

**CITY AND COUNTY OF SAN FRANCISCO
Infrastructure Financing District No. 2
(Port of San Francisco)**

INFRASTRUCTURE FINANCING PLAN

Originally adopted:

**Date: _____, 2016
Ordinance No.: _____**

Schedule of Amendments

Date of Amendment	Ordinance No.	Purpose of Amendment

LIST OF APPENDICES

Appendix	Related Project Area
A	A (Seawall Lot 330)
B	B (Piers 30-32)
C	C (Pier 28)
D	D (Pier 26)
E	E (Seawall Lot 351)
F	F (Pier 48)
G	G (Pier 70)
G-1	Sub-Project Area G-1 (Pier 70 - Historic Core)
H	H (Rincon Point-South Point Project Area)

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CITY AND COUNTY OF SAN FRANCISCO
Infrastructure Financing District No. 2
(Port of San Francisco)

INTRODUCTION

IFD. On March 27, 2012, the Board of Supervisors (the “**Board of Supervisors**”) of the City and County of San Francisco (the “**City**”), pursuant to the provisions of Government Code Section 53395 et seq. (the “**IFD Law**”), and for the public purposes set forth therein, adopted its Resolution No. 110-12 (the “**Original Resolution of Intention**”), pursuant to which it declared its intention to conduct proceedings to establish the “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (the “**IFD**”), including project areas within the IFD (each, a “**Project Area**”).

Subsequently, (i) on June 12, 2012, the Board of Supervisors adopted its Resolution No. 227-12 (the “**First Amending Resolution**”), pursuant to which it ratified and amended the Original Resolution of Intention and (ii) on November 17, 2015, the Board of Supervisors adopted its Resolution No. 421-15 (the “**Second Amending Resolution**”), pursuant to which it ratified and amended the Original Resolution of Intention as previously amended by the First Amending Resolution. Together, the Original Resolution of Intention, the First Amending Resolution and the Second Amending Resolution are referred to in this Infrastructure Financing Plan as the “**Resolution of Intention.**”

In the Resolution of Intention, the Board of Supervisors declared its intention that the IFD will constitute a waterfront district (as defined in Section 53395.8 of the IFD Law), and that one or more of the Project Areas will constitute Pier 70 districts (as defined in Section 53395.8 of the IFD Law) or special waterfront districts (as defined in Section 53395.81 of the IFD Law).

Project Areas. Pursuant to Section 53395.8(g) of the IFD Law, an infrastructure financing district may be divided into project areas, each of which may be subject to distinct time limitations.

In the Resolution of Intention, the Board of Supervisors declared its intention to establish the following initial Project Areas:

- a. Project Area A (Seawall Lot 330). The Board of Supervisors declared its intent to establish Project Area A as a special waterfront district.
- b. Project Area B (Piers 30-32). The Board of Supervisors declared its intent to establish Project Area B as a special waterfront district.
- c. Project Area C (Pier 28). The Board of Supervisors declared its intent to establish Project Area C as a special waterfront district.
- d. Project Area D (Pier 26). The Board of Supervisors declared its intent to establish Project Area D as a special waterfront district.

- e. Project Area E (Seawall Lot 351). The Board of Supervisors declared its intent to establish Project Area E as a waterfront district.
- f. Project Area F (Pier 48). The Board of Supervisors declared its intent to establish Project Area F as a waterfront district.
- g. Project Area G (Pier 70). The Board of Supervisors declared its intent to establish Project Area G as a Pier 70 district.
- h. Sub-Project Area G-1 (Pier 70 - Historic Core). The Board of Supervisors declared its intent to establish Sub-Project Area G-1 as a Pier 70 district.
- i. Project Area H (Rincon Point-South Point Project Area). The Board of Supervisors declared its intent to establish Project Area H as a waterfront district.

In the Resolution of Intention, the Board of Supervisors also declared its intention to establish additional Project Areas within the boundaries of the IFD from time to time in compliance with the IFD Law. The Board of Supervisors will only allocate tax increment to the IFD with respect to territory that is in a Project Area after the Board of Supervisors has approved an appendix to this Infrastructure Financing Plan for the Project Area and with respect to which the Port and the City have entered into a memorandum of understanding relating to the Project Area.

Infrastructure Financing Plan Requirements. Pursuant to the Resolution of Intention, the Board of Supervisors ordered the Executive Director of the Port of San Francisco to prepare a proposed infrastructure financing plan that is consistent with the General Plan of the City. The Board of Supervisors also directed preparation of a Pier 70 enhanced financing plan (as such term is used in Section 53395.8 of the IFD Law) for Sub-Project Area G-1.

Pursuant to Sections 53395.8 and 53395.81 of the IFD Law, the infrastructure financing plan must include all of the following:

(a) A map and legal description of the proposed IFD, which may include all or a portion of the IFD designated by the Board of Supervisors in the Resolution of Intention.

(b) A description of the public improvements and facilities required to serve the development proposed in the IFD including those to be provided by the private sector, those to be provided by governmental entities without assistance under the IFD Law, those public facilities to be financed with assistance from the proposed IFD (the “**Facilities**”), and those to be provided jointly. The description shall include the proposed location, timing, and projected costs of the public improvements and facilities. The description may consist of a reference to the capital plan for the territory in the IFD that is approved by the Board of Supervisors, as amended from time to time.

(c) A financing section, which must contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the City and of any affected taxing entity proposed to be committed to the IFD, and an affirmation that the infrastructure financing plan will not allocate any portion of the incremental tax revenue of the local educational agencies to the IFD. In the Resolution of Intention, the Board of Supervisors declared that the IFD will not use incremental

property tax revenue from any affected taxing entities to finance the Facilities, except to the extent permitted by Section 53395.8(h) of the IFD Law.

(2) Limitations on the use of levied taxes allocated to and collected by the IFD that are consistent with the IFD Law.

The IFD Law establishes certain set-aside requirements.

(a) For waterfront districts, Section 53395.8 requires that not less than 20% of the amount allocated to the IFD shall be set aside to be expended solely on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the City's waterfront.

(b) For special waterfront districts that include one or more of Seawall Lot 330, Pier 19, Pier 23 and Pier 29, Section 53395.81 establishes a different set-aside in lieu of the set-aside requirement described in the previous sentence: it requires 20% in the aggregate of the special waterfront district Education Revenue Augmentation Fund ("ERAF") share allocated to a Port America's Cup district under Section 53395.81 to be set aside to finance costs of planning, design, acquisition and construction of improvements to waterfront lands owned by federal, state or local trustee agencies, such as the National Park Service or the California State Parks. Any improvements listed in the previous sentence do not need to be located in the IFD.

(3) A projection of the amount of incremental tax revenues expected to be received by the IFD, assuming that the IFD receives incremental tax revenues for a period ending no later than 45 years after the City projects that the IFD will have received \$100,000 in incremental tax revenues under the IFD Law.

(4) Projected sources of financing for the Facilities, including debt to be repaid with incremental tax revenues, projected revenues from future leases, sales, or other transfers of any interest in land within the IFD, and any other legally available sources of funds. The projection may refer to the capital plan for the territory in the IFD that is approved by the Board of Supervisors, as amended from time to time.

(5) A limitation on the aggregate number of dollars of levied taxes that may be divided and allocated to the IFD, subject to amendment of the infrastructure financing plan. The Project Areas may share this limit and the limit may be divided among any Project Areas or a separate limit may be established for a Project Area.

(6) The following time limits: (A) a date on which the effectiveness of the infrastructure financing plan and all tax allocations to the IFD will end and (B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues under the IFD Law.

(7) An analysis of (A) the costs to the City for providing facilities and services to the IFD while the IFD is being developed and after the IFD is developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City as a result of expected development in the IFD.

(8) An analysis of the projected fiscal impact of the IFD and the associated development upon any affected taxing entity. If no affected taxing entities exist within the IFD because the plan does not provide for collection by the IFD of any portion of property tax revenues allocated to any taxing entity other than the City, the IFD has no obligation to any other taxing entity.

(9) A statement that the IFD will maintain accounting procedures in accordance, and otherwise comply, with Section 6306 of the Public Resources Code for the term of the infrastructure financing plan.

(d) Section 53395.8(g)(3)(D) establishes additional requirements for a “Pier 70 enhanced financing plan.” A Pier 70 enhanced financing plan must contain all of the following:

(1) A time limit on the issuance of new ERAF-secured debt to finance the Pier 70 district, which may not exceed 20 fiscal years from the fiscal year in which any Pier 70 district subject to a Pier 70 enhanced financing plan first issues debt. The ERAF-secured debt may be repaid over the period of time ending on the time limit established under paragraph (6) above. This time limit on the issuance of new ERAF-secured debt will not prevent a Pier 70 district from subsequently refinancing, refunding, or restructuring ERAF-secured debt as described in the IFD Law.

(2) A statement that the Pier 70 district shall be subject to a limitation on the number of dollars of the ERAF share that may be divided and allocated to the Pier 70 district pursuant to the Pier 70 enhanced financing plan, including any amendments to the plan, which shall be established in consultation with the county tax collector. The ERAF share will not be divided and shall not be allocated to the Pier 70 district beyond that limitation.

(e) Section 53395.81 requires the infrastructure financing plan for a special waterfront district to contain a provision substantially similar to a Pier 70 enhanced financing plan under Section 53395.8(g)(3)(D), with only those changes deemed necessary by the Board of Supervisors, as the legislative body of the special waterfront district, to implement the financing of the improvements described in Section 53395.81(c)(1). Accordingly, a special waterfront district enhanced financing plan must contain all of the following:

(1) A time limit on the issuance of new special waterfront district ERAF-secured debt, which may not exceed 20 fiscal years from the fiscal year in which the special waterfront district subject to a special waterfront district enhanced financing plan first issues debt. The special waterfront district ERAF-secured debt may be repaid over the period of time ending on the time limit established under paragraph (6) above. The 20-year time limit does not prevent a special waterfront district from subsequently refinancing, refunding, or restructuring special waterfront district ERAF-secured debt as described in the IFD Law.

(2) A statement that the special waterfront district is subject to a limitation on the number of dollars of the special waterfront ERAF share (as defined in Section 53395.81 of the IFD Law) that may be divided and allocated to the special waterfront district pursuant to the special waterfront district enhanced financing plan, including any amendments to the plan, which must be established in consultation with the county tax collector. Section 53395.81 declares that the maximum amount of the county ERAF portion of incremental tax revenues that may be committed to a special waterfront district

under Section 53395.81 may not exceed \$1,000,000 in any fiscal year, and declares that the special waterfront district ERAF share may not be divided and may not be allocated to the special waterfront district beyond that limitation.

In addition, Section 53395.81 of the IFD Law requires a special waterfront district enhanced financing plan for a Port America's Cup district to provide that the proceeds of special waterfront district ERAF-secured debt (as defined in Section 53395.81 of the IFD Law) are restricted for use to finance directly, reimburse the Port for its costs related to, or refinance other debt incurred in, the construction of the Port's maritime facilities at Pier 27, including public access and public open-space improvements, and for any other purposes for which the ERAF share can be used, subject to the set-aside requirements under the IFD Law (described above).

This Infrastructure Financing Plan for the IFD, including all exhibits and appendices (the "**Infrastructure Financing Plan**"), is intended to comply with the requirements of the IFD Law.

Infrastructure Financing Plan for Project Areas. This Infrastructure Financing Plan will include certain provisions that apply to only one or a limited subset of the Project Areas, some of which may conflict with or be supplemental to the more general provisions of this Infrastructure Financing Plan. Therefore, this Infrastructure Financing Plan shall include Project Area-specific appendices. This approach will allow the City to establish infrastructure financing plans and unique time limits on a Project Area-specific basis. In the event of any inconsistency between the general provisions of this Infrastructure Financing Plan and an appendix, the provisions of the appendix shall govern with respect to the affected Project Area.

The Board of Supervisors may, at various times, amend or supplement this Infrastructure Financing Plan by ordinance to establish new Project Areas, to address the unique details of an existing Project Area and for other purposes permitted by the IFD Law.

I. Boundaries of Proposed IFD

The boundaries of the proposed IFD, including the boundaries of the initial proposed Project Areas, are described in the map attached to this Infrastructure Financing Plan as Exhibit A. The legal description of the proposed IFD is also attached to this Infrastructure Financing Plan as Exhibit A.

Exhibit A also includes a map and a legal description of Sub-Project Area G-1 (Pier 70 - Historic Core). Similar maps and legal descriptions of other Project Areas will be added to Exhibit A at the same time as appendices for those Project Areas are added to this Infrastructure Financing Plan with the approval of the Board of Supervisors.

Exhibit A may be amended from time to time to reflect the Board's establishment of new Project Areas. In addition, the Board authorizes the Executive Director of the Port, without any further review or approval by the Board, to amend Exhibit A from time to time to correct the map and any legal descriptions to the extent necessary to accurately describe the boundaries of the IFD, a Project Area or a Sub-Project Area.

II. Description of Public Improvements and Facilities

Exhibit A to the Resolution of Intention lists the type of public facilities proposed to be financed by the IFD. The public improvements and facilities required to serve the development proposed in the area of the IFD are described in Exhibit B, which initially consists of the Port of San Francisco 10-Year Capital Plan (FY 2015-2024). All of the public improvements and facilities listed in the 10-Year Capital Plan are public capital facilities of communitywide significance and provide significant benefits to an area larger than the area of the IFD.

The improvements and facilities described in the 10-Year Capital Plan (FY 2015-2024) are likely to change as development plans for the area of the IFD change, and, consequently, the Board of Supervisors may amend the Infrastructure Financing Plan to incorporate the changes in the Port's capital planning.

Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, the following information will be included in the appendix for any Project Area but is not included in this Infrastructure Financing Plan for the area of the IFD that is not in a Project Area:

- A. Public improvements and facilities to be provided by the private sector.
- B. Public improvements and facilities to be provided by governmental entities without assistance under the IFD Law.
- C. Facilities to be financed with assistance from the proposed IFD.
- D. Public improvements and facilities to be provided jointly by the private sector and governmental entities.

III. **Financing Section**

The following is the financing section for the proposed IFD.

A. **Special Fund.** Pursuant to Section 53396 of the IFD Law, the IFD will establish a special fund into which tax increment revenues allocated to the IFD will be deposited. In order to separately account for the tax increment revenues allocated to the IFD from each Project Area, the IFD will establish a sub-account within the special fund for each Project Area and, within each sub-account, an account to hold funds that are required to be set-aside for use for specific purposes, as set forth in Section 53395.8(g)(3)(C)(ii) and Section 53395.81(c)(3).

B. **Base Year; Commencement of Tax Increment Allocation.** The Base Year for each Project Area and the date on which tax increment from the Project Area will begin to be allocated to the IFD will be specified in the appendix for such Project Area. Because the Board of Supervisors will only allocate tax increment revenues to the IFD with respect to territory that is in a Project Area and after the Board of Supervisors has approved an appendix to this Infrastructure Financing Plan for the Project Area, this Infrastructure Financing Plan does not establish a base year for any territory that is not in a Project Area.

C. **Maximum Portion of Incremental Tax Revenue.**

The financing section must specify the maximum portion of the incremental tax revenue of the City and of each affected taxing entity proposed to be committed to the IFD. The maximum portion of incremental tax revenue of the City specified below is the maximum amount

that may be allocated to the IFD; the actual amount of incremental tax revenue to be allocated to the IFD with respect to a specific Project Area will be specified in the appendix for the Project Area.

Maximum portion of incremental tax revenue of the City for each year: 100%

Maximum portion of incremental tax revenue of other taxing entities for each year (not including any ERAF share (as defined in the IFD Law) that is allocated by the IFD Law to a Project Area): 0%

This Infrastructure Financing Plan does not allocate any portion of the incremental tax revenue of the local educational agencies to the IFD.

Nothing in this Section III.C will prevent the IFD from exercising its rights under Section 53395.8(h) of the IFD Law or with respect to the ERAF share as permitted by the IFD Law.

Under the IFD Law, the Board of Supervisors may (i) allocate to the IFD all or a portion of the incremental tax revenue generated in a Project Area for the period specified in the applicable appendix, (ii) irrevocably allocate incremental tax revenue generated in a Project Area to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors, (iii) reserve the right to make discretionary annual appropriations to the IFD of the incremental tax revenue generated in a Project Area and (iv) reserve the right to amend the appendix for a Project Area to terminate its allocation to the IFD of any incremental tax revenue not irrevocably allocated to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors.

D. Limitations on the Use of Incremental Tax Revenue.

Incremental tax revenue allocated to the IFD will be used within the IFD for the purposes authorized under the IFD Law and this Infrastructure Financing Plan.

There are two set-aside requirements established by the IFD Law:

(i) Pursuant to Section 53395.8(g)(3)(C)(ii), 20% of the tax increment generated in a Project Area that is a waterfront district that is allocated to the IFD must be set aside to be expended solely on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the San Francisco waterfront. Except as described in clause (ii) below, this set-aside requirement applies to waterfront districts and Pier 70 districts. In order to comply with this set-aside requirement, an appendix for a Project Area may provide for setting aside less than 20% of the allocated tax increment on an annual basis as long as the appendix demonstrates that, in the aggregate, the Project Area will satisfy the set-aside requirement during the term of the IFD.

(ii) Pursuant to Section 53395.81(c)(3), 20% in the aggregate of the special waterfront district ERAF share generated in a special waterfront district that includes one or more of Seawall Lot 330, Pier 19, Pier 23 and Pier 29 that is allocated to the IFD must be set aside to finance costs of planning, design, acquisition and construction of improvements to waterfront lands owned by federal, state or local trustee agencies, such as the National Park Service or the California State Parks. Any improvements listed in the previous sentence do not need to be located in the IFD.

To the extent permitted by law, and as set forth in the appendices for the affected Project Areas, the IFD may satisfy the set-aside requirements on a cross-Project Area basis.

E. Projection of Incremental Tax Revenue.

General. The financing section must include a projection of the amount of incremental tax revenues expected to be received by the IFD, assuming that the IFD receives incremental tax revenues for a period ending no later than 45 years after the City projects that the IFD will have received \$100,000 in incremental tax revenues under the IFD Law.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, this Infrastructure Financing Plan does not contain a projection for that portion of the IFD that is not in an initial Project Area.

Project Areas. For the initial Project Areas and all subsequent Project Areas, the appendix for a Project Area includes the projection for such Project Area.

