

1 [Levy Ad Valorem and Special Taxes - Possessory Interests on Secured Roll - Pier 70 and  
2 Mission Rock IFD and Special Tax Districts]

3 **Resolution approving the levy on the secured roll of ad valorem and special taxes on**  
4 **possessory interests in Sub-Project Areas G-2 through G-4 and Sub-Project Areas I-1**  
5 **through I-13 of City and County of San Francisco Infrastructure Financing District No. 2**  
6 **(Port of San Francisco), City and County of San Francisco Special Tax District**  
7 **No. 2019-2 (Pier 70 Leased Properties), and City and County of San Francisco Special**  
8 **Tax District No. 2020-1 (Mission Rock Facilities and Services); making findings under**  
9 **the California Environmental Quality Act; and determining other matters in connection**  
10 **therewith, as defined herein.**

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

17 WHEREAS, FC Pier 70, LLC, a Delaware limited liability company (“Pier 70 Waterfront  
18 Developer”) and the City, acting by and through the Port, are parties to a Disposition and  
19 Development Agreement (“Pier 70 Waterfront DDA”), including a Financing Plan (“Pier 70  
20 Waterfront Financing Plan”), that governs the disposition and development of approximately  
21 28 acres of land in Pier 70 (“Pier 70 Waterfront Project Site”), which Pier 70 Waterfront DDA  
22 was approved by the Board of Supervisors by Resolution No. 401-17, adopted on October 31,  
23 2017, signed by the Mayor on November 9, 2017, and a copy of which is in Board File  
24 No. 170986; and

1           WHEREAS, In the general election held on November 4, 2014, an initiative entitled, the  
2 “Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation  
3 Initiative” (“Proposition F”), was approved by the voters in the City; and

4           WHEREAS, The Pier 70 Waterfront DDA contemplates a project (“Pier 70 Waterfront  
5 Project”) under which the Port would initially lease the Pier 70 Waterfront Project Site to the  
6 Pier 70 Waterfront Developer for infrastructure development, and, ultimately, lease and sell  
7 parcels in the Pier 70 Waterfront Project Site to vertical developers, for development of a  
8 mixed-use project described in the Pier 70 Waterfront DDA; and

9           WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the  
10 City, that the City encourage the timely development of the Pier 70 Waterfront Project Site  
11 with a development project that includes certain major uses, including without limitation, new  
12 below market-rate homes affordable to middle- and low-income families and individuals,  
13 representing 30% of all new housing units (“Affordable Housing”); and

14           WHEREAS, Pursuant to the Pier 70 Waterfront DDA, the Pier 70 Waterfront Developer  
15 is obligated to construct Affordable Housing on the Pier 70 Waterfront Project Site and an  
16 area of land in the vicinity of the Pier 70 Waterfront Project Site and within Pier 70 commonly  
17 known as Parcel K South (“Parcel K South”) to satisfy the requirements for Affordable  
18 Housing under Proposition F; and

19           WHEREAS, Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
20 (“Mission Rock Developer”) and the City, acting by and through the Port, are parties to a  
21 Disposition and Development Agreement (“Mission Rock DDA”), including a Financing Plan  
22 (“Mission Rock Financing Plan”), that governs the disposition and development of certain  
23 parcels in the jurisdiction of the Port, including Seawall Lot 337, 3.53 acres of Terry A.  
24 Francois Boulevard from Third Street to Mission Rock Street, China Basin Park and ½ acre to  
25 the east of Terry A. Francois Boulevard between Pier 48 and Pier 50 (“Mission Rock Project

1 Site”), and also provides for development of Pier 48, which Mission Rock DDA was approved  
2 by the Board of Supervisors by Resolution No. 42-18, adopted on February 13, 2018, signed  
3 by the Mayor on February 23, 2018, and a copy of which is in Board File No. 180092; and

4 WHEREAS, The proposed development of the Mission Rock Project Site, which is  
5 commonly referred to as the Mission Rock project (“Mission Rock Project”), will be a new  
6 mixed-use neighborhood that is proposed to include a mix of commercial/office, retail, parking,  
7 and market rate and affordable residential uses and approximately eight acres of new and  
8 expanded parks and shoreline access; and

