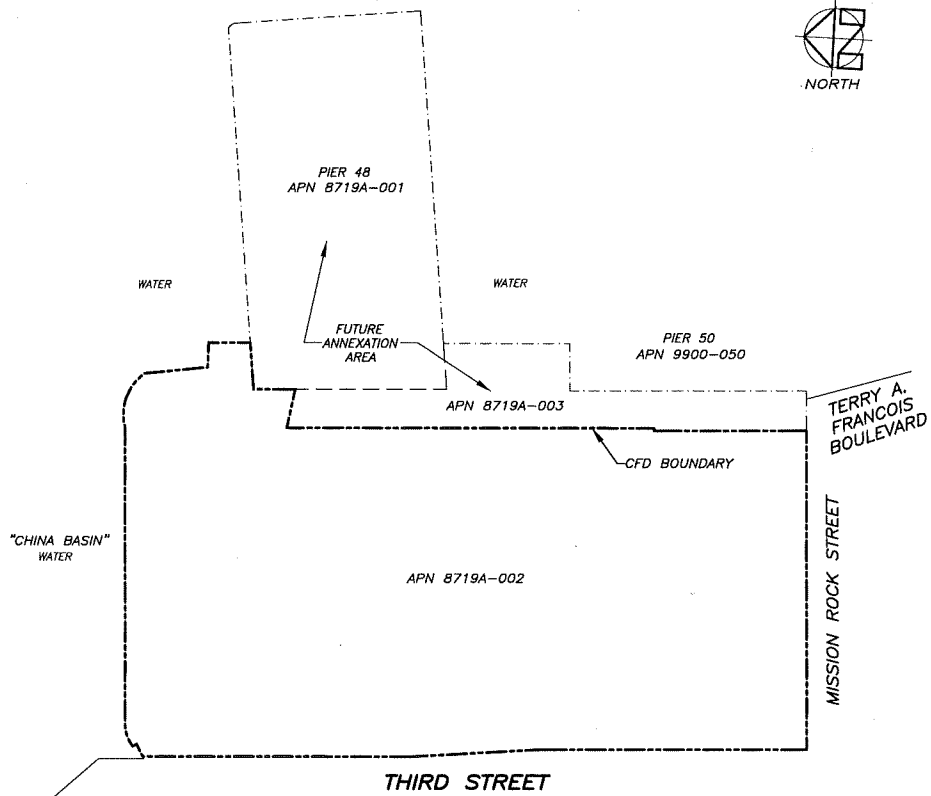
ANGELA CALVILLO
 CLERK OF THE BOARD OF SUPERVISORS

2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
 BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT
 NO. 2020-1 (MISSION ROCK FACILITIES AND SERVICES), CITY AND COUNTY
 OF SAN FRANCISCO, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD
 OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A
 MEETING THEREOF, HELD ON THE _____ DAY OF _____,
 20____, BY ITS RESOLUTION NO. _____.

ANGELA CALVILLO
 CLERK OF THE BOARD OF SUPERVISORS

3. FILED THIS _____ DAY OF _____, 20____,
 AT THE HOUR OF ____ O'CLOCK ____M., IN BOOK ____ OF MAPS OF
 ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ____ IN
 THE OFFICE OF THE COUNTY ASSESSOR-RECORDER IN THE CITY AND
 COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

COUNTY ASSESSOR-RECORDER,
 CITY AND COUNTY OF SAN FRANCISCO



| LEGEND | |
|-----------|-------------------------------------|
| APN | ASSESSOR'S PARCEL NUMBER |
| ————— | PERIMETER OF CFD BOUNDARY |
| - - - - - | PERIMETER OF FUTURE ANNEXATION AREA |
| ----- | ASSESSOR'S PARCEL LINE |

MARTIN M. RON ASSOCIATES, INC.
 Land Surveyors
 859 HARRISON STREET, SUITE 200
 San Francisco, California 94107
 JANUARY 31, 2020 SHEET 1 OF 1



board of supervisors
2020 FEB -4 P 4: 31
received by OK
[Signature]

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Resolution of Intention – Establishing the Mission Rock STD No. 2020-1
DATE: Tuesday, February 4, 2020

Resolution declaring the intention to establish City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) and a Future Annexation Area; ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on April 7, 2020; determining other matters in connection therewith, as defined herein; and making findings under the California Environmental Quality Act.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.