F. Projected Sources of Financing for the Public Facilities.

The financing section must include the projected sources of financing for the Facilities, including debt to be repaid with incremental tax revenues, projected revenues from future leases, sales, or other transfers of any interest in land within the IFD, and any other legally available sources of funds.

Because of the speculative nature of any future development and sources of financing in that portion of the IFD that is not in a Project Area, this Infrastructure Financing Plan only includes information about the projected sources of financing for the Facilities with respect to the Project Areas in each Project Area's respective appendix.

G. Incremental Property Tax Revenue Limit.

General. The financing section must include a limit on the total number of dollars of levied taxes that may be allocated to the IFD pursuant to the Infrastructure Financing Plan, subject to amendment of the Infrastructure Financing Plan.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, the limit for the portion of the IFD that is not initially in a Project Area is initially established at \$0.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes the limit on the total number of dollars of levied taxes that may be allocated to the IFD with respect to such Project Area.

H. Time Limits.

General. The financing section must include the following time limits: (A) a date on which the effectiveness of the infrastructure financing plan and all tax allocations to the IFD will end and (B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues under the IFD Law.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not initially in a Project Area, this Infrastructure Financing Plan does not establish time limits applicable to such territory.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes the time limits for such Project Area.

I. Cost and Revenue Analysis.

General. The financing section must include an analysis of (A) the costs to the City for providing facilities and services to the IFD while the IFD is being developed and after the IFD is developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City as a result of expected development in the IFD.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not initially in a Project Area, this Infrastructure Financing Plan does not include a cost and revenue analysis for such territory.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes a cost and revenue analysis. Each appendix will analyze the costs to San Francisco's general fund for providing facilities and services to the Project Area while the Project Area is being developed and after the Project Area is developed, and of the taxes, fees, charges and other revenues expected to be received by the City's general fund as a result of the expected development of the Project Area.

J. Fiscal Impact on Affected Taxing Entities.

The financing section must include an analysis of the projected fiscal impact of the IFD and the associated development upon any affected taxing entity, as that term is defined in Section 53395.8 of the IFD Law.

As explained above, the City is the only taxing entity that will allocate tax increment to the IFD, and the City is excluded from the definition of affected taxing entity. Accordingly, there is no affected taxing entity that will be impacted by the IFD.

Nothing in this Section III.J will prevent the IFD from exercising its rights under Section 53395.8(h) of the IFD Law or with respect to the ERAF share as permitted by the IFD Law.

K. Accounting Procedures.

The IFD will maintain accounting procedures in accordance with and otherwise comply with Section 6306 of the Public Resources Code for the duration of this Infrastructure Financing Plan.

L. Enhanced Financing Plans.

The IFD Law establishes additional requirements for a Pier 70 enhanced financing plan and for special waterfront district enhanced financing plans.

The appendix for each Project Area that is subject to an enhanced financing plan will address the additional requirements.

IV. Amendments

The Board of Supervisors reserves the right to amend this Infrastructure Financing Plan to the extent permitted by the IFD Law.

CONCLUSION

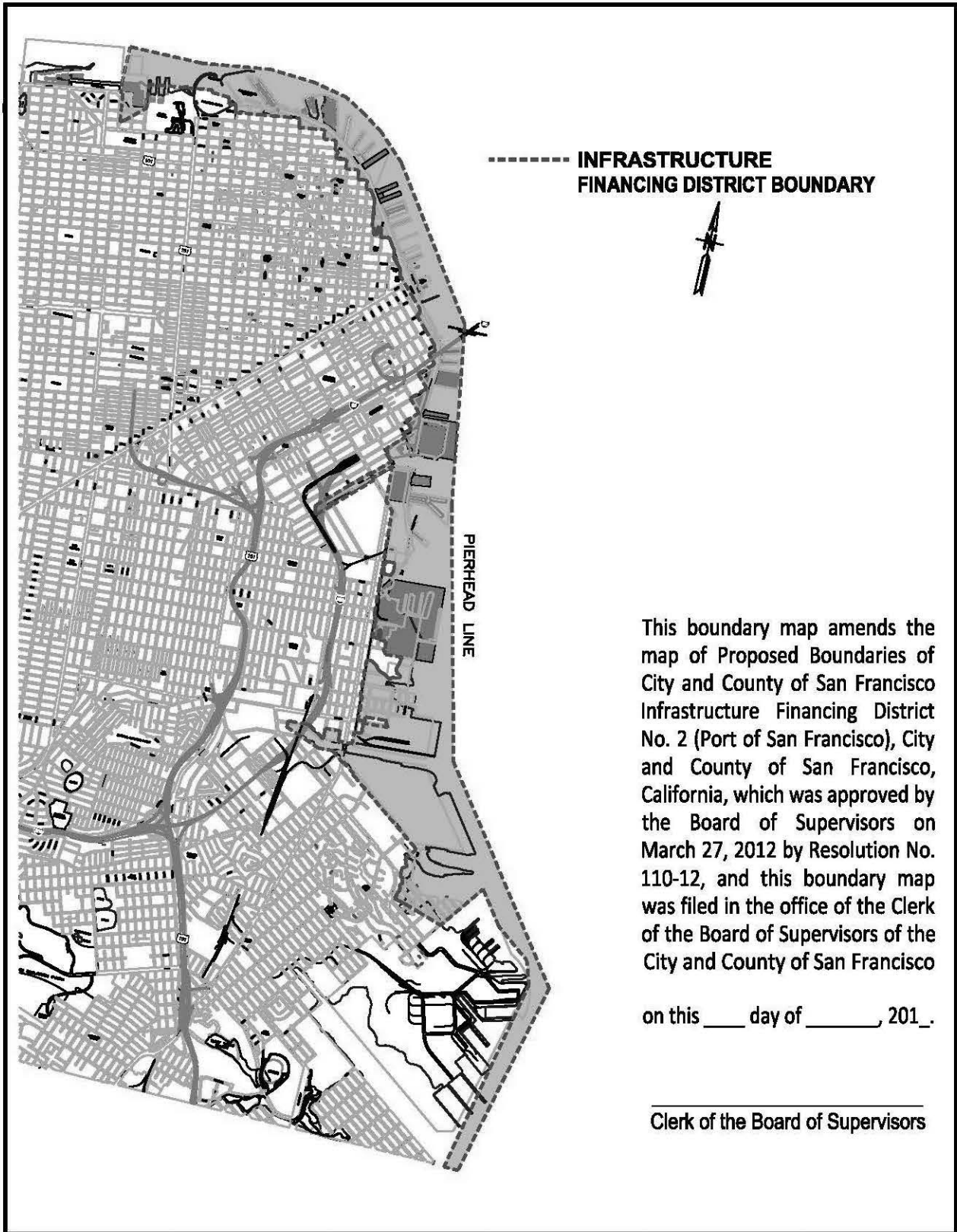
This Infrastructure Financing Plan meets the requirements of the IFD Law and shall be distributed as required by the Resolution of Intention and the IFD Law.

By: _____
Executive Director
Port of San Francisco

EXHIBIT A

PROPOSED BOUNDARIES OF INFRASTRUCTURE FINANCING DISTRICT

(Boundary map and legal descriptions to be attached.)



----- INFRASTRUCTURE
FINANCING DISTRICT BOUNDARY



This boundary map amends the map of Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco), City and County of San Francisco, California, which was approved by the Board of Supervisors on March 27, 2012 by Resolution No. 110-12, and this boundary map was filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco

on this ____ day of _____, 201_.

Clerk of the Board of Supervisors

Exhibit A-Legal Description of Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)

THE LAND REFERRED TO HEREIN IS VESTED IN THE "PORT OF SAN FRANCISCO," "THE SAN FRANCISCO PORT COMMISSION" OR THE "SAN FRANCISCO PORT" (COLLECTIVELY, THE "PORT") AND IS SITUATE IN THE STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO, CITY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

PARCEL "A" AS SAID PARCEL IS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO," FILED IN BOOK "W" OF MAPS, PAGES 66 THROUGH 72, INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND AS PARCEL "A" IS FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976 IN BOOK C169, PAGE 573, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, ALL AS CONTAINED IN THE LEGISLATIVE GRANTS AND BY LAW AS TO THE LAND OR ANY PORTION THEREOF ACQUIRED BY THE CITY AND COUNTY OF SAN FRANCISCO, BY CHAPTER 1333 OF THE STATUTES OF 1968, AS AMENDED BY CHAPTERS 1296 AND 1400, STATUTES OF 1969 AND BY CHAPTER 670, STATUTES OF 1970, AND CHAPTER 1253, STATUTES OF 1971, AND AS MAY BE FURTHER AMENDED, AND SUCH REVERSIONARY RIGHTS AND INTERESTS AS MAY BE POSSESSED BY THE STATE OF CALIFORNIA UNDER THE TERMS AND PROVISIONS OF SAID LEGISLATIVE GRANTS, OR BY LAW, ALSO KNOWN AS "THE BURTON ACT";

AND AS FURTHER AMENDED THROUGH THE EXECUTED TERMS OF THE AMENDED AND RESTATED CITY LAND TRANSFER AGREEMENT, ~~BY AND BETWEEN~~ BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND CATELLUS DEVELOPMENT CORPORATION, RECORDED JULY 9, 1999, INSTRUMENT NO. G622149, AT REEL H429, IMAGE NO. 501 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA WITH CORRESPONDING LAND TRANSFERS EXECUTED THROUGH THE MERGER AND RESUBDIVISION OF LANDS AS SHOWN ON THAT CERTAIN FINAL MAP ENTITLED, "MAP OF MISSION BAY" FILED FOR RECORD IN BOOK Z OF MAPS AT PAGES 97 – 119 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA. (ATTACHED)

TOGETHER WITH THE FOLLOWING PARCELS:

A. ALL THAT CERTAIN REAL PROPERTY GRANTED FROM BETHLEHEM STEEL CORPORATION TO THE CITY AND COUNTY OF SAN FRANCISCO THROUGH GRANT DEED, FILED ON DECEMBER 16, 1982, IN BOOK

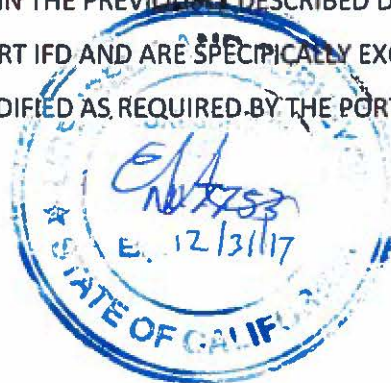
D464, PAGE 628 – 630 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA. (ATTACHED DEED 1)

B. ALL THAT CERTAIN REAL PROPERTY SITUATE WITHIN THE CITY AND COUNTY OF SAN FRANCISCO, KNOWN AS SEAWALL LOT 354, GRANTED FROM WESTERN PACIFIC RAILROAD COMPANY TO THE CITY AND COUNTY OF SAN FRANCISCO THROUGH GRANT DEED, DATED NOVEMBER 24, 1971, IN BOOK B590, PAGE 905 – 908 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA. (ATTACHED DEED 2)

EXCEPTING THEREFROM THE FOLLOWING PARCEL:

C. PORTION OF SEAWALL LOT 330: ALL THAT CERTAIN REAL PROPERTY SITUATE WITHIN THE CITY AND COUNTY OF SAN FRANCISCO DEEDED FROM CITY OF SAN FRANCISCO TO THE STATE OF CALIFORNIA THROUGH QUITCLAIM DEED, FILED ON MARCH 2, 2004, DOC-2004-H668591-00 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO. (ATTACHED DEED 3)

THE ABOVE DESCRIBED REAL PROPERTY IS FOR THE PURPOSES OF DESCRIBING THE BOUNDARIES OF THE CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE FINANCING DISTRICT NO. 2 (PORT OF SAN FRANCISCO) (THE "PORT IFD") AND AS SUCH, ONLY PROPERTIES VESTED IN THE PORT ARE INTENDED TO BE INCLUDED WITHIN THIS DESCRIPTION. PROPERTIES VESTED IN THE PORT AND INTENDED TO BE INCLUDED AS PREVIOUSLY DESCRIBED BUT HAVE BEEN OMITTED, ARE NOT SPECIFICALLY OMITTED AND BY REFERENCE ARE INTENDED TO BE INCLUDED WITHIN THE PORT IFD. PROPERTIES THAT ARE NOT VESTED IN THE PORT BUT HAVE BEEN INCLUDED IN THE PREVIOUSLY DESCRIBED DESCRIPTIONS ARE NOT INTENDED TO BE INCLUDED WITHIN THE PORT IFD AND ARE SPECIFICALLY EXCLUDED FROM THE PORT IFD. THIS LEGAL DESCRIPTION MAY BE MODIFIED AS REQUIRED BY THE PORT'S CHIEF HARBOR ENGINEER.



Deed 1

D404 PAGE 628

TITLE INSURANCE & TRUST CO.

0275576

1994 JUL 16 PM 1:00

SAN FRANCISCO, CALIF.

RECORDER

CITY AND COUNTY OF SAN FRANCISCO
Real Estate Department

Director of Property
City and County of San Francisco
450 McAllister Street, Rm. 600
San Francisco, California 94102

DOCUMENTARY TRANSFER TAX None-transactional
 COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR
 COMPUTED ON NET VALUE LESS LIENS & ENCUMBRANCES
RETAINED THEREON AT TIME OF SALE.

Signature of Declarant or agent determining tax liability
Signature of declarant or agent determining tax liability

CORPORATION GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Bethlehem Steel Corporation, a corporation organized under the laws of the State of Delaware, hereby GRANTS to the City and County of San Francisco, a municipal corporation, the following described real property in the City and County of San Francisco, State of California:

PARCEL ONE: BEGINNING at the point of intersection of the northerly line of Twentieth Street with the easterly line of Illinois Street; running thence easterly along said northerly line of Twentieth Street 800 feet; thence at a right angle southerly 33 feet; thence at a right angle easterly 286 feet; thence at a right angle northerly 466 feet; thence at a right angle easterly 240 feet; thence at a right angle northerly 433 feet to a point in the former southerly line of Eighteenth Street, now vacated, which point is also at the northeasterly corner of Tide Land Block No. 485; thence at a right angle westerly along said former southerly line of Eighteenth Street and its extension, 1320 feet to the easterly line of Illinois Street; thence at a right angle southerly along said easterly line of Illinois Street 866 feet and to the point of beginning.

PARCEL TWO: BEGINNING at the point of intersection of the southerly line of Twentieth Street with the easterly line of Michigan Street; running thence easterly along said southerly line of Twentieth Street 520 feet; thence at a right angle southerly 133 feet and 8 inches; thence at a right angle westerly 135 feet and 3-1/2 inches; thence southwestwardly 273 feet and 5-1/2 inches to a point which is perpendicularly distant 400 feet southerly from the southerly line of Twentieth Street, and also perpendicularly distant easterly 332 feet from the easterly line of Michigan Street; thence southerly and parallel with said line of Michigan Street 33 feet; thence at a right angle westerly 92 feet; thence at a right angle southerly 213 feet; thence at a right angle westerly 140 feet; thence at a right angle northerly 5 feet and 6-1/2 inches; thence at a right angle westerly 100 feet to the easterly line of Michigan Street; and thence northerly along the easterly line of Michigan Street 640 feet and 5-1/2 inches to the point of beginning.

EXCEPTING THEREFROM the following described parcel:

COMMENCING at the point of intersection of the southerly line of Twentieth Street with the easterly line of Michigan Street; thence easterly along said southerly line of Twentieth Street North 85 degrees 30 minutes East 520 feet; thence South 4 degrees 30 minutes East 131.667 feet; thence South 85 degrees 30 minutes West

135.292 feet; thence South 6 degrees 36 minutes 47 seconds West along a line which if produced southwesterly will intersect a point which is South 4 degrees 30 minutes East 400 feet from the southerly line of said Twentieth Street, and North 85 degrees 30 minutes East 332 feet from the easterly line of Michigan Street, a distance of 8.785 feet to the true point of beginning; thence running South 85 degrees 30 minutes West 43.535 feet; thence South 4 degrees 30 minutes East 122.86 feet; thence North 85 degrees 30 minutes East 19.402 feet, more or less, to a point on a line, which said line if produced southwesterly from the true point of beginning will intersect a point which is South 4 degrees 30 minutes East 400 feet from said southerly line of Twentieth Street and North 85 degrees 30 minutes East 332 feet from said easterly line of Michigan Street; thence North 6 degrees 36 minutes 47 seconds East along said line so drawn 125.208 feet, more or less, to the true point of beginning.

ALSO, EXCEPTING THEREFROM the following described parcel:

BEGINNING at a point on the easterly line of Michigan Street, distant thereon 640 feet and 5-1/2 inches southerly from the southerly line of Twentieth Street; running thence at a right angle easterly and parallel with said southerly line of Twentieth Street 100 feet; thence at a right angle southerly 5 feet and 6-1/2 inches; thence at a right angle easterly 140 feet to the former center line of Georgia Street, now vacated; thence at a right angle northerly 50 feet; thence at a right angle westerly 240 feet to the easterly line of Michigan Street; thence southerly along said line of Michigan Street 44 feet and 5-1/2 inches to the point of beginning.

PARCEL THREE: BEGINNING at the point of intersection of the southerly line of Twentieth Street with the easterly line of Illinois Street; running thence easterly along said southerly line of Twentieth Street 200 feet to the westerly line of Michigan Street; thence at a right angle southerly along said westerly line of Michigan Street 537 feet; thence at a right angle westerly 200 feet to the easterly line of Illinois Street; thence at a right angle northerly along said easterly line of Illinois Street 537 feet to the point of beginning.

SUBJECT, HOWEVER, to liens for general and special county and city taxes for the fiscal year July 1, 1982, to June 30, 1983.

SUBJECT, MOREOVER, to all easements, covenants, conditions and restrictions of record.

SUBJECT, FURTHER, to any matters that could be ascertained by an up-to-date survey, by making inquiry of persons in possession or by an inspection of the real property herein described.

SUBJECT, FURTHER, to any rights and easements for commerce, navigation, and fishery in favor of the public or the federal or state governments.

SUBJECT, FURTHER, to the effect of the following unrecorded instrument: Grant of Right of Way dated September 30, 1966, from Bethlehem Steel Corporation to The United States of America.