9 WHEREAS, Under the Mission Rock DDA, (i) the Mission Rock Developer is  
10 responsible for master development of the Mission Rock Project Site, including construction of  
11 public infrastructure, (ii) the Port and Mission Rock Developer will enter into a master lease for  
12 all of the Mission Rock Project Site, (iii) the Port will convey development parcels to vertical  
13 developers and those parcels will be released from the master lease and (iv) the Port may  
14 enter into a separate lease with the Mission Rock Master Developer (or an affiliate) for  
15 development of Pier 48; and

16 WHEREAS, Some of the above leased land will be “possessory interests” for California  
17 property tax purposes; and

18 WHEREAS, Under California Revenue and Taxation Code, Section 107, “[a]ny  
19 possessory interest may, in the discretion of the county board of supervisors, be considered  
20 as sufficient security for the payment of any taxes levied thereon and may be placed on the  
21 secured roll;” and

22 WHEREAS, Under California Government Code, Sections 53395 et seq. (“IFD Law”),  
23 the Board of Supervisors is authorized to establish an infrastructure financing district and to  
24 act as the legislative body for such an infrastructure financing district; more specifically, the  
25 Board of Supervisors is authorized to establish “waterfront districts” under IFD Law,

1 Section 53395.8, including a waterfront district for approximately 65 acres of waterfront land in  
2 the area known as Pier 70, and approve “Pier 70 enhanced financing plans”; and

3 WHEREAS, By Ordinance No. 27-16, which the Board of Supervisors adopted on  
4 February 23, 2016, and which was signed by the Mayor on March 11, 2016 (“Ordinance  
5 Establishing IFD”), the Board of Supervisors, among other things, declared “City and County  
6 of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (“IFD”) to be  
7 fully formed and established and approved an infrastructure financing plan ( “IFD  
8 Infrastructure Financing Plan”); and

9 WHEREAS, By Ordinance No. 220-18, which the Board of Supervisors adopted on  
10 September 18, 2018, and which was signed by the Mayor on September 28, 2018  
11 (“Ordinance Establishing Sub-Project Areas G-2 through G-4”), the Board of Supervisors,  
12 among other things, declared the following sub-project areas (collectively, “Sub-Project Areas  
13 G-2 through G-4”) within the Pier 70 Waterfront Project Site to be fully formed and established  
14 and approved Appendix G-2 to the IFD Infrastructure Financing Plan as a Pier 70 enhanced  
15 financing plan for Sub-Project Areas G-2 through G-4; and

16 WHEREAS, A map of Sub-Project Areas G-2 through G-4 and a legal description of the  
17 properties in Sub-Project Areas G-2 through G-4 are attached as Attachment 1 to Appendix  
18 G-2, and a copy of Appendix G-2 is in Board File No. 180773; and

19 WHEREAS, By Ordinance No. 34-18, which the Board of Supervisors adopted on  
20 February 27, 2018, and which was signed by the Mayor on March 6, 2018 (“Ordinance  
21 Establishing Project Area I and Sub-Project Areas I-1 through I-13”), the Board of  
22 Supervisors, among other things, declared the following project area (“Project Area I”) and  
23 sub-project areas (collectively, “Sub-Project Areas I-1 through I-13”) within the Mission Rock  
24 Project Site to be fully formed and established and approved Appendix I to the IFD  
25 Infrastructure Financing Plan: (i) “Project Area I (Mission Rock),” (ii) “Sub-Project Area I-1

1 (Mission Rock),” (iii) “Sub-Project Area I-2 (Mission Rock),” (iv) “Sub-Project Area I-3 (Mission  
2 Rock),” (v) “Sub-Project Area I-4 (Mission Rock),” (vi) “Sub-Project Area I-5 (Mission Rock),”  
3 (vii) “Sub-Project Area I-6 (Mission Rock),” (viii) “Sub-Project Area I-7 (Mission Rock),” (ix)  
4 “Sub-Project Area I-8 (Mission Rock),” (x) “Sub-Project Area I-9 (Mission Rock),” (xi) “Sub-  
5 Project Area I-10 (Mission Rock),” (xii) “Sub-Project Area I-11 (Mission Rock),” (xiii) “Sub-  
6 Project Area I-12 (Mission Rock),” and (xiv) “Sub-Project Area I-13 (Mission Rock)”; and