///

///

///

In Witness Whereof, said corporation has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its Vice President and Assistant Secretary thereunto duly authorized by corporate resolution attached hereto.
Dated: November 24, 1982

COMMONWEALTH OF Pennsylvania)
COUNTY OF LEHIGH) SS.

J. F. Kegg
J. F. Kegg, Vice President
Assistant Secretary

On November 24, 1982 before me, the undersigned, a Notary Public in and for said Commonwealth and county personally appeared

J. F. Kegg
known to me to be the Vice President, and J. F. Kegg known to me to be Assistant Secretary of the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.



WITNESS my hand and official seal.

Signature [Signature]

My Commission Expires
January 7, 1983
City of Bethlehem
Lehigh County



This is to certify that the interest in real property conveyed by this deed dated 11-24-82 from Bethlehem Steel Corporation, a Delaware corporation, to the City and County of San Francisco, a California municipal corporation, is hereby accepted by order of its Board of Supervisors' Resolution No. 18110, Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated November 15, 1982 By Wallace Hartman
Director of Property

Description Approved:

By [Signature]
RAYMOND WONG
Bureau of Engineering
11/22/82

10-2-51

MEMORANDUM OF UNDERSTANDING

This memorandum of understanding dated August 25, 1962, by and among Bethlehem Steel Corporation, a Delaware Corporation ("Bethlehem"), Todd Shipyards Corporation, a New York Corporation ("Todd") and the City and County of San Francisco, a municipal corporation, acting by and through its Port Commission (the "Port").

WITNESSETH

WHEREAS;

1. Bethlehem desires to sell its San Francisco shipyard facility ("Facility") and to cease operations therein; and
2. Todd desires to enhance its commercial and Naval ship repair ship building capability in the Port of San Francisco; and
3. The Port desires to further develop the general maritime capabilities of the Port of San Francisco as well as acquire the Facility real property; and
4. Todd is prepared to enter into a 30 year lease of the Facility; real property; and
5. Todd is prepared to commit a minimum of \$10.0 million of capital improvements and replacements within the first five years of its operation at this location; and
6. Todd further intends to expend approximately \$1.5 million annually on maintenance and repair at the Facility; and
7. The Port and Todd look forward to an expansion of employment opportunities through Todd's operations of the Facility including the implementation by Todd of job training programs.

NOW THEREFORE, Bethlehem, Todd and the Port hereby express the following understanding:

ARTICLE I
Real Estate Transactions

1. For \$1 and other good and valuable consideration, Bethlehem will sell to the Port the land, piers and buildings, as generally within the area of dark shading on the plan entitled "San Francisco Yard of Bethlehem Steel Corporation in the City of San Francisco County of San Francisco State of California", numbered No. 1-dated March 8, 1945 and revised 2-3-81, a copy of which is attached hereto as Exhibit A and made a part hereof, together with the buildings and structures owned by Bethlehem as generally shown within the area of light shading on Exhibit A. Title to the property shall be conveyed by a corporation grant deed convey such title as may be insurable under a California Standard to Policy of Title Insurance. The cost of title insurance shall be borne equally by Bethlehem and Todd.

2. Pending the closing of title, Bethlehem shall afford representatives of the Port full and continuous physical access to the Facility.
3. Pending the closing of title, Bethlehem shall retain the risk of loss to the Facility subject to normal wear and tear due to Bethlehem's continued operations until closing. At the closing Bethlehem shall convey the piers, buildings and structures in a "as is, where is" condition.
4. Bethlehem and the Port shall give each other the customary representations and warranties in the conveyance of real estate.
5. Upon the closing of title, the Port shall provide to Bethlehem recordable release of the Lease, dated September 3, 1969, between Bethlehem and the Port, including an express release of the rights granted in Paragraph 6 of the lease.

ARTICLE 11
Personal Property Transactions

1. Bethlehem shall sell to Todd all cranes, machinery and other equipment (including dry docks) which are present at the Facility and used in Bethlehem's ship repair operations in San Francisco (excluding two crawler cranes, Bethlehem Nos. 304 and 307) and are not included within the sale to the Port set forth in Article above. Bethlehem and Todd shall conduct a joint physical inventory of the major items of property to be listed in a schedule to be attached to the definitive purchase agreement between the parties. Additionally, Bethlehem shall sell to Todd the normal inventory supplies, pertinent to the operation at Bethlehem's San Francisco Shipyard, on hand at the closing of title. The purchase price \$14 million cash, payable in full on the closing. Personal property to be sold hereunder shall be conveyed at the closing in a "as is, where is" condition.
2. Pending the closing of title, Bethlehem shall afford Todd full continuous physical access to the Facility.
3. Pending the closing of title, Bethlehem shall retain the risk of loss to the personal property to be sold hereunder, subject to normal wear and tear due to Bethlehem's continued operations until closing. If any of these items of property listed in the schedule referred to in Article 11, 1, above, become lost, destroyed or damaged, Bethlehem may at its option replace or repair the same failing which the purchase price shall be reduced in a manner satisfactory to both Bethlehem and Todd or if no satisfactory reduction can be negotiated, the amount of the reduction of the purchase price shall be submitted to immediate arbitration.

4. Bethlehem and Todd shall give each other the customary representations and warranties in connection with an asset acquisition and sale.
5. Bethlehem will not book any work in the facility which might extend beyond the closing of title without first obtaining Todd's consent.
6. Todd will assume no liabilities of Bethlehem with respect to the facility arising out of events occurring prior to the closing of title.

ARTICLE III
Lease Transactions

1. The Port will lease to Todd for a period of 35 years the land, (including land under water), piers and buildings upon which the facility is located.
2. The rental for the land under water shall be the same as set forth in the lease of that land to Bethlehem dated September 3, 1967. Rental for the remaining land shall be predicated on appraisals of that land satisfactory to Todd and the Port and the annual rental shall be equal to 10% of that appraised value with adjustment at each five year period of operation under the lease to reflect the current increase or decrease in the cost of living index for the local area. The lease will provide that upon an accounting the costs incurred by Todd for capital improvements will be offset against the rental sums due the Port over the term of the lease.
3. For the full term of the lease, Todd will use the leased premises solely for the purposes of operating a ship building and ship repair facility. During the term of the lease, Todd shall maintain all facility including the premises leased hereunder and the personal property involved in this transaction in a state of good repair, normal wear and tear excepted.
4. In the event of default by Todd upon any of the provisions of this lease, the Port shall have the right to purchase all the personal property in this transaction at the then current best value of the property.
5. During the full term of the lease, Todd shall have the right to assign this lease, subject to the terms of this Memorandum of Understanding, to a financially responsible party upon the prior written consent of the Port which consent shall not unreasonably be withheld.
6. The lease shall be subject to an easement from Bethlehem to Todd dated July 9, 1969 relating to a railroad spur curvatures.

7. The lease shall also contain the standard terms and conditions contained in Port leases.
8. The lease, when executed, shall supersede and render null and void the lease between the Port and Bethlehem dated September 3, 1957.

ARTICLE IV
Effectiveness

1. This Memorandum of Understanding shall be effective upon its execution by Bethlehem, Todd and the Port. This agreement represents the further implementation of (i) the July 19, 1982 letter agreement between Bethlehem and Todd and the respective rights and duties thereunder and (ii) the July 30, 1982 offer from Bethlehem to the Port and the respective rights and duties thereunder.
2. There shall be a simultaneous closing of the above real property transaction, personal property transaction and lease transaction. The parties hereunder estimate that the closing shall be on or before September 30, 1982 and, in no event, later than December 31, 1982.
3. The parties hereto agree that (1) in the event that Todd is unable or unwilling to close the transactions contemplated hereunder on or before December 31, 1982, the Port shall have the right to exercise for itself or its assignee, all of Todd's rights hereunder and (2) in the event the Port is unable or unwilling to close the transactions contemplated hereunder on or before December 31, 1982, Todd shall have the right and obligation, for itself or its assignee, to exercise all of the Port's rights and obligations hereunder.
4. As between Bethlehem and the Port (and without affecting in any manner whatsoever Todd's rights with respect to the facility), ~~pending the complete and final consummation of the Memorandum of Understanding~~ ^{agreement} Bethlehem agrees to extend by sixty (60) additional days that certain right of first refusal contained in the agreement between Bethlehem and the Port dated September 3, 1957 and that certain offer to sell dated July 30, 1982; ~~the consummation of the Memorandum of Understanding shall supersede and supplant each of said rights.~~ ^{consummation of this agreement is by the fact of Todd}
5. Consummation of this Memorandum of Understanding is subject to approval by the San Francisco Port Commission and the Boards of Directors or Executive Committees of Bethlehem and Todd of definitive purchase agreements containing such terms and conditions as may be mutually acceptable to the parties and their respective counsel.

6. State and local taxes, other than property taxes and taxes on income, imposed on the sale and transfer of property hereunder be borne and paid by Todd and the Port and shall be in addition to the consideration stated herein; property taxes paid or payable with respect to such property shall be prorated among both Todd and the Port.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum Understanding on the day and year first above written.

TODD SHIPYARDS CORPORATION

By J. J. Hilliard

ATTEST:
Charles J. Fisher

BETHLEHEM STEEL CORPORATION

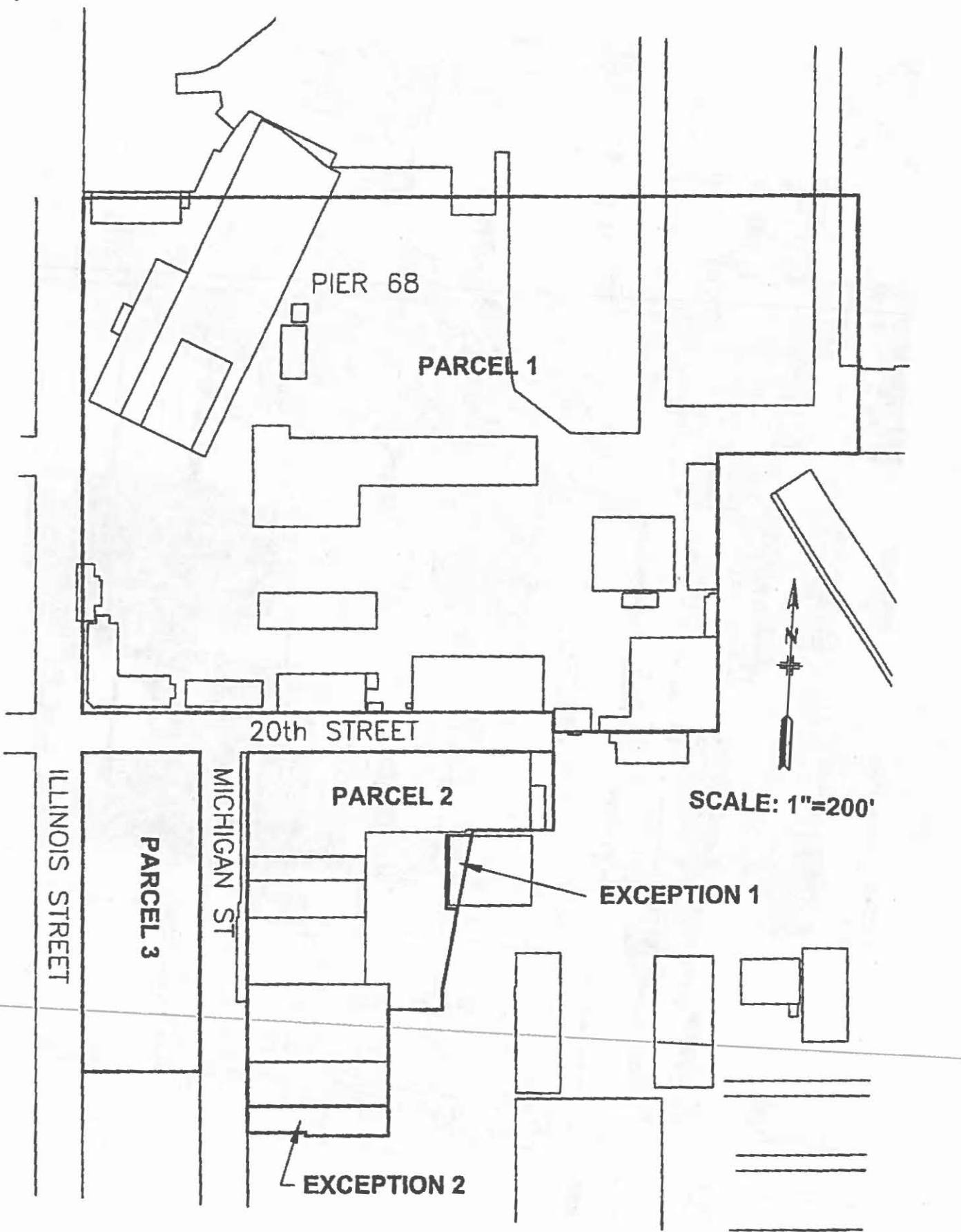
By Bill H. ...
Vice Chairman

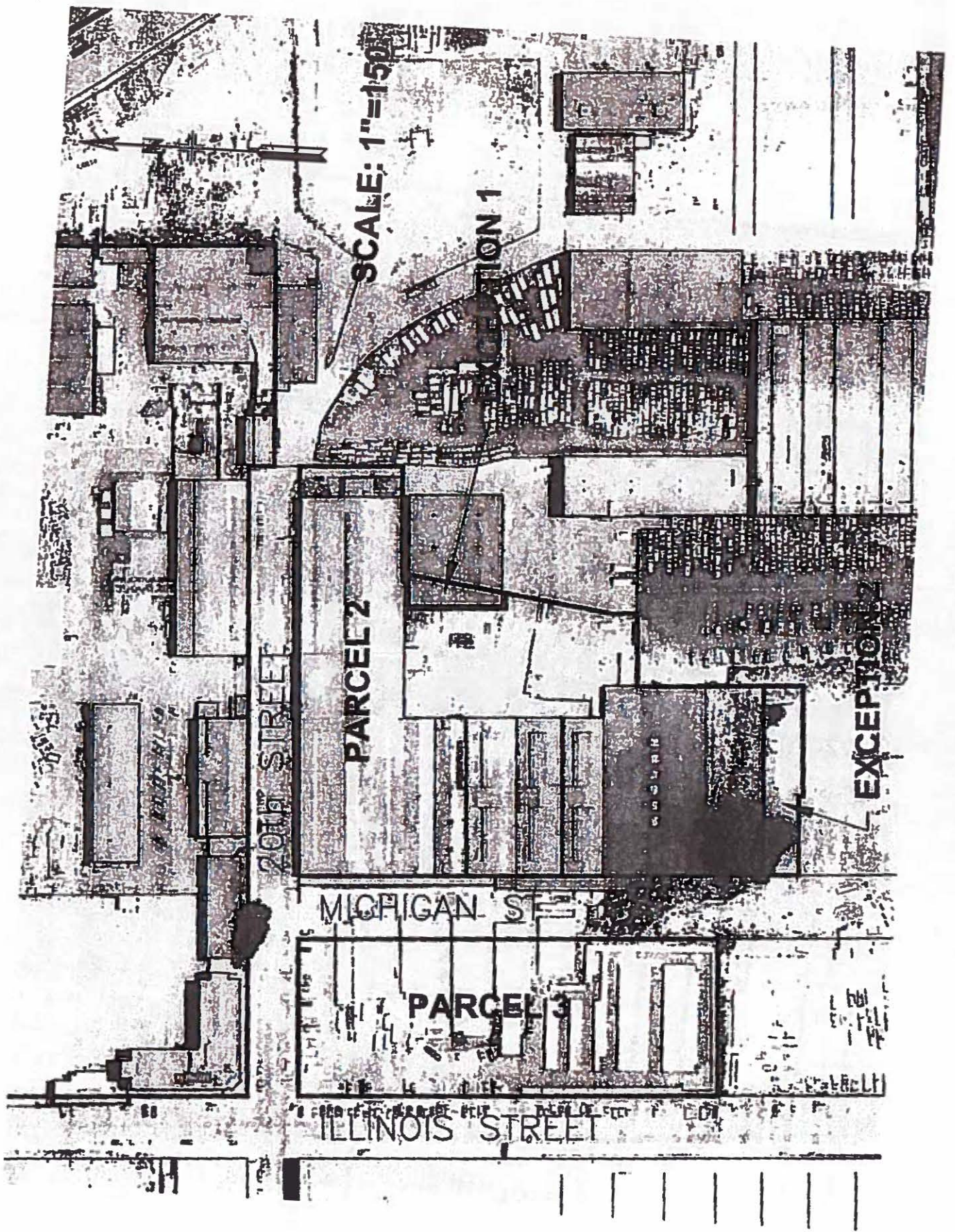
ATTEST:
William ...

THE CITY AND COUNTY OF SAN FRANCISCO

By August ...
Arthur H. ...
Jack ...
Edward H. ...

ATTEST:
...





SCALE: 1"=150'

SECTION 1

PARCEL 2

20TH STREET

MICHIGAN STREET

PARCEL 3

ILLINOIS STREET

EXCEPTION

148532

WHEN RECORDED RETURN TO:
Director of Property
City And County of San Francisco
450 McAllister Street, Rm. 600
San Francisco, Ca. 94102

BOOK 0464 PAGE 631

ORIGINAL
TITLE INSURANCE TRUST CO
1275577

17

CITY AND COUNTY OF SAN FRANCISCO 1982 DEC 16 PM 1:00
DIANNE FEINSTEIN, MAYOR SAN FRANCISCO, CALIF.

RECORDED

10/1 F-12

AGREEMENT TERMINATING LEASE
BETWEEN THE
CITY AND COUNTY OF SAN FRANCISCO
BY AND THROUGH THE
SAN FRANCISCO PORT COMMISSION
AND
BETHLEHEM STEEL CORPORATION

Eugene L. Gartland, President
James J. Rudden, Commissioner
Harry Bridges, Commissioner
Jack Morrison, Commissioner
Arthur Coleman, M.D., Commissioner

EDWARD L. DAVID
PORT DIRECTOR

THIS AGREEMENT is made and entered into on the date of execution by CITY AND COUNTY OF SAN FRANCISCO as set forth below, between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (hereinafter called "City"), by and through the SAN FRANCISCO PORT COMMISSION (hereinafter called "Port"), and BETHLEHEM STEEL CORPORATION, a Delaware corporation (hereinafter called "Bethlehem").

WITNESSETH

WHEREAS, pursuant to the Lease between the Port and Bethlehem, dated September 3, 1969, and recorded on September 29, 1969, as Instrument No. 815790 in the Official Records of the City and County of San Francisco, California, in Book B368, at page 915, the Port leased to Bethlehem certain premises situate in the City and County of San Francisco, in the State of California; and

WHEREAS, Bethlehem and the Port desire to terminate said Lease prior to the expiration date set forth therein;

NOW, THEREFORE, the Port and Bethlehem, each in consideration of the covenants and agreements to be kept and performed by the other party as hereinafter set forth and each on behalf of itself and its successors and assigns, hereby agree as follows:

1. Said lease is hereby terminated as of the date of the closing of escrow (hereinafter, "the Closing") of the Agreement of Purchase and Sale of Real Estate between the Port and Bethlehem, which Agreement is incorporated herein by reference as though fully set forth.

2. Any rents payable under said lease shall be prorated as of the Closing.

3. The Port shall return to Bethlehem the amount of Six Thousand Seven Hundred Sixty-two and Forty-eight one-hundredths Dollars (\$6,762.48), being the amount of the deposit to guarantee future payments of rent being held by the Port pursuant to the provisions of Paragraph 9 of said lease.

4. All real improvements to said leased premises belonging to Bethlehem that shall remain thereon at the Closing shall be deemed abandoned and shall become the property of the Port in "as is" and "where is" condition; provided, that nothing herein shall be deemed to convey to the Port any interest in the personal property, including without limitation the drydocks and cranes, of Bethlehem located on said leased premises, the parties hereto acknowledging that said personal property is being sold to Todd Shipyard Corporation by Bill of Sale.

5. Bethlehem is hereby released of any obligation to remove any real improvements from, and to restore, said leased premises pursuant to the provisions of Paragraph 7 of said lease.

6. Bethlehem and the Port hereby each release the other from any and all obligations under said lease that otherwise would have accrued on or after the closing.

7. The Port hereby acknowledges and agrees that Bethlehem has performed all of its obligations, including without limitation its obligation under Paragraph 6 of said lease, related to the Port's right or rights of first refusal.

Doc 0464 EXT 634

8. This Agreement of Termination shall be deemed to be made in and shall be governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Termination as of the dates set forth below.

BETHLEHEM STEEL CORPORATION, a Delaware corporation

By: [Signature]
Title: Vice President
Date Executed: 11/8/82

COMMONWEALTH OF PENNSYLVANIA,)
) SS.:
COUNTY OF LEHIGH)

On this 8th day of November, 1982, before me, the undersigned, a Notary Public in and for said County and Commonwealth, personally appeared [Signature] who acknowledged himself to be a President of Bethlehem Steel Corporation, a corporation organized and existing under the laws of the State of Delaware, that he, as such officer, being authorized so to do, executed the foregoing Agreement for the purposes therein contained, by signing his name thereto as President of said Bethlehem Steel Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

[Signature]
Notary Public

My Commission Expires January 2, 1985

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, by and through the SAN FRANCISCO PORT COMMISSION,

By: [Signature]
Title: Port Director
Date Executed: Dec. 9, 1982

000 D404 635

APPROVED AS TO FORM:

GEORGE AGNOST
City Attorney

By: *Diana A. Sherman*
Deputy City Attorney

Authorization by Port Commission

Resolution No: 82-125

Adopted: November 10, 1982

Attest:

By: *[Signature]*
Secretary, Port Commission

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1213P

NOV 14 1964 FILE 636

SAN FRANCISCO PORT COMMISSION
RESOLUTION NO. 82-125

WHEREAS, the San Francisco Port Commission (hereinafter "th/s Commission") and the Bethlehem Steel Corporation (hereinafter "Bethlehem") entered into Lease No. L-7130, dated September 3, 1969; and

WHEREAS, the term of said Lease L-7130 (hereinafter, the "Lease") is for a period of sixty (60) years; and

WHEREAS, on August 25, 1982, this Commission approved a Memorandum of Understanding among Bethlehem, Todd Shipyards Corporation (hereinafter "Todd") and the City and County of San Francisco (hereinafter the "City"), acting by and through this Commission; and

WHEREAS, said MOU contemplates, among other things, (1) the sale by Bethlehem to the City of certain real estate located contiguous to the property which is the subject of the Lease and (2) the lease from this Commission to Todd of both said contiguous real estate and the property which is the subject of the Lease; and

WHEREAS, on November 10, 1982, this Commission adopted Resolution No. 82-124, approving an Agreement for the Purchase and Sale of said contiguous property; and

WHEREAS, on October 18, 1982, this Commission adopted Resolution No. 82-108, approving Lease No. L-10658 to Todd of both the contiguous property and the property which is the subject of

WOOD D464 PAGE 637

the Lease, which Lease No. L-10658 commences on the closing of the sale of said contiguous property to the City; and

WHEREAS, this Commission desires to terminate the Lease effective as of the date of the closing of the sale of said property and commencement of the term of said Lease No. L-10658; now, therefore, be it

RESOLVED, that this Commission hereby approves the Agreement Terminating Lease, which Agreement is contained in this Commission's File Number 27-82; and be it

FURTHER RESOLVED, that this Commission hereby requests the Board of Supervisors to approve said Agreement Terminating Lease; and be it

FURTHER RESOLVED that the Port Director is hereby directed to transmit copies of this Resolution to the Mayor and Board of Supervisors of the City and County of San Francisco.

I hereby certify that the foregoing Resolution was adopted by the San Francisco Port Commission at its meeting on November 10, 1982.


Secretary

SAN FRANCISCO PORT COMMISSION

1263P

FILE NO. 242-5-4

EXHIBIT NO. 5180

(Name of property)
ADJUDICATE THE TERMINATION OF THE LEASE WITH BELLEVUE STEEL COMPANY,
INC., A BELLEVUE CORPORATION, AND THE CITY AND COUNTY OF SAN FRANCISCO,
CREATED BY AND UNDER THE SAN FRANCISCO PORT COMMISSION.

On 11 received by the people of the City and County of
San Francisco
Section 1, pursuant to Section 7.08(a) of the Charter,
the Board of Supervisors hereby approves the termination of lease
existing with Bellevue Steel Corporation, a Bellevue corporation,
and the City and County of San Francisco, existing by and through
the San Francisco Port Commission. A copy of said terminating
instrument is retained in the Board of Supervisors' file 242-5-4
and is by reference incorporated herein and made a part hereof as
though fully set forth.

Witness my hand and the seal of the City and County of San Francisco this 11th day of May, 1954.
JOHN L. FAY, Mayor

Passed by the Board of Supervisors
Board of Supervisors, San Francisco
1954 MAY 11 11:23 AM
JOHN L. FAY, Mayor
Approved: [Signature]
City Clerk

Passed Board of Supervisors and County Board of Supervisors
Board of Supervisors, San Francisco
D.F.C. 6 1954
[Signatures]
City Clerk

800-D464 net 838

[Signatures]
City Clerk

RECORDED
MAY 11 1954

Deed 2

KMG:pra 1:6 11/8/71 300 B590 HLT 905 8998

Recording requested by
Title Insurance and Trust Company

THE INSURANCE T...
... DEC 23 ...
...
... TITIN M3 ...
...

When recorded mail to
City and County of San Francisco
3000 Market Street, Room 111
San Francisco, California 94109

U43150

Official

Return and mail tax statements to:
See back cover

Space above this line
for Recorder's use

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE WESTERN PACIFIC RAILROAD COMPANY, a California corporation, Grantor, hereby GRANTS to the CITY AND COUNTY OF SAN FRANCISCO, a body corporate and politic, Grantee, all that certain real property situate in the City and County of San Francisco, State of California, more particularly described in Exhibit "A", attached hereto and hereby made a part hereof as fully as if herein set forth at length.

EXCEPTING AND RESERVING THEREFROM to Grantor, its successors and assigns forever, all minerals, oil, gas and other hydrocarbon substances below a depth of 500 feet of said real property, without the right of surface entry.

SUBJECT TO the lien of current taxes and assessments.

Dated: November 24, 1971

THE WESTERN PACIFIC RAILROAD COMPANY

DOCUMENTARY TRANSFER TAX Exempt
X COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR
J COMPUTED ON FULL VALUE LESS LIENS & ENCUMBRANCES
REMAINING THEREON AT TIME OF SALE.

W. M. ... Title Insurance and Trust Company

August E. Ruler

PRESIDENT

Signature of declarant or agent determining tax - firm required by

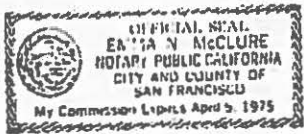
James P. ...
Secretary

MAIL TAX STATEMENTS AS DIRECTED ABOVE

STATE OF CALIFORNIA,)
) ss.
CITY AND COUNTY OF SAN FRANCISCO)

On this 24th day of November, 1971, before me,
ERMA N. McCLURE, a Notary Public in and for the said City and
County of San Francisco, State of California, residing therein,
duly commissioned and sworn, personally appeared A. E. PERLMAN
and LOGAN PAINE, known to me to be the President and the Secretary,
respectively, of THE WESTERN PACIFIC RAILROAD COMPANY, the
corporation described in and that executed the within instrument,
and they acknowledged to me that such corporation executed the
same pursuant to its by-laws or a resolution of its Board of
Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal at my office in the City and County of
San Francisco, the day and year in this certificate first above
written.



Erma N. McClure
NOTARY PUBLIC

354?

SITUATE in the City and County of San Francisco, State of California, described as follows:

PARCEL NO. 1

Beginning at a point on the easterly line of Indiana Street, distant thereon 477.00 feet southerly from the southerly line of Army Street as widened; thence southerly along said easterly line of Indiana Street, 346.00 feet, to the northerly line of Tulare Street, according to "Map Showing the Widening of Tulare Street between Third and Indiana Streets", recorded June 18, 1932 in Book "M" of Maps at Page 76, in the Office of the Recorder of the City and County of San Francisco; thence at a right angle easterly along said northerly line of Tulare Street, 200.00 feet, to the westerly line of Minnesota Street; thence at a right angle northerly along said westerly line of Minnesota Street, 346.00 feet, to the southerly line of Marin Street, according to "Map Showing the Opening of Marin Street between Indiana and Tennessee Streets", recorded May 10, 1951 in Book "R" of Maps at Page 14, in the Office of said Recorder; thence at a right angle westerly along said southerly line of Marin Street, 200.00 feet, to the point of beginning.

*Indiana
Tulare
Marin*

PARCEL NO. 2

Beginning at a point on the westerly line of Tennessee Street, distant thereon 477.00 feet southerly from the southerly line of Army Street as widened; thence southerly along said westerly line of Tennessee Street, 346.00 feet, to the northerly line of Tulare Street, according to "Map Showing the Widening of Tulare Street between Third and Indiana Streets", recorded June 18, 1932 in Book "M" of Maps at Page 76, in the Office of the Recorder of the City and County of San Francisco; thence at a right angle westerly along said northerly line of Tulare Street, 200.00 feet, to the easterly line of Minnesota Street; thence at a right angle northerly along said easterly line of Minnesota Street, 346.00 feet, to the southerly line of Marin Street, according to "Map Showing the Opening of Marin Street between Indiana and Tennessee Streets", recorded May 10, 1951 in Book "R" of Maps at Page 14, in the Office of said Recorder; thence at a right angle easterly along said southerly line of Marin Street, 200.00 feet, to the point of beginning.

*76 line
Tennessee*

EXHIBIT "A"

DESCRIPTION
Checked 11-21-71
Approved 11-21-71

AUTHORIZING ACQUISITION OF CERTAIN REAL PROPERTY FOR PORT OF SAN FRANCISCO PURPOSES

RESOLUTION NO. 177-71
ADOPTED in accordance with the action taken on the 15th day of October, 1971, by the Board of Supervisors of the City and County of San Francisco, California, regarding the proposed real property situated in San Francisco, California, referred to as the Western Pacific Railroad Company, or the local property or interest in the same as described in Section 1 of the said Chapter 24 of the City and County of San Francisco, California, Chapter 24, San Francisco, California.

The sum of \$100,000 shall be appropriated from Appropriation No. 177-71.

Taxes and rents are to be abated as of the date of recording of the deed to the City.

The Director of Property is authorized to execute a Certificate Deed from the Western Pacific Railroad Company of all its right, title and interest in and to those parcels shown on the above described property.

The City Attorney shall examine and approve this resolution.

This project is in conformity with the Master Plan as reported by the Department of City Planning under the date of November 18, 1971.

I hereby certify that the foregoing resolution was passed by the Board of Supervisors of the City and County of San Francisco at its meeting of Dec. 8, 1971.

ROBERT J. DOLAN, Clerk
PETER TAMMARA, Acting Mayor

Dec. 16, 1971-11

RECEIVED
November 29 1971
City and County of San Francisco
Department of City Planning
1001 Market Street
San Francisco, California 94102
By _____
Deputy City Clerk



Recording Requested by and
When Recorded Mail to:

San Francisco Assessor-Recorder
Mabel S. Teng, Assessor-Recorder
DOC- 2004-H668591-00
Acct 1-CHICAGO Title Company
Tuesday, MAR 02, 2004 14:37:00
Ttl Pd \$30.00 Nbr-0002420525
REEL I585 IMAGE 0998
0J1/JL/1-0

CITY AND COUNTY OF SAN FRANCISCO
San Francisco Port Commission
Pier I
San Francisco, CA 94111
Attn: Neil H. Sekhri
(State of California Official Business
Document Entitled to Free Recordation
Pursuant to Government Code Section 6103)

Documentary Transfer Tax is \$0: This instrument is exempt from Documentary Transfer Tax
(Space above this line for Recorder's use only)

escrow # 61489416
Seawall lot 330
portion lot 1, Blk 3771

QUITCLAIM DEED
(Conveying Portion of SWL 330)

WHEREAS, the STATE OF CALIFORNIA, acting by and through the STATE LANDS COMMISSION ("State" or "Commission"), and the CITY OF SAN FRANCISCO ("City"), acting by and through the SAN FRANCISCO PORT COMMISSION ("Port") (City and Port hereinafter are referred to collectively as "City"), have entered into that certain Seawall Lot 330/Western Pacific Property Exchange Agreement (the "Exchange Agreement"), dated as of November 24, 2003; and

WHEREAS, on October 20, 2003, pursuant to the authority set forth in Section 5, Chapter 310, Statutes of 1987, the Commission approved the Exchange Agreement and authorized the delivery of this Quitclaim Deed on the terms and conditions set forth in the Exchange Agreement; and

WHEREAS, the Exchange Agreement sets forth certain approvals of and conveyances of lands and interests therein by the State of California, acting by and through the State Lands Commission, releasing such lands from the public trust for the purposes of commerce navigation and fisheries in exchange for placing the public trust on certain other lands; and

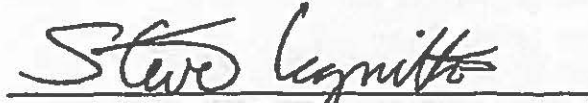
WHEREAS, in furtherance thereof, the City has agreed to convey to the State of California the certain lands as more particularly described hereinafter so that the State may reconvey such lands to the City free of the public trust:

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City hereby releases, remises and quitclaims to the State any and all right, title and interest in and to the real property located in the City and County of San Francisco, State of California, described in Exhibit A attached hereto and depicted in Exhibit B attached hereto, each made a part hereof, to

be held by the State for reconveyance to the City free of the legal character of tide and submerged lands in accordance with the terms of the Exchange Agreement.

Executed this 26th day of February, 2004


CITY AND COUNTY OF SAN FRANCISCO, a
Charter City and County



Steve Legnito,
Acting Director of Real Estate

RECOMMENDED:


PORT OF SAN FRANCISCO



DOUGLAS F. WONG
Executive Director

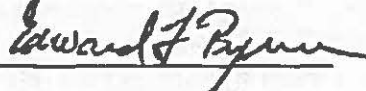
APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

BY: 

Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: 

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Francisco

On February 26, 2004, before me, Kathleen V. Bianchi
Name and title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Steve Lanitte

personally known to me, OR



(Official Seal)

proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Kathleen V. Bianchi
Signature of Notary Public

CERTIFICATE OF ACKNOWLEDGMENT

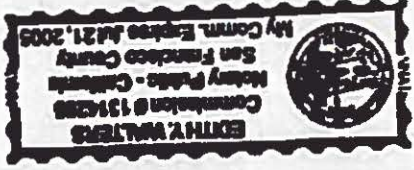
State of California

County of San Francisco

On ~~February~~ 1, 2004, before me, EDITH Y. WALTERS, Notary Public
MARCH (Name and title of Officer (e.g., State Treasurer, Notary Public))

personally appeared DOUGLAS F. WONG

personally known to me, OR



(Official Seal)

proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Edith Y. Walters
Signature of Notary Public



EXHIBIT A

LEGAL DESCRIPTION

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL "A" AS SAID PARCEL IS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO", FILED IN BOOK "W" OF MAPS, PAGES 66 THROUGH 72, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND AS PARCEL "A" IS FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976 IN BOOK C165, PAGE 573, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF BEALE STREET AND THE NORTHWESTERLY LINE OF BRYANT STREET, BEING A POINT ON THE GENERAL WESTERLY LINE OF SAID PARCEL "A"; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF BEALE STREET, 82.50 FEET TO THE SOUTHEASTERLY LINE OF BRYANT STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 82.50 FEET TO THE INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND SAID SOUTHEASTERLY LINE OF BRYANT STREET, BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 158.00 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, LEAVING SAID LINE OF BRYANT STREET, 143.00 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 158.00 FEET TO SAID NORTHEASTERLY LINE OF BEALE STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF BEALE STREET, 143.00 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF SEAWALL 330.

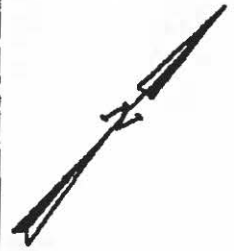
ALSO BEING A PORTION OF LOT 01, ASSESSOR'S ELOCK 3771.