7 WHEREAS, A map of Sub-Project Areas I-1 through I-13 and a legal description of the  
8 properties in Sub-Project Areas I-1 through I-13 are attached as Attachment 1 to Appendix I,  
9 and a copy of Appendix I is in Board File No. 171314; and

10 WHEREAS, By Resolution No. 11-20, which the Board of Supervisors adopted on  
11 January 14, 2020, and which was signed by the Mayor on January 24, 2020 (“Resolution  
12 Establishing Pier 70 Leased Properties Special Tax District”), a copy of which is in Board File  
13 No. 191168, the Board of Supervisors, among other things, declared the special tax district  
14 designated “City and County of San Francisco Special Tax District No. 2019-2 (Pier 70  
15 Leased Properties)” (“Pier 70 Leased Properties Special Tax District”) within the Pier 70  
16 Waterfront Project Site to be fully formed and established; and

17 WHEREAS, In connection with the formation of the Pier 70 Leased Properties Special  
18 Tax District, a map of the proposed boundaries of the Pier 70 Leased Properties Special Tax  
19 District was recorded on December 12, 2019 in Book 001, Page 171 of the Book of Maps of  
20 Assessment and Special Tax Districts in the office of the Assessor-Recorder for the City and  
21 County of San Francisco, State of California as Document Number 2019-K876617-00; and

22 WHEREAS, By Resolution No. 160-20, which the Board of Supervisors adopted on  
23 [April 14, 2020], and which was signed by the Mayor on [April 24, 2020] (“Resolution  
24 Establishing Mission Rock Special Tax District”), a copy of which is in Board File No. 200120,  
25 the Board of Supervisors, among other things, declared the “City and County of San

1 Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)" ("Mission  
2 Rock Special Tax District") within the Mission Rock Project Site to be fully formed and  
3 established; and

4 WHEREAS, In connection with the formation of the Mission Rock Special Tax District,  
5 a map of the proposed boundaries of the Mission Rock Special Tax District was recorded on  
6 March 31, 2020 in Book 001, Pages 173-174 of the Book of Maps of Assessment and Special  
7 Tax Districts in the office of the Assessor-Recorder for the City and County of San Francisco,  
8 State of California as Document Number 2020-K920032-00; and

9 WHEREAS, At its hearing on August 24, 2017, and prior to recommending proposed  
10 Planning Code amendments for approval, by Motion No. 19976, the Planning Commission  
11 certified a Final Environmental Impact Report ("Pier 70 Waterfront FEIR") for the Pier 70  
12 Waterfront Project (Case No. 2014-001272ENV) pursuant to CEQA, the CEQA Guidelines,  
13 and Chapter 31 of the Administrative Code; a copy of said Motion is on file with the Clerk of  
14 the Board of Supervisors in File No. 170930, and, is incorporated herein by reference; and

15 WHEREAS, In recommending proposed Planning Code Amendments for approval by  
16 the Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the  
17 Planning Commission also adopted findings under CEQA, including a statement of overriding  
18 consideration, and a Mitigation Monitoring and Reporting Program ("Pier 70 Waterfront  
19 MMRP"); a copy of said Motion and Pier 70 Waterfront MMRP are on file with the Clerk of the  
20 Board of Supervisors in File No. 170930, and is incorporated herein by reference; and

21 WHEREAS, At its hearing on October 5, 2017, and prior to recommending proposed  
22 Planning Code amendments for approval, by Motion No. M-20017, the Planning Commission  
23 certified a Final Environmental Impact Report ("Mission Rock FEIR") for the Mission Rock  
24 Project pursuant to CEQA, the CEQA Guidelines, and Administrative Code, Chapter 31; a  
25

1 copy of said Motion is on file with the Clerk of the Board of Supervisors in File No. 171117,  
2 and is incorporated herein by reference; and