EXHIBIT "B"

PARCEL "C"
(W MAPS 66)
(SEE NOTE NO. 2)

MAIN STREET
(82.50' WIDE)



BEALE STREET
(82.25' WIDE)

NORTHWESTERLY LINE OF BRYANT STREET

PARCEL "A"
(W MAPS 66)
(SEE NOTE NO. 2)

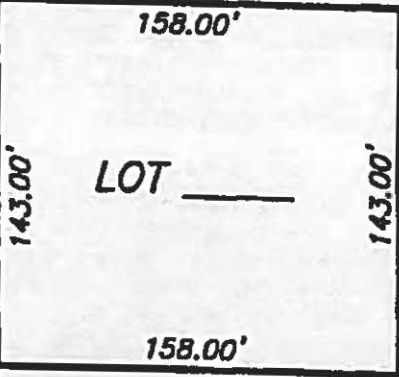
BRYANT STREET (82.50' WIDE)

P.O.C.

82.50'

82.50'

SOUTHEASTERLY LINE OF BRYANT STREET



MAIN STREET
(82.50' WIDE)
(ORDERED VACATED -
SEE NOTE NO. 1)

AS 3770
LOT 1
(SEAWALL LOT 329)

PARCEL "A"
(W MAPS 66)
(SEE NOTE NO. 2)

AS 3771
LOT 1
(SEAWALL LOT 330)



THE EMBARCADERO

NOTES:

- 1.) DECLARATION OF INTENTION TO VACATE A PORTION OF MAIN STREET PER RESOLUTION NO. 960-92, NOVEMBER 10, 1992 AND ORDERED TO BE VACATED PER ORDINANCE 14-93, JANUARY 11, 1993 AS APPROVED BY THE BOARD OF SUPERVISORS, CITY AND COUNTY OF SAN FRANCISCO.
- 2.) PARCELS AS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO ...", FILED IN BOOK "H" OF MAPS, PAGES 66-72, CITY AND COUNTY OF SAN FRANCISCO RECORDER'S OFFICE.
- 3.) ALL ANGLES OF DIMENSIONED LINES ARE 90° UNLESS OTHERWISE INDICATED.

LEGEND:

- P.O.C. POINT OF COMMENCEMENT
- P.O.B. POINT OF BEGINNING

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

859 HARRISON ST., SUITE 200
SAN FRANCISCO, CA. 94107

SEPTEMBER 2003 SCALE: 1"=70' SHEET 1 OF 1

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Quitclaim Deed dated 2-26, 2004, from the City and County of San Francisco to the State of California is hereby accepted by the undersigned officer or agent on behalf of the State of California pursuant to authority conferred by that act of the Legislature set forth as Section 5, Chapter 310, Statutes of 1987, and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: 2-24-, 2004

STATE LANDS COMMISSION

By: 

Robert L. Lynch

Its: Chief, Division of Land Management

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento } ss.

On February 24, 04, before me, Grace M. Kato, Notary Public

personally appeared Robert L. Lynch

personally known to me
 proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Grace M. Kato
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: certificate of acceptance

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



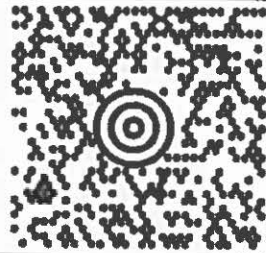
Signer is Representing: _____

CUSTOMER SUPPORT
(866) 692-1915
SAN FRANCISCO COUNTY ACCESSOR/RECORDER
CITY HALL ROOM 190
1 DR CARLTON B GOODLETT PLACE
SAN FRANCISCO CA 94102

LTR

1 OF 1

SHIP THOMAS BARNETT
TO: (415) 350-5023
136 PRENTISS STREET
SAN FRANCISCO CA 94110

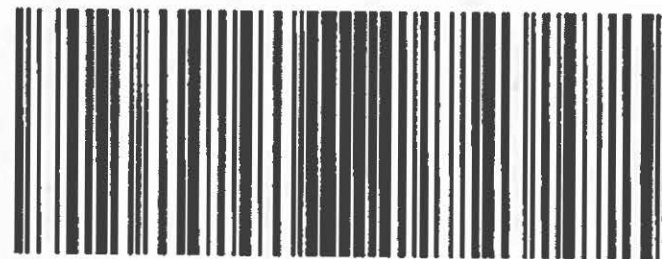


CA 941 9-24



UPS NEXT DAY AIR SAVER
TRACKING #: 1Z A53 F48 29 1013 7819

1P



BILLING: 3RD PARTY
SIGNATURE REQUIRED
REF1: 54112391
REF2: 11418

Mail Tax Statements To and
When Recorded, Mail To:

San Francisco Cruise Terminal, LLC
c/o Lend Lease Development U.S., Inc.
33 New Montgomery Street, Suite 220
San Francisco, CA 94105
Attn: Robert Hertzfeld



San Francisco Assessor-Recorder
Mabel S. Teng, Assessor-Recorder
DOC- 2004-H668594-00

Acct 1-CHICAGO Title Company
Tuesday, MAR 02, 2004 14:37:00
Tel Pd\$9,961.00 Nbr-0002420528
REEL 1585 IMAGE 1001
oJ1/JL/1-9

(City of San Francisco Official Business
Document Entitled to Free Recordation
Pursuant to Government Code Section 6103)

Documentary Transfer Tax of \$ 69,970.- based on full value
of the property conveyed

SECTION # 6048999

SEAWALL Lot 330
Portion of lot 1, BK 3771

(Space above this line reserved for Recorder's use only)

GRANT DEED

For Valuable Consideration, the receipt and adequacy of which are hereby acknowledged, the CITY and COUNTY OF SAN FRANCISCO, a Charter City and County (herein called the "Grantor"), pursuant to Resolution No. 460-03, adopted by the Board of Supervisors on July 15, 2003, and approved by the Mayor on July 25, 2003, hereby **GRANTS** to SAN FRANCISCO CRUISE TERMINAL, LLC, a Delaware limited liability company (herein called the "Grantee"), certain real property situated in the City and County of San Francisco, State of California (herein called the "City"), described in Exhibit A attached hereto and made a part hereof (herein called "the Property");

SUBJECT, however, to the following:

- (A) 2nd Installment of County and City taxes for Fiscal Year 2003-2004, a lien due or payable, not yet delinquent
- (B) County and City taxes for Fiscal Year 2004-2005, a lien not yet due or payable;
- (C) The Property lies within the boundaries of Mello-Roos Community Facilities District 90-1, For School Facility Repair and Maintenance.
- (D) The terms and conditions of the Purchase and Sale Agreement dated as of August 18, 2003 (referred to herein as the "Sale Agreement"), a Memorandum of which was recorded on January 16, 2004, as Reel 1555, Image 212, Series No. 2004-H639445-00, Official Records of the City, including but not limited to all rights granted therein or any attachments thereto affecting or burdening the Property.

NOTWITHSTANDING the foregoing and the provisions of Section 1113 of the California Civil Code, the Grantor shall have no liability to the Grantee in the event of any defect in the title of the Grantee to the Property conveyed by the Grantor regardless of the effect of such defect on the Grantee's rights in the Property, and no such defect shall be grounds for the rescission of this Deed by the Grantee.

The Grantee herein covenants by and for itself, its heirs, executors, administrators, successors and assigns, and all persons claiming under or through them, as follows:

(1) The Grantor shall have the right at its option to re-enter and take possession of all portions of Property with all improvements, for which no certificate evidencing "Completion" of the "Improvements" (as those terms are defined in the Sale Agreement) has been issued by Grantor and recorded, and to terminate and re-vest in the Grantor the estate theretofore conveyed to the Grantee by reason of failure of condition subsequent, if after conveyance of the Property to the Grantee there is an Event of Default by Grantee with respect to Grantee's obligations to construct and Complete the Improvements as set forth in Section 11.02(a) of the Sale Agreement that is not cured as provided in the Sale Agreement.

(2) Such rights to re-enter, repossess, terminate and re-vest shall be subject to and be limited by and shall not defeat, render invalid or limit (i) any mortgage, deed of trust or other security interest permitted by the Sale Agreement; (ii) any rights or interest provided in the Sale Agreement for the protection of the holders of such mortgages, deeds of trust or other security interest, or (iii) any rights or interest provided in that certain Intercreditor Agreement, dated as of the date hereof and recorded on the same day and subsequent to this Deed in the Records of the City, entered into between Grantor and HSBC Bank USA, a New York chartered commercial bank as Administrative Agent, for the protection of the holders of such mortgages, deeds of trust or other security interest, their successors and assigns.

(3) Without limiting the foregoing, as set forth in the Intercreditor Agreement, any party acquiring title to the Property upon foreclosure of the Construction Deed of Trust or acceptance by Mortgage Lender of a deed in lieu of foreclosure (as those terms are defined in the Intercreditor Agreement) (the "Successor Owner") shall be obligated to Complete Construction of the Project (as those terms are defined in the Sale Agreement) generally in accordance with the Schematic Drawings approved by the Port Commission Resolution No. 03-43 (with such changes as may be approved by the Port) but shall not be required to Complete Construction of the Project within the time frame set forth in the Schedule of Performance then in effect under the terms of the Sale Agreement. In addition, except in connection with a sale of the Property occurring during the Repurchase Period (as provided in Section 3.g of the Intercreditor Agreement), such Successor Owner shall not be required to comply with any other provisions of the Sale Agreement.

(4) For purposes of Grantor's ability to exercise its right to re-enter set forth in subparagraph (1) above against a Successor Owner, an "Event of Default" with respect to the Successor Owner's obligations to construct and Complete the Project shall occur if Successor Owner is not, subject to Force Majeure (as defined in the Sale Agreement), prosecuting diligently to Completion, the Construction of the Improvements to be constructed on the Site as required under subparagraph (3) of this Deed, or abandons or substantially suspends Construction for more than thirty (30) consecutive days, and such failure, abandonment or suspension continues for a period of: (i) thirty (30) days from the date of written notice from Grantor as to failure to commence Construction; or (ii) sixty (60) days from the date of written notice from Grantor as to abandonment, suspension or a failure to prosecute construction or to Complete Construction of the Improvements with due diligence. In order for Grantor to declare an Event of Default for failure of such Successor Owner to prosecute construction diligently, in its notice stating that Successor Owner is in default for failure to prosecute construction diligently, (1) Grantor shall provide an opinion from an independent third party experienced in high-rise condominium construction that in such party's reasonable opinion, Successor Owner is unlikely to accomplish "Completion" in a reasonable time, and (2) Successor Owner shall fail to cure its failure to prosecute construction diligently within sixty (60) days after such notice from Grantor.

(5) Such rights of Grantor to re-enter, repossess, terminate and revest shall terminate upon recordation of the certificate evidencing "Completion" of the "Improvements" described in Section 6.03 of the Sale Agreement. In the case of a Successor Owner, Grantor shall execute and deliver such certificate to the Successor Owner upon satisfaction of the requirements set forth in Section 6.03 of the Sale Agreement.

(6) Grantee acknowledges that it is purchasing the Property with the knowledge that future development of Piers 30/32, the Brannan Street Wharf proposed for Pier 36 and the former location of Pier 34, and the remainder portion of Seawall Lot 330 that does not include the Property, may generate certain impacts during construction and operation such as noise, parking congestion, truck traffic, auto traffic, odors, dust, dirt, view and visual obstructions. Anticipated future development may include (a) a mixed-use cruise terminal at Pier 30-32, including two cruise terminal berths accomodating up to two 1,000 foot cruise ships, an approximately 100,000 square foot cruise terminal, approximately 325,000 square feet of office space, 425 parking spaces, approximately 150,000 square feet of retail space, and associated open and public spaces, (b) the development of an approximately 57,000 square foot public open space at the Brannan Street Wharf, and (c) development of residential or hotel uses on the remainder of Seawall Lot 330. Grantee further acknowledges that consideration paid by Grantee for the Property reflects the potential impacts from such development.

It is intended and agreed that the agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise

specifically provided in this Deed itself, to the fullest extent permitted by law and equity, binding for the benefit of the Grantor, and shall be enforceable to the extent provided herein by the Grantor against the Grantee and its successors and assigns to or of the Property or any interest therein.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 26th day of February, 2004.

GRANTOR:
CITY & COUNTY OF SAN
FRANCISCO,
a Charter City and County

By: Steve Legnitto
STEVE LEGNITTO
Acting Director of Property

RECOMMENDED:

PORT OF SAN FRANCISCO

dfw
DOUGLAS F. WONG
Executive Director

APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

BY: NHS
Neil H. Sekhri
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: [Signature]

AGREED TO AND ACCEPTED as of this 1ST day of MARCH, 2004

SAN FRANCISCO CRUISE TERMINAL LLC,
a Delaware limited liability company

By: [Signature]
Name: Maurice Cococcia

Title: Managing Representative


CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Francisco

On February 26, 2004, before me, Kathleen V. Bianchi
Name and title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Steve Legnitto

<p>OR personally known to me,</p> <p></p> <p>(Official Seal)</p>	<p>Proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.</p> <p>WITNESS my hand and official seal.</p> <p>Signature <u>Kathleen V. Bianchi</u> Signature of Notary Public</p>
---	--

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Francisco

On February 1, 2004, before me, EDITH Y. WALTERS, NOTARY PUBLIC

MARCH

Name and title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared DOUGLAS F. WONG

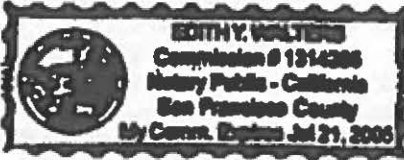
<p>OR personally known to me,</p>  <p>(Official Seal)</p>	<p>proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.</p> <p>WITNESS my hand and official seal.</p> <p>Signature <u>Edith Y. Walters</u> Signature of Notary Public</p>
--	---

EXHIBIT A

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL "A" AS SAID PARCEL IS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO", FILED IN BOOK "W" OF MAPS, PAGES 66 THROUGH 72, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND AS PARCEL "A" IS FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976 IN BOOK C169, PAGE 573, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF BEALE STREET AND THE NORTHWESTERLY LINE OF BRYANT STREET, BEING A POINT ON THE GENERAL WESTERLY LINE OF SAID PARCEL "A"; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF BEALE STREET, 82.50 FEET TO THE SOUTHEASTERLY LINE OF BRYANT STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 82.50 FEET TO THE INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND SAID SOUTHEASTERLY LINE OF BRYANT STREET, BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 158.00 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, LEAVING SAID LINE OF BRYANT STREET, 143.00 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 158.00 FEET TO SAID NORTHEASTERLY LINE OF BEALE STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF BEALE STREET, 143.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, FOREVER, ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UNDER THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE, AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS HEREBY CONVEYED, AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF SAID LANDS OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE LOCATED FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE PROPERTY AS SET FORTH IN AND RESERVED BY THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED MARCH 02, 2004 IN REEL _____, IMAGE _____, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, INSTRUMENT NO.

H 468592.

BEING A PORTION OF SEAWALL 330.

ALSO BEING A PORTION OF LOT 01, ASSESSOR'S BLOCK 3771.





City and County of San Francisco
Office of the Assessor-Recorder

MABEL S TENG
ASSESSOR-RECORDER

TRANSFER TAX AFFIDAVIT

FOR RECORDER'S USE ONLY
Document Series Number:

NOTICE: ANY MATERIAL MISREPRESENTATION OF FACT IN THIS AFFIDAVIT IS A MISDEMEANOR UNDER SECTION 1116 OF THE REAL PROPERTY TRANSFER TAX ORDINANCE. ANY PERSON WHO MAKES SUCH A MISPRESENTATION IS SUBJECT TO PROSECUTION FOR SUCH OFFENSE.

1. LOCATION OF PROPERTY: Block: 2771 ^{Portion of} lot 1
 Street Address Seawall lot 2770
 Describe document(s) to be recorded: Deed
2. IS THIS A FORECLOSURE OR A TRUSTEE SALE? Yes No (If yes, complete this section, if no, proceed to #3)
 a. Is the Transferor the Beneficiary or Mortgagee Yes No
 b. Please provide Name of Trustee _____ Date of the original Deed of Trust: _____
 c. Enter amount of consideration paid and on line 6a for tax calculation \$ _____
3. IS THIS A LEASE? Yes No (If yes, complete this section, if no, proceed to #4)
 a. Is remaining term of lease including renewal options greater than 50 years?
 Yes No (If no, no tax is due)
 b. If yes, submit a copy of lease or summary of its terms
 Consideration Value of leasehold (if definite) \$ _____
 Consideration Value of leasehold (if not definite) \$ _____
 c. Enter amount on line 6a for tax calculation.
4. IS THIS A GIFT IN WHOLE OR IN PART? Yes No
 If yes, give complete explanation, if no, proceed to #5).

Please be advised that gifts that are valued over US\$11,000 are subject to the Gift Tax and must be reported to the Internal Revenue Service. The Gift Tax applies to the transfer by gift of any property, others, or gifts to spouses, political organizations or charities.

5. DO YOU CONTEND THAT NO TRANSFER TAX IS DUE FOR A REASON NOT EXPLAINED ABOVE?

Yes No (If no, proceed to #6)

a. If yes, explain fully:

- (1) The nature of this transaction; and
- (2) The reason why you contend no transfer tax is due. (Use additional papers if necessary and attach copies of records or documents supporting your claim.

(3) If adding or removing a co-owner for refinancing purpose, please initial "the proportional ownership interest will revert back to it's original holding within six (6) months from the date of the recording; otherwise I will pay the applicable transfer tax."

6. TAXABLE TRANSACTIONS

Complete the following and calculate the tax below:

a. Consideration Paid (finite or indefinite)

\$ 9,824,000.00

If definite, what value is it based on?

Loan Amount \$

Assessed value \$; year of assessment

b. Tax due

\$ 69,920

Effective October 17, 1994, as mandated through local ordinance, the transfer tax rates are as follows:

If entire value or consideration is:	Tax rate for entire value or consideration is:
More than \$100 but less than or equal to \$250,000	\$2.50 for each \$500 or portion thereof
More than \$250,000 but less than \$1,000,000	\$3.40 for each \$500 or portion thereof
\$1,000,000 or more	\$3.75 for each \$500 or portion thereof

7. CONTACT INFORMATION

a. PERSON(S) PAYING TAX:

SF Cruise Terminal, LLC, Maurice Cococchia

b. ADDRESS OF PERSON(S) PAYING TAX:

77 NEW MONTGOMERY, STE 220, SF, CA 94105

c. CONTACT TELEPHONE NUMBER

(415) 995-4851

I DECLARE OR AFFIRM UNDER PENALTY OR PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Signed Teresa Kung

(Print Name) Teresa Kung

Place of Execution SF CA (City, County, State where executed)

Date of Execution 3-2-04

Interest of signing person in the property or this transaction Agent

NOTICE: ANY MATERIAL MISREPRESENTATION OF FACT IN THIS AFFIDAVIT IS A MISDEMEANOR UNDER SECTION 1170 (F) OF THE REAL PROPERTY TRANSFER TAX ORDINANCE. ANY PERSON WHO MAKES SUCH A MISREPRESENTATION IS SUBJECT TO PROSECUTION FOR SUCH OFFENSE.

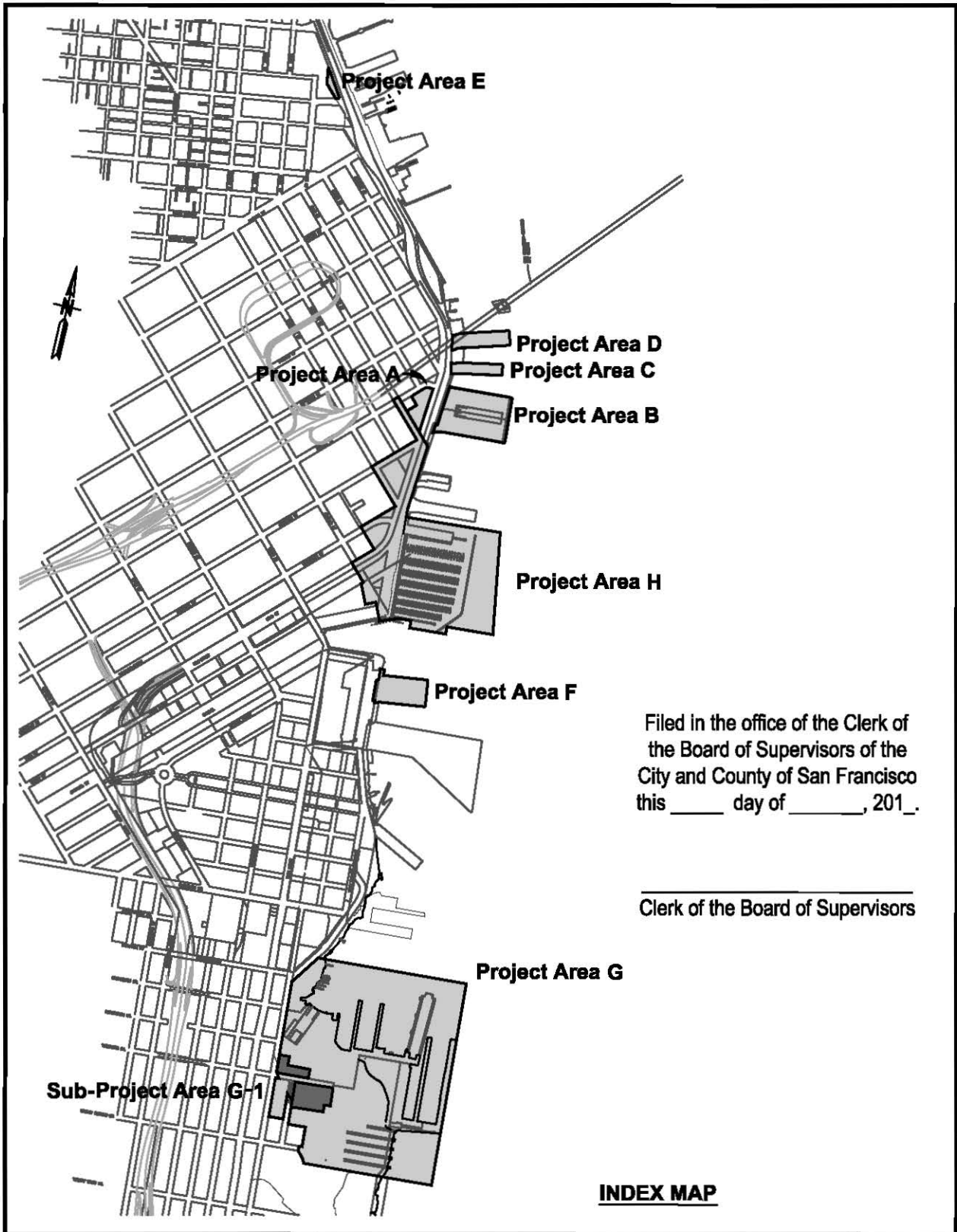
Assessor's Office: 1 Dr. Carlton B. Goodlett Place, City Hall, Room 160, San Francisco, CA 94102-4600

Phone: (415) 554-5595 Fax: (415) 554-7151

Recorder's Office: 1 Dr. Carlton B. Goodlett Place, City Hall, Room 100, San Francisco, CA 94102-4600

Phone: (415) 554-3179 Fax: (415) 554-6170

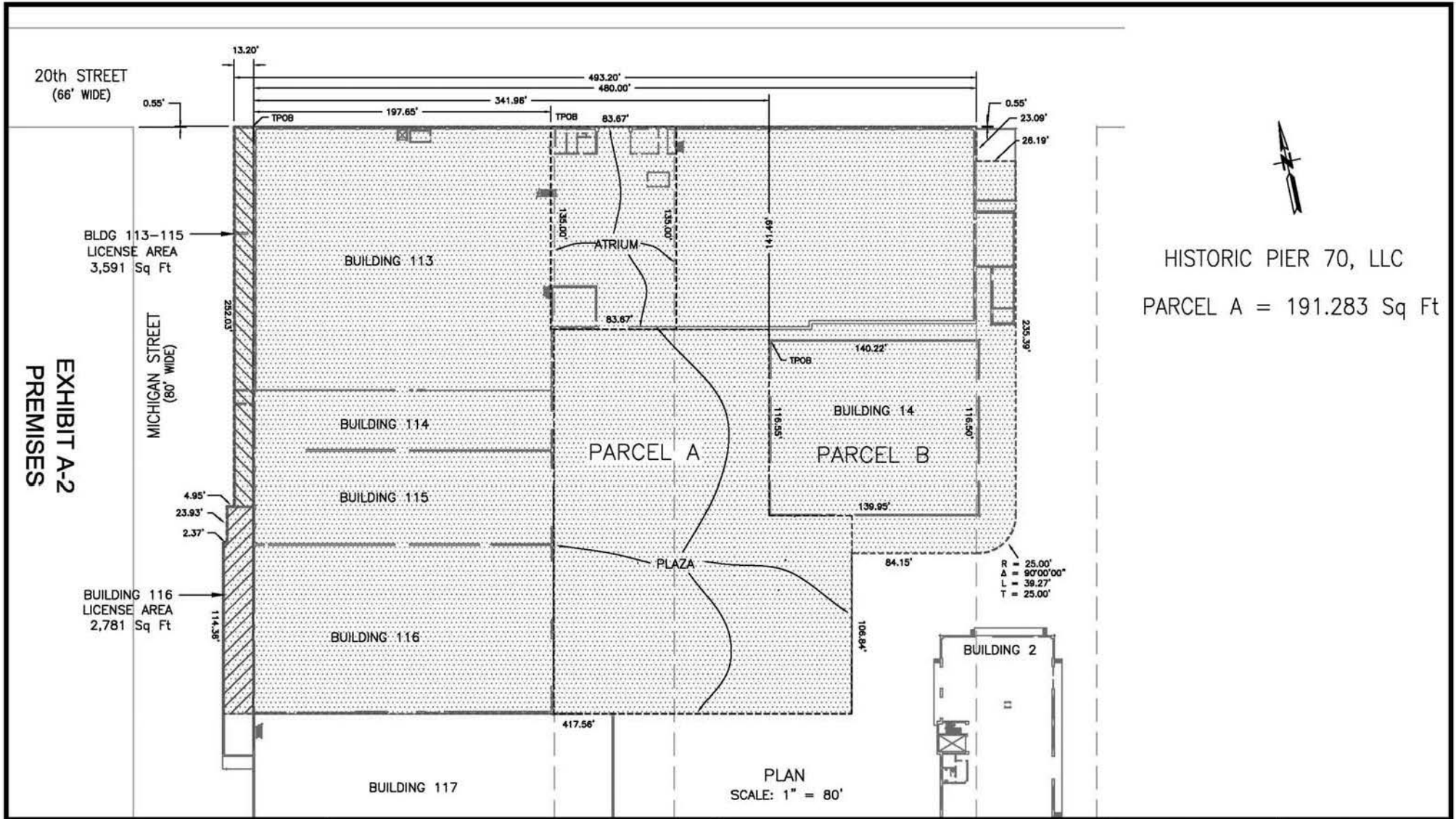
1/19/2003



Filed in the office of the Clerk of
the Board of Supervisors of the
City and County of San Francisco
this ____ day of _____, 201_.

Clerk of the Board of Supervisors

INDEX MAP




HISTORIC PIER 70, LLC
 PARCEL A = 191.283 Sq Ft

EXHIBIT A-2
 PREMISES

APPROVED BY
 SAN FRANCISCO PORT COMMISSION
 DATE _____

 CHIEF HARBOR ENGINEER

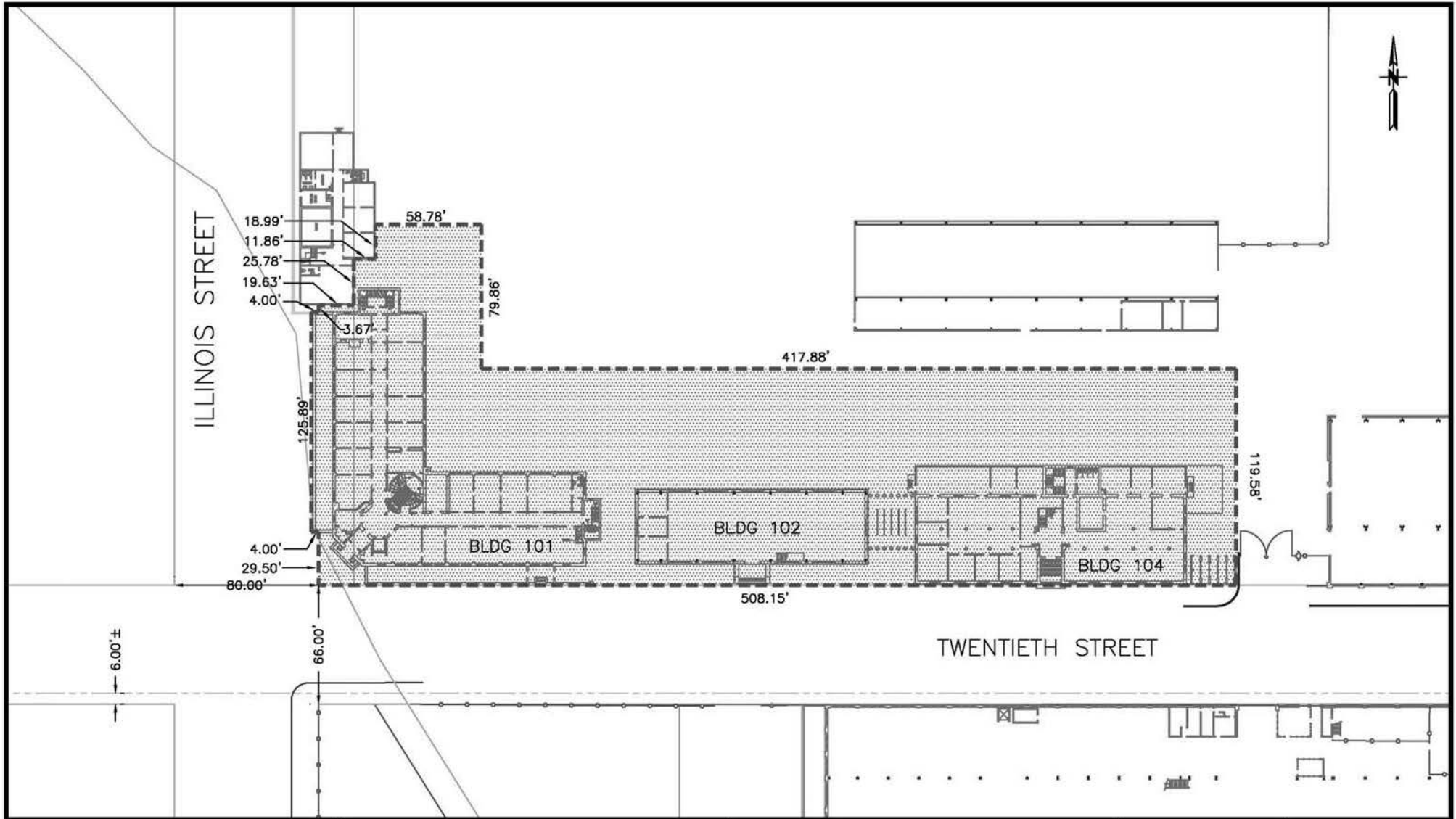
 SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

HISTORIC PIER 70, LLC
 A CALIFORNIA LIMITED LIABILITY COMPANY

PREPARED BY: ECC	CHECKED BY: P. WILLIAMSON
DRAWN BY: ECC	DATE: MAR 23, 2015
CONTRACT NO.	SCALE: 1" = 60'
DRAWING NO.	SHEET NO. OF SHEETS

SUB-PROJECT AREA G-1 (PIER 70 - HISTORIC CORE)

C:\07 STAFF\ECUSTOD\temp\SM1348Lease-adjusted.dwg



APPROVED BY
 SAN FRANCISCO PORT COMMISSION
 DATE _____

 CHIEF HARBOR ENGINEER



SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

HISTORIC PIER 70, LLC
 A CALIFORNIA LIMITED LIABILITY COMPANY

PREPARED BY:
 DRAWN BY: ECC
 CONTRACT NO.
 DRAWING NO.

CHECKED BY:
 DATE: OCT 29, 2015
 SCALE: 1" = 50'


SHEET NO.
 OF SHEETS

PARCEL A :

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING PARCELS A & B AS SHOWN ON THAT MAP TITLED "RECORD OF SURVEY 8565 ORTON LEASE AT PIER 70" RECORDED ON APRIL 30, 2015 ON MAP BOOK FF PAGES 59-61 OF SURVEY MAPS AT THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT ON THE NORTHERLY PROJECTION OF THE EASTERLY LINE OF MICHIGAN STREET (80.00 FEET WIDE) DISTANT 0.55 FOOT NORTHERLY FROM ITS INTERSECTION WITH THE SOUTHERLY LINE OF TWENTIETH STREET (66.00 FEET WIDE), AS SAID STREETS EXIST TODAY; RUNNING THENCE EASTERLY PARALLEL TO THE SOUTHERLY LINE OF TWENTIETH STREET 480.00 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 23.09 FEET; THENCE AT A RIGHT ANGLE EASTERLY 26.19 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 235.39 FEET; THENCE SOUTHWESTERLY ALONG A TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", AND AN ARC DISTANCE OF 39.27 FEET; CONTINUING THENCE WESTERLY TANGENT TO THE PRECEDING CURVE 84.15 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 106.84 FEET; THENCE AT A RIGHT ANGLE WESTERLY 417.56 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 114.36 FEET; THENCE AT A RIGHT ANGLE EASTERLY 2.37 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 23.93 FEET; THENCE AT A RIGHT ANGLE EASTERLY 4.95 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 252.03 FEET; THENCE AT A RIGHT ANGLE EASTERLY 13.20 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 191,283 SQUARE FEET OF LAND, MORE OR LESS.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.


 SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING		HISTORIC PIER 70, LLC A CALIFORNIA LIMITED LIABILITY COMPANY			APPROVED _____ DATE _____
IN CHARGE OF	MADE BY: ECC	TRACED BY	CHDL BY	DATE	SCALE
					DRAWING NO. _____ SHEET NO. _____ OF _____

PARCEL C:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING PARCELS C, D & E AS SHOWN ON THAT MAP TITLED "RECORD OF SURVEY 8565 ORTON LEASE AT PIER 70" RECORDED ON APRIL 30, 2015 ON MAP BOOK FF PAGES 59-61 OF SURVEY MAPS AT THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS;

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF TWENTIETH STREET (66.00 FEET WIDE) AND THE EASTERLY LINE OF ILLINOIS STREET (80.00 FEET WIDE), AS SAID STREETS EXIST TODAY, SAID POINT BEING THE TRUE POINT OF BEGINNING; RUNNING THENCE NORTHERLY ALONG THE EASTERLY LINE OF ILLINOIS STREET 29.50 FEET; THENCE AT A RIGHT ANGLE WESTERLY 4.00 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 121.50 FEET; THENCE AT A RIGHT ANGLE EASTERLY 4.00 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 3.67 FEET TO A POINT ON THE SOUTHERLY WALL OF BUILDING No. 40; THENCE AT A RIGHT ANGLE EASTERLY 19.63 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 25.78 FEET; THENCE AT A RIGHT ANGLE EASTERLY 11.86 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 18.99 FEET; THENCE AT A RIGHT ANGLE EASTERLY 58.78 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 79.86 FEET; THENCE AT A RIGHT ANGLE EASTERLY 417.88 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 119.58 FEET TO A POINT ON THE NORTHERLY LINE OF TWENTIETH STREET; THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID NORTHERLY LINE OF TWENTIETH STREET 508.15 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 67,354± SQUARE FEET (1.546) Ac) OF LAND, MORE OR LESS.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.

 SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING		HISTORIC PIER 70, LLC A CALIFORNIA LIMITED LIABILITY COMPANY			APPROVED _____ DATE _____
IN CHARGE OF	MADE BY: EDC	TRACED BY	CHKD. BY	DATE	SCALE
					DRAWING NO. _____ SHEET NO. _____ OF _____

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EXHIBIT B

**DESCRIPTION OF PUBLIC IMPROVEMENTS AND FACILITIES
REQUIRED TO SERVE THE DEVELOPMENT PROPOSED IN THE IFD**

[See attached Ten-Year Capital Plan FY 2015-2024 Update]

Port of San Francisco



Ten-Year Capital Plan

FY 2016-2025 Update

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I. EXECUTIVE SUMMARY

The Capital Plan represents the guiding document for the Port's capital investments, and provides an assessment of capital needs, the investment required to meet those needs, and a plan to finance them. The FY2016-25 update of the plan reflects improvement from prior year plans in the Port's ability to address its capital needs over the next ten years. While the overall need is still substantial, some of the strategies the Port has put in place are beginning to yield results. 2014 included a number of major accomplishments:

- Completion and opening of the James R. Herman Cruise Terminal;
- Completion of Cruise Terminal Park and dedication of the Lucy and Fritz Jewett Grove;
- A comprehensive review of the Waterfront Land Use Plan ("Waterfront Plan") detailing major Port accomplishments since 1997, including a review of 120 major projects representing \$1.6 billion in public and private investment; and
- After 15 years, the successful disposition of the Port's Drydock #1.