3 WHEREAS, In recommending proposed Planning Code Amendments for approval by  
4 the Board of Supervisors at its hearing on October 5, 2017, by Motion No. M-20018, the  
5 Planning Commission also adopted findings under CEQA, including a statement of overriding  
6 consideration, and a Mitigation Monitoring and Reporting Program (“Mission Rock MMRP”),  
7 and copies of said Motion and Mission Rock MMRP are on file with the Clerk of the Board of  
8 Supervisors in File No. 171117, and are incorporated herein by reference; now, therefore, be  
9 it

10 RESOLVED, That the recitals herein are true and correct; and, be it

11 FURTHER RESOLVED, That Appendix G-2 related to the Pier 70 Waterfront Project  
12 and Appendix I related to the Mission Rock Project provide for the allocation to the IFD of tax  
13 increment revenue generated by the levy of ad valorem taxes on taxable property in the IFD,  
14 including leasehold and possessory interests in land owned by the City, or the City acting by  
15 and through the Port Commission; and, be it

16 FURTHER RESOLVED, That the Resolution Establishing Pier 70 Leased Properties  
17 Special Tax District provides for the levy of special taxes on taxable property in the Pier 70  
18 Leased Properties Special Tax District (including property that annexes in the future into the  
19 Pier 70 Leased Properties Special Tax District), including leasehold and possessory interests  
20 in land owned by the City, or the City acting by and through the Port Commission; and, be it

21 FURTHER RESOLVED, That the Resolution Establishing Mission Rock Special Tax  
22 District provides for the levy of special taxes on taxable property in the Mission Rock Special  
23 Tax District (including property that annexes in the future into the Mission Rock Special Tax  
24 District), including leasehold and possessory interests in land owned by the City, or the City  
25 acting by and through the Port Commission; and, be it

1           FURTHER RESOLVED, That the Board of Supervisors hereby considers that the  
2           possessory interests in the Pier 70 Leased Properties Special Tax District, Mission Rock  
3           Special Tax District, Sub-Project Areas G-2 through G-4 and Sub-Project Areas I-1 through I-  
4           13 are sufficient security for the payment of any taxes levied thereon and shall be assessed  
5           on the secured roll; and, be it

6           FURTHER RESOLVED, That in accordance with the actions contemplated herein, the  
7           Board of Supervisors has reviewed the Pier 70 Waterfront FEIR, concurs with its conclusions,  
8           affirms the Planning Commission’s certification of the Pier 70 Waterfront FEIR, and finds that  
9           the actions contemplated herein are within the scope of the Pier 70 Waterfront Project  
10          described and analyzed in the Pier 70 Waterfront FEIR; and, be it

11          FURTHER RESOLVED, That the Board of Supervisors hereby adopts and  
12          incorporates by reference as though fully set forth herein the Planning Commission’s CEQA  
13          approval findings in the Pier 70 Waterfront MMRP, including the statement of overriding  
14          considerations, and adopts and incorporates by reference as though fully set forth herein the  
15          Pier 70 Waterfront MMRP; and, be it

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

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



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

9           FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of  
10 Public Finance, the Executive Director of the Port, the Treasurer-Tax Collector, the Assessor,  
11 the Clerk of the Board and any and all other officers of the City are hereby authorized, for and  
12 in the name of and on behalf of the City, to do any and all things and take any and all actions,  
13 including execution and delivery of any and all documents, assignments, certificates,  
14 requisitions, agreements, notices, consents, instruments of conveyance, warrants and  
15 documents, which they, or any of them, may deem necessary or advisable in order to  
16 effectuate the purposes of this Resolution; provided however that any such actions be solely  
17 intended to further the purposes of this Resolution, and are subject in all respects to the terms  
18 of the Resolution; and, be it

19           FURTHER RESOLVED, That all actions authorized and directed by this Resolution,  
20 consistent with any documents presented herein, and heretofore taken are hereby ratified,  
21 approved and confirmed by the Board; and, be it

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

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

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5   By:           /s/ Mark D. Blake            
6       MARK D. BLAKE  
7       Deputy City Attorney

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