Since its inception in 2006, the Capital Plan has provided a solid framework for the Port's investment to maintain and enhance its assets. In particular, the Port has utilized the plan's findings and priorities to guide issuance of its revenue bonds as well as preparations for the 34th America's Cup.

In the past four years, the Port has seen a dramatic uptick in capital investment, with approximately \$160 million expended for a variety of projects that have advanced the Port's maritime commerce mission, brought people to the waterfront, and made substantial progress toward reducing the Port's capital backlog. The James R. Herman Cruise Terminal project, park projects, and the City's commitment to host the 34th America's Cup drove much of the Port's recent investment.

These experiences yielded important insights that have advised this plan:

- As demonstrated by the James R. Herman Cruise Terminal and the rebuild of Pier 29 after a fire, the City has the expertise and capacity to direct major new investment within a very short timeframe;
- Port Maintenance staff are the Port's most cost-efficient and effective means of rebuilding most pier aprons and bringing pier sheds into code compliance;
- The Port excels at designing and building public parks and managing historic rehabilitation improvement projects; and
- In order to deliver major waterfront improvements, the Port requires a comprehensive strategy to obtain entitlements and regulatory approvals, particularly for in-water construction.

Pursuant to direction from the Port Commission, this year’s plan continues progress made in recent years to expand and stabilize capital funding from the Port’s operating budget. Port staff also has continued to refine the capital project scoring process, with an inter-divisional focus on project readiness and financial outcomes.

The strategic, ongoing challenges to the Port discussed in detail in this plan are ever present in the minds of the Port staff: seismic risk to the seawall and other Port facilities; tidal flooding and sea level rise; the Port’s yellow- and red-tagged facilities; ongoing problems posed by underpier utility infrastructure; revitalization of the southern waterfront; and the relentlessly increasing cost of dredging the Port’s berths. Daunting as these challenges may be, the Port staff has developed concrete strategies for addressing them.

With respect to the Port’s annual recalculation of needs, this plan identifies a total need of just over \$1.62 billion over the ten-year period (plus an additional \$476.3 million for conditional seismic work), primarily for deferred maintenance and subsystem renewal work required on Port facilities.

Changes From Prior Year Plan	State of Good Repair				Seismic (\$ millions)
	Backlog (\$ millions)	Renewal (\$ millions)	One-Time (\$ millions)	Total (\$ millions)	
<i>Prior Year (FY2015-24) Plan</i>	\$613.4	\$544.0	\$433.1	\$1,590.5	\$464.3
Updated project cost estimates, completions	(73.8)		(15.6)	(89.4)	(11.2)
Leased facility improvements (by tenants)		(6.3)		(6.3)	
New year ten (FY2025) project costs		48.0		48.0	
Escalation (5%)	30.7	27.2	21.66	79.53	23.2
FY2016-25 Plan	\$570.3	\$612.9	\$439.2	\$1,622.3	\$476.3

The total need of \$1.62 billion for state-of-good-repair projects includes an estimated \$612.9 million for capital renewal, which represents the amount needed over the next ten years to maintain facilities in a state-of-good-repair, as projected in the FRRM database. This plan shows an existing backlog for deferred maintenance of \$570.3 million, with another \$439.2 million for other one-time expenses. Investments for seismic repairs may or may not be required during the ten-year period; as such, the \$476.3 million cost of seismic work is not included in the total need, but is shown separately.

The plan projects total sources of \$853.7 million will be available during the ten-year period, of which the Port will use \$487.9 million to fund state-of-good-repair and \$365.8 million to fund capital enhancement projects (including seismic work). At the end of the ten-year period, the Port will reduce its state-of-good-repair needs by 30 percent from \$1.62 billion to \$1.13 billion and its conditional seismic needs from \$476 million to \$464.3 million.

As with last year’s plan, this plan separates internally- and externally-generated sources into separate discussions. Internally-generated funding sources include (1) Port capital funds, (2) Port revenue bonds, and (3) tenant obligations. Together, these sources are projected to generate \$344.7 million over the next ten years, of which the Port will apply \$328.1 million (or 95

percent) to state-of-good-repair projects and \$16.6 million (or 5 percent) to capital enhancement projects.

Internally-Generated Funding Sources	Repair (\$ millions)	Enhancement (\$ millions)	Total (\$ millions)
Port Capital Budget	\$139.5	\$16.6	\$156.1
Port Revenue Bonds & COPs	41.2		41.2
Port Tenant Improvements	147.4		147.4
Total	\$328.1	\$16.6	\$344.7

Externally generated sources include (1) development projects, (2) general obligation bonds, and (3) grants. This plan projects these sources to generate \$509.1 million, of which the Port will apply \$160.1 million (or 32 percent) to state-of-good-repair projects and \$349 million (or 68 percent) to enhancement projects.

Externally-Generated Funding Sources	Repair (\$ millions)	Enhancement (\$ millions)	Total (\$ millions)
General Obligation Park Bonds	\$5.6	\$55.5	\$61.1
Federal & State Grants	0.4	24.8	25.2
Federal Railway Administration	0.0	2.8	2.8
US Army Corps of Engineers	27.5	0.0	27.5
Prop 1B, RM2 (DTFT)	7.6	89.8	97.4
Development Projects	119.0	176.1	295.1
Total	\$160.1	\$349.0	\$509.1

The Port’s Ten-Year Capital Plan continues to evolve since its inception nine years ago. The Port has used the information that the plan generates to develop and implement its legislative and financing strategies to redevelop the City’s waterfront, fulfill its public trust mission, and guide the stewardship of its extensive assets.

Since the first plan in 2006, the Port has used this document to guide a total in investment in excess of nearly \$220 million in non-developer funding. Still, a persistent gap remains between the Port’s available resources and ever growing need. It is a clear challenge, but one the Port has demonstrated it has the fortitude as an institution to meet. While the plan is a forward looking document, it is our history of continual improvement that has generated opportunity for growth, and leveraged even greater opportunity. It provides a solid framework and confidence-building, holistic view of the Port to interested constituents, as well as to general audiences.

This year, the Port Commission and Port staff will commence a public planning effort to update the Waterfront Plan with the help of the Planning Department, the Bay Conservation and Development Commission and the California State Lands Commission. This effort will be informed by the 10-Year Capital Plan in a way that was not possible in 1997 when the Waterfront Plan was first adopted. At the time, the Port had some understanding of the condition of its assets – but not the Portwide, strategic view afforded by the 10-Year Capital Plan. Through this planning effort, the Port Commission and the public will have an opportunity to align the 10-Year Capital Plan and the Waterfront Plan, as the Port strives to develop strategies to remain a strong steward of its aging historic resources in the face of major challenges including seismic risk and sea level rise.

II. INTRODUCTION

This report presents the Port of San Francisco's Ten-Year Capital Plan for Fiscal Year 2016 – 2025 (FY2016-25). The Ten-Year Capital Plan (Capital Plan) is updated annually and provides the public with reporting on the Port's capital strategy, including a comprehensive inventory of the Port's facilities, current conditions and capital needs, and available and projected capital resources over the next ten years. It is an important reference document that supports and guides capital expenditure and investment decisions by the Port Commission and staff, and also is included as a chapter of the Ten-Year Capital Plan of the City and County of San Francisco, which is updated biennially.

The Port produced the first ten-year outlook of its capital needs in 2006. That achievement was significant because it provided a complete inventory of the Port's facilities, which span 7½ miles of waterfront stretching from Fisherman's Wharf to India Basin in Bayview-Hunters Point, including piers, wharves, roadways and upland properties along San Francisco Bay. The Port undertook a laborious process of characterizing the general condition of each of its facilities in a newly defined capital portfolio, including generation of estimates for needed capital repair, proposed enhancements and seismic upgrades. This, together with a reporting of various existing and projected sources of funding, enabled the public to understand for the first time the magnitude of the Port's capital needs, as well as the limited resources available to address them. As reflected then and in this current update, existing and projected funding continues to fall short; the FY2016-25 plan identifies funding to address approximately 30 percent of the needed investment in "state-of-good-repair" work to maintain facilities over the next ten years.

As a routine matter, each year the Port staff has updated the Capital Plan to incorporate new information learned over the previous year and improve the Port's overall estimation of the condition of its capital assets. Over time, an increasingly valuable aspect of the capital planning process has been the review of emerging challenges and opportunities, and the public discourse around the values that guide capital decision-making at the Port of San Francisco.

The appeal of the San Francisco waterfront to the public is broad and varied, and creates a thicket of competing demands that sometimes are in conflict. In response to a 1990 voter-approved initiative (Proposition H), the Port Commission adopted the Waterfront Land Use Plan in 1997 – the Port Commission's principle planning document – which provides a framework to reconcile competing waterfront interests including public trust, maritime, public access, historic preservation, urban design, environmental, economic, and community values.

Because the Waterfront Land Use Plan is reviewed only every five years, the annual update of the Capital Plan has grown to reflect more frequent changes to the policy landscape. The Capital Plan, like the Port's two-year operating and capital budgets, is subject to cost estimate revisions, changes in City reporting conventions, and new capital needs that are often defined by changes in uses of Port property. While this year's Capital Plan reflects the Port's priorities for capital spending, each iteration reflects changes in both estimated need and available funding. The Capital Plan is also a repository for the changing financial tools and policy approaches Port staff is pursuing to revitalize the waterfront.

III. STRATEGIC OUTLOOK AND CONTINUING CHALLENGES

This year's plan reflects improvement in the Port's ability to address its capital needs over the next ten years. While the overall need is still substantial, some of the strategies the Port has put in place are beginning to yield results. A review of highlights from the last two years illustrates the Port's progress: the Exploratorium opened at Pier 15; the 34th America's Cup regattas were held on the San Francisco Bay; the Port completed major waterfront parks and shoreline improvements in Fisherman's Wharf, South Beach, Mission Bay, and Bayview Hunters Point; and Turner Construction completed construction of the James R. Herman Cruise Terminal and Northeast Wharf Plaza at Pier 27.

The Port's facilities are beautiful and iconic, but aging. The Port has historically relied on private investment and long-term master leasing to provide resources for new construction and major rehabilitation of its facilities. The Port's Waterfront Land Use Plan explicitly acknowledges this strategy by establishing the process by which the Port selects and partners with private developers. These public-private partnerships pursue mixed use development in designated areas of the waterfront, primarily using private equity and historic tax credits (where applicable). As indicated in prior capital plans, the Port staff has found this approach, on its own, is insufficient, and that additional tools are necessary for the Port to make real progress in its transition from its industrial past to a modern Port and City waterfront.

Increasingly, the Port relies on coordination with other public agencies at the federal, state, and local levels to fund major waterfront improvements. In 2013, the Capital Planning Committee recommended, and the Board of Supervisors formally adopted, guidelines for the use of Infrastructure Financing District (IFD) tax increment proceeds in association with major Port development projects, formalizing City policy as to how this powerful funding tool can be used along the waterfront. The Board of Supervisors also unanimously endorsed term sheets for master plan developments at Seawall Lot 337 & Pier 48 and at the Pier 70 Waterfront Site. The use of IFD tax increment proceeds both addresses the Port's existing backlog at these sites, and builds the accompanying enhancements that make these new developments possible. The size and complexity of these new development proposals garnered a significant level of public attention throughout much of 2013.

Controversy about height limits dominated the discussion about the waterfront in 2014. Local residents and environmental organizations who shared an intense concern about heights in several key instances – during the Broadway Hotel design process, the 8 Washington approval process, and during initial consideration of Piers 30-32 as a site for a Golden State Warriors pavilion – forged a coalition to pass Proposition B in June 2014, a measure requiring a public vote for any waterfront height increase on Port property. Proposition B passed by 59-41%. Proposition B has changed what was primarily a neighborhood planning discussion about appropriate heights into a Citywide discussion with statewide implications, as evidenced by the recent lawsuit that State Lands filed to challenge the measure.

Public planning for Seawall Lot 337 and Pier 70 has demonstrated a clear need to increase height limits to enable feasible redevelopment in these areas. Potential maritime industrial uses in the

Port's Southern Waterfront are also likely to require increases above existing height limits in some cases.

Following on the passage of Proposition B, Forest City California proposed and qualified Proposition F for the November 2014 ballot, authorizing an increase of heights at the 28 acre Pier 70 Waterfront Site from 40' to 90'. While this was lower than the heights of up to 230' that were contemplated by the Term Sheet for the site endorsed by the Port Commission and the Board of Supervisors in 2013, the proposal conformed to massing exercises the Port produced as part of the Pier 70 Preferred Master Plan. Proposition F passed by 73-21%, allowing environmental review and related site planning efforts to continue for the Pier 70 Waterfront Site.

In the past three years, the Port has seen a dramatic uptick in capital investment in projects that have advanced the Port's maritime commerce mission, engaged people at the waterfront, and made substantial progress toward reducing the Port's capital backlog. Much of the Port's own investment over the past two years was driven by the City's commitment to host the 34th America's Cup, which required targeted investments delivered by the Port and its contractors at Piers 30-32 and Piers 19, 19½, 23, 29 and 29½ to make these facilities safe for event participants and spectators. These included major reconstruction of the Pier 19 south apron, which now serves as dedicated open space, new power distribution in the Pier 23 shed, substantial substructure repair to Pier 29, ceiling truss repairs in the Pier 29 shed, and rehabilitation of structural elements at the marginal wharf underneath the Embarcadero at Piers 30-32.

These experiences have yielded important insights for future Port capital planning:

- As demonstrated by the James R. Herman Cruise Terminal and the rebuild of Pier 29 after a fire, the City has the expertise and capacity to direct major new investment within a very short timeframe;
- Port Maintenance staff are most often the Port's most cost-efficient and effective means of rebuilding most Port aprons and bringing Pier sheds into code compliance;
- The Port excels at designing and building public parks and managing historic rehabilitation improvement projects; and
- In order to deliver major waterfront improvements, the Port requires a comprehensive strategy to obtain entitlements and regulatory approvals, particularly for in-water construction.

Pursuant to direction from the Port Commission, this year's plan continues progress made in recent years to expand and stabilize capital funding from the Port's operating budget. Port staff also has continued to refine the capital project scoring process, with an inter-divisional focus on project readiness and financial outcomes.

Capital Project Investment Priorities

The projects and investments prioritized in this plan are guided by criteria the Port Commission believes respond to basic public safety and environmental needs, optimize resources that address the Port Commission's fiduciary responsibilities, and strike a balance among diverse public interests. Port staff used the following criteria to set investment priorities:

- Basic repairs and improvements to existing facilities that support continued leasing and revenue generation;
- Infrastructure improvements, including seawall, substructure, and utility repairs that respond to the shared objectives of protecting public safety, improving environmental quality, and responsible stewardship of historic resources along the waterfront;
- Improvements to retain and support San Francisco's diverse maritime and industrial tenants;
- Investments in waterfront parks and public open space that meet public trust needs and acknowledge the increasing role of Port lands in addressing City economic and quality-of-life objectives; and
- Strategic waterfront development that leverages private investment to support City policies and transform the waterfront, while reducing the Port's capital liability and enhancing land value.

Waterfront Land Use Plan Update

As described above, in the wake of several ballot measures adopted by voters to limit Port development and to require voter approval of waterfront height increases, Port staff has initiated efforts to review and update the Waterfront Land Use Plan ("Waterfront Plan") – the Port's guiding policy document – in keeping with the requirements of Proposition H (1990).

Port staff published the Draft Review of the Waterfront Land Use Plan, a report that documents 120 major Port development and capital project accomplishments since 1997, analyzes development projects that were initiated but were not completed to glean lessons learned, and makes preliminary recommendations to the public and the Port Commission about issues that should be considered in updates to the Waterfront Plan. The Port accepted public comment on the Draft Review through November 30, 2014, as the first phase in a broader public outreach effort to update the Waterfront Plan.

Port staff intends to develop detailed recommendations for Port Commission consideration for a public planning effort involving San Francisco Planning Department, BCDC and the California State Lands Commission to update the Waterfront Plan.

Through its 10-Year Capital Plan, the Port has established a process of prioritizing available public funding to finance improvements to Port assets based on criteria established by the Port Commission including return on investment, relationship of the project to the Port's maritime mission, public safety, regulatory requirements, protection of cultural and natural resources, etc. As part of the effort to update the Waterfront Plan, Port staff have begun assembling information and analysis about waterfront-wide issues including the age and construction type of the Port's historic piers, sea level rise, seismic risk, historic character of Port facilities, open space, the public realm and waterfront transportation to enable the Mayor, the Board of Supervisors, the Port Commission and the public to form a consensus about how to guide public and private investment on Port property going forward. Preliminary staff analysis developed to support this effort suggests some major themes:

- ***There is not that much Port land available for mixed-use development.*** Much of the Port's 670 acres has been developed for long-term uses or otherwise are dedicated for open space and maritime uses. Approximately 44% of Port property, or 298 acres, is used or reserved for maritime uses. Another 131 acres, or 20%, has been turned into open space, or is planned for open space. 18% of Port property (120 acres) has been developed for mixed uses or is leased. Approximately 8% of Port property (51 acres) is in various stages of planned mixed use development, including two new neighborhoods at Pier 70 and on Seawall Lot 337 in Mission Bay. Port staff has identified an **additional 5% of Port property that is still un-programmed, but is likely development sites**; another 7% of Port property is characterized by "engineering, economic and regulatory challenges" which could or could not be viable development sites pending further analysis and public dialogue.

While there has been significant public focus on waterfront development, as the waterfront matures, development will slow over time, and the Port will require more public funding to address key infrastructure requirements.

- ***Rising sea levels and the City's future flood protection needs pose a serious challenge to the Port's traditional model of redeveloping finger piers.*** Some piers are subject to current flood risk in a strong storm (100 Year Flood), and the piers will become more flood prone over time. With rising sea level, the construction window for repair and maintenance of substructure decks of finger piers will become shorter and shorter making it quite expensive to repair and maintain the substructure decks. The concrete degradation due to corrosive marine environment also is expected to accelerate. Considering all these facts, Port staff do not consider additional 66 year leases of the piers advisable without an identified solution to sea level rise; based on current projections of rising sea levels, 35 (or 30) year leases may be the longest advisable lease term. Lease provisions that allow early termination for sea level rise, or two way options to extend leases with solutions to sea level rise could provide a similar solution. Port staff needs to evaluate solutions to protect piers from flooding, such as flood walls or raised floor elevations. Other approaches to protecting the Port's historic finger piers, such as restoring bulkhead buildings for public use, and keeping pier sheds in light industrial use, also should be investigated.

- ***Addressing seismic risk to the seawall and the bulkhead buildings that mark the entrance to the Port's piers is a clear priority.*** The *Seawall Seismic Risk Analysis* will analyze seismic and liquefaction risk to the Port's seawall in a major temblor on a nearby fault. If the study identifies that the seawall is subject to significant movement during such an event, it could undermine the bulkhead structures along the Embarcadero, and damage utilities and the Embarcadero Roadway, including San Francisco Municipal Transportation Agency transit infrastructure. The study will also provide high level conceptual design solutions to mitigate this risk.
- ***There is strong public support for the Port to continue its plan implementation efforts at Pier 70 and Seawall Lot 337 in Mission Bay.*** Due to the Port's public planning efforts that preceded selection of development partners at these sites, and the close collaboration of Port development partners with the community during development master planning, it is clear that there is strong support to continue these development efforts. Both projects incorporate site and design measures to plan for sea level rise. They also will fulfill important community objectives of delivering new open space, rehabilitating historic resources, building new green infrastructure and providing market rate and affordable housing to address the City's housing crisis. The Seawall Lot 337 project will require voter approval of proposed height increases.
- ***Additional neighborhood planning is needed in the South Beach area and in the Northeast Waterfront at the foot of Telegraph Hill.*** These neighborhoods have recently experienced development controversy that warrants additional planning to rebuild trust, and are the primary locations where the Port's few remaining mixed use development opportunities exist. These neighborhood planning efforts will examine land use options for under-utilized piers and surface parking lots and related urban design, transportation and historic preservation considerations. The Port Commission has also directed Port staff to develop a Southern Waterfront maritime/eco-industrial master plan based on prior public planning to direct continuing staff efforts to develop its maritime terminals and adjacent backlands.

During the public process to update the Port's Waterfront Plan, Port staff intends to use the lessons learned from the 10-Year Capital Plan to enable the public and policymakers to understand the unique financing and engineering challenges associated with historic waterfront infrastructure and buildings. Developing a clear understanding of the limits of when and where public and private investment can be successful in upgrading existing assets will allow decision-makers to decide when historic assets are truly beyond their useful life, and when the Port should begin envisioning new maritime and public trust improvements that are resilient to sea level rise and can serve coming generations.

Continuing Challenges and Opportunities

In addition to the investments needed to maintain facilities in a state-of-good-repair, there are other issues that may pose significant challenges in the future. The most immediate concerns, and implications for this and future capital plans, are described below.

The Seawall: The seawall and adjoining marginal wharf¹ that run along The Embarcadero from Fisherman’s Wharf southwest to Mission Bay constitute the City’s primary flood control system along the Bay waterfront. Collectively, these interconnected structures form the essential foundation of The Embarcadero Promenade. Built in segments from 1876 to 1929, the Seawall was and still is a major engineering achievement, established through the creation of a reinforced rock dyke, supported by concrete and wooden piles. The Port has maintained ongoing efforts to repair the seawall, which is a contributing historic resource in the Embarcadero National Register Historic District.

These structures continue to function as originally designed. However, recent and planned Port construction projects, including the Pier 43½ Bay Trail Promenade and Brannan Street Wharf projects, have uncovered aged and damaged elements of the Seawall, which supplement the growing repair demands associated with maintaining the marginal wharf. Increasing concern among state policymakers, including the California State Lands Commission, the San Francisco Bay Conservation and Development Commission (BCDC) and the Joint Policy Committee,² in addition to knowledge gained through flood risk and sea level rise studies the Port has conducted or has underway, elevate the urgency of developing a City strategy.

In 2014, the Port Commission authorized an earthquake vulnerability study of the Great Seawall, which was awarded through a competitive process to a Joint Venture between GHD, Inc., an international professional services company with an office in San Francisco, and Geotechnical Consultants, Inc. The purpose of this study is to take a comprehensive look at the earthquake safety of this portion of the waterfront. Specific objectives of the study include:

- analysis of earthquake behavior of the seawall, bulkhead wharves, and adjacent infrastructure including the Embarcadero Roadway;
- assessment of earthquake damage and safety risks, including SFPUC, BART and MUNI infrastructure
- forecast of economic impacts;
- development of conceptual level earthquake retrofits for the seawall and bulkhead wharves; and
- prioritization of future improvements and/or further study needs.

Additionally, the study results will assist the Port in planning for and implementing adaptation measures necessary to address sea level rise and climate change. At the early conceptual stage of

¹ The marginal wharf, or bulkhead wharf, is a piled structure built parallel to the waterfront along the top of the seawall with the purpose of extending a deck over the water to provide berthing for ships along the seawall and as a connection point for the finger piers, which in many cases were built later. The marginal wharf was built in twenty one sections and varies in width and construction, the newer sections being constructed of concrete. The marginal wharf also supports the bulkhead buildings along The Embarcadero.

² The Joint Policy Committee is a forum where the three major regional policy entities, which include BCDC, the Metropolitan Transportation Commission and the Association of Bay Area Governments, resolve competing policy objectives in order to provide unified policy guidance to Bay Area local governments, The Joint Policy Committee has been charged by the three agencies with further analysis and public policy guidance to local governments that are exposed to risks of sea level rise.

this effort, Port engineers are suggesting a wide potential range of costs to strengthen the seawall, ranging from \$50 million (for relatively minor strengthening in a few locations) to \$4 billion (for complete replacement). Costs in this range are beyond the port's ability to fund with its own resources, and a combination of sources will likely be required to fund this work, including local, state and federal sources. A major goal of this study is to produce a conceptual seismic design for the seawall and bulkhead wharves that can be incorporated in the City's 10-Year Capital Plan.

Tidal Flooding and Sea Level Rise: In 2011, the Port completed a URS study of sea level rise along the northern waterfront, analyzing potential flooding impacts assuming 16" of sea level rise by 2050 and 55" by 2100. In 2013-14, the Port participated in an inter-departmental task force called SF Adapt, formed at Mayor Edwin Lee's direction, to assess the potential impacts of climate change on the City. A Sea Level Rise Committee of SF Adapt was tasked with developing guidelines for incorporating sea level risk into capital planning for the City. Port staff participated in this Sea Level Rise Committee, which developed Guidance for Incorporating Sea Level Rise into Capital Planning in San Francisco: Assessing Vulnerability, Risk and Adaptation. This guide is intended to be a "how to" guide for capital planners, presents the most up to date science on sea level rise and lays out four steps in the process for incorporating sea level rise into capital planning: 1) Science review; 2) Vulnerability assessment; 3) Risk assessment; and 4) Adaptation planning.

The Port and BCDC also initiated the Mission Creek Adaptation Project as part of an international collaboration between the Netherlands-based Stichting Delta Alliance, several City departments including the San Francisco Public Utilities Commission, the Planning Department, the Department of Public Works and San Francisco Environment, BCDC and SPUR to develop sea level rise adaptation alternatives for the Mission Creek waterfront area of San Francisco. Mission Creek is one of the City's lowest-lying areas and is vulnerable to flooding from sea level rise. This Project seeks to build the capacity of San Francisco to address the risks of flooding from sea level rise and storms by developing adaptation alternatives for the Mission Creek area and continuing the exchange of knowledge and information between the Netherlands and California. The primary objective of the project is to develop sea level rise and storm water adaptation alternatives for the Mission Creek area portion of the City's waterfront based on the findings of a high-level vulnerability assessment. This study will also provide the Port with concepts that could address future flood risk along Islais Creek and other parts of the waterfront.

BCDC-Port Cooperative Planning. As part of the planning and permitting process to entitle the Pier 27 Cruise Terminal project in 2012, the Port and BCDC have been managing a cooperative joint planning process to identify additional public benefit opportunities along the San Francisco waterfront. This work relates closely, and will be integrated with Port efforts to update the Waterfront Land Use Plan. Public benefits include the improvement or creation of new public open spaces and public realm, and improved connections that create continuous public access and enjoyment of the waterfront. One of the priority opportunities is to create landscaped improvements to the Ferry Building Plaza on the bay side of the Ferry Building, where the Farmer’s Market occurs every Saturday. It has become a major public gathering space and should be improved to be an attractive addition to the Port’s waterfront open space system. Planning work is in the early phases and there is no design yet, or cost estimates. Any significant improvement to create this public plaza is anticipated to require substantial resources. The Port would evaluate tax increment proceeds from Infrastructure Finance District, tenant contributions, future General Obligation Bond funding, along with grants and other funding options as part of developing an implementation strategy.

At-Risk Facilities. The Engineering Division regularly conducts inspections of all Port facilities and records and categorizes the condition of more than 350 structures, including piers, wharves, and buildings. Based on the structural condition of the facilities, the division makes recommendations for occupancy loads, load restrictions, barricades, and warning signs. The inspection findings also are used to document maintenance and repair needs.

In 2013, the Engineering Division updated the Port Commission on the status of facilities that are load-restricted (yellow-tagged) or fully restricted (red-tagged), based on the Facility Assessment Program.³ The Engineering Division has updated this report, which will be heard before the Port Commission on February 10, 2015.

Yellow-tagging and red-tagging are engineering risk management strategies designed to protect the public, Port tenants and Port staff. Red-tagging involves closure of a facility for use and occupancy until safe occupancy can be restored. The red-tagging and closure of some of these facilities could have a negative impact on the Port’s operating revenues, which in turn would impact the ability to fund other capital improvements.

The 2015 engineering report lists 35 facilities as yellow-tagged, with at least another 10 years of adequate performance, and 22 facilities as red-tagged, predicted to fail within approximately five years. The Engineering Division will continue to monitor these facilities and impose further restrictions as necessary until repairs are made. Consistent with the Port Commission’s investment criteria, revenue-generating yellow-tagged facilities will continue to receive priority in future capital planning and allocation decisions.

While there are no revenues generated by red-tagged assets, nevertheless they pose a risk of failing and triggering an emergency repair or demolition, and possible closure of an adjoining green or yellow-tagged facility. In some cases, red-tagged facilities may impair the Port’s ability

³ “Informational Presentation on the Port’s Load Restricted (Yellow with Green Hatching-Tagged) and Fully Restricted (Red-Tagged) Facilities,” February 7, 2013.

to utilize an adjacent green or yellow-tagged facility to greater potential by restricting access (especially fire egress). While some of the red-tagged facilities may never be repaired, others may still be brought back into productive use with sufficient capital investment. The Capital Plan reflects efforts to address three of the 22 red-tagged facilities:

Facility	Remediation Plan
Pier 31	Port Engineering is preparing design plans for architectural, structural and utility improvements. Project will be bid in 2015.
Pier 38	A private development partner has been selected who will refurbish the bulkhead and portion of adjoining shed; possible phase two refurbishment may be added to address remainder of shed and north and south aprons (including seismic strengthening of shed and substructure)
Pier 19 North Apron	Port Engineering is 90% complete with creation of structural repair plans. Repair to begin in the summer of 2015.

As part of the Facility Assessment Program, the Engineering Division will continue to monitor red-tagged facilities to preclude the possibility of a significant collapse without warning. Repairs to additional red-tagged facilities will be funded in future capital plans as revenue sources are identified.

Under Pier Utility Infrastructure. To ensure compliance with regulatory standards, the Port instituted an under pier utility inspection and response program. The objectives of the program are to: (1) ensure that all under pier water and sewer utilities are inspected annually (consistent with the Port’s permit requirements); (2) identify active leaks or highly vulnerable conditions that could lead to pipe failure; and (3) take corrective action to stop leaks and prevent failures which could result in an illegal discharge into the Bay.

The Port’s Maintenance Division created a scorecard to record observations and assess conditions based on visual inspections. The Division has documented a response protocol that will be followed to address the findings from inspections. Work orders will be generated to address detected leaks or critical conditions that pose an immediate threat to water and sewer infrastructure. Non-critical conditions will be documented and scheduled for follow-up inspections on an annual basis. The Maintenance Division initiated inspections of all piers in 2013. Funding in the amount of \$250,000 annually for the inspection and response program is included in the two-year Capital Budget, and anticipated to continue throughout the entire period of the Ten-Year Capital Plan. Larger repairs (such as completely replacing water and sewer lines) are beyond the scope of the inspection and response program. Instead, those needs will be incorporated into larger plans for pier improvements, such as the development projects described elsewhere in this report.

Southern Waterfront Revitalization. The Port continues land use planning and maritime market outreach to update plans for improving Piers 80 to 96, including the Piers 90-94 Backlands in the Southern Waterfront. Much of this area is underutilized and represents a major

opportunity for increased maritime commerce and complementary industrial uses. This is the remaining primary area within City and Port jurisdiction that can support the unique operational and transportation access requirements of maritime commerce public trust uses.

A recent economic benefits study highlights the value of maintaining and expanding industrial uses on Port property. The report⁴ estimated that Port industrial and maritime tenants generated over \$785 million in annual economic activity in San Francisco, and employed roughly 2,400 workers (2011 data). The report also noted the policy benefits that accrue to the City from the Port's industrial and maritime property, including: retention of targeted production, distribution, and repair (PDR) jobs; a concentration of potential incubator space for fast-growing "creative industries" and innovative business ventures; and positive environmental outcomes from businesses operating in close proximity to their customers. Additionally, the report found that wages in industrial jobs such as those located on Port property were, on average, 24 percent higher than retail and personal services jobs in San Francisco. Operational benefits to the Port include diversification of the real estate portfolio (which helps manage risk) and uses that are consistent with the Public Trust Doctrine.

In 2011, the Federal Railroad Administration (FRA) awarded the Port a \$3 million grant for signaling and freight rail track upgrades to the Quint Street Lead, a one-mile stretch of track that connects the Caltrain main line to the Port of San Francisco Rail Yard on Cargo Way. The Port is focused on enhancing freight rail access to and from San Francisco to reduce freight truck trips on regional highways and city streets. Freight rail is also an important element of the City's emergency response plan to serve city evacuation and clean-up requirements in the aftermath of a disaster.

Given the size and location of the Port's Southern Waterfront assets (including unimproved land and underutilized piers), Port staff are pursuing a number of key initiatives to improve the area. These include a joint project with the Department of Public Works to competitively bid an asphalt and concrete batching plant to supply City paving projects and an iron ore export terminal at Pier 96. There have been expressions of interest for these and other uses, but significant improvements to infrastructure and environmental restoration must be undertaken to make the area viable. The Port's proposed \$19.5 million request to fund capital projects includes notable expenditures to improve the area, including \$8.5 million to fund the Backlands Project which will grade a 17 acre underutilized area, pave a portion of the land, construct a roadway and install solar lighting, fire hydrants, composting, restrooms, and a natural based storm water management infrastructure. Improvements will accommodate the site for leasing for construction laydown, vehicle parking and storage types of uses.

Any such improvements to Port Southern Waterfront property must undergo environmental review pursuant to requirements under the California Environmental Quality Act (CEQA) and Chapter 31 of the San Francisco Administrative Code, under the direction of the San Francisco Planning Department. Given the types of improvements contemplated for these Southern Waterfront properties, the Port anticipates the requirement for an addendum to the Southern

⁴ "Economic Benefits of Port Maritime and Industrial Uses," prepared by BAE Urban Economics, December 2013.

Waterfront Environmental Impact Report (SEIR) and has commenced work with the San Francisco Planning Department on this effort..

IV. CAPITAL NEED ESTIMATES

The FY2016-25 update of the Port's Ten-Year Capital Plan identifies a total need of just over \$1.62 billion (plus an additional \$476 million for conditional seismic work), primarily for deferred maintenance and subsystem renewal work required on Port facilities. For purposes of this plan, "need" is defined as projects required to maintain Port property in a state-of-good-repair for existing use over the next ten years. In this context, need excludes seismic upgrades (which may or may not be triggered by code requirements) and capital enhancements (such as building new infrastructure or parks along the waterfront). This distinction among different project types is a part of the architecture of the Port's capital modeling software, the Facilities Renewal and Reinvestment Model (FRRM), which is also used by the City to project all General Fund departments' capital needs.

This \$1.62 billion in need is approximately \$39 million more than the need identified in the Port's prior year (FY2015-24) capital plan (excluding conditional seismic work, which was \$464 million in the prior year). Each year the capital plan cost estimates are updated to reflect the following changes:

1. Completed projects are removed from the backlog (including projects undertaken by the Port and by tenants, where the tenant has responsibility for facility maintenance);
2. Project costs are updated to reflect more recent estimates, where available (e.g., as a result of a more extensive engineering analysis, design and/or third-party cost estimates);
3. A new year ten (FY2025) is rolled into the plan, and most of previous plan's year one (FY2015) costs are rolled into the backlog, if the project was not funded; and
4. Costs are escalated annually by the Controller's office based on various construction indexes, with a 5 percent escalation applied this year (the escalation factor is built into FRRM).

Table 1 summarizes adjustments to the Port's capital need estimates. Completed projects help to lower the need, while inflation and the addition of a new tenth year add to the projected need over the next ten years. Updated project cost estimates are based on more detailed engineering designs for development projects at Piers 30-32 and Pier 70.

Table 1 -- Port Capital Need Estimates

Changes From Prior Year Plan	State of Good Repair				Seismic (\$ millions)
	Backlog (\$ millions)	Renewal (\$ millions)	One-Time (\$ millions)	Total (\$ millions)	
<i>Prior Year (FY2015-24) Plan</i>	\$613.4	\$544.0	\$433.1	\$1,590.5	\$464.3
Updated project cost estimates, completions	(73.8)		(15.6)	(89.4)	(11.2)
Leased facility improvements (by tenants)		(6.3)		(6.3)	
New year ten (FY2025) project costs		48.0		48.0	
Escalation (5%)	30.7	27.2	21.66	79.53	23.2
FY2016-25 Plan	\$570.3	\$612.9	\$439.2	\$1,622.3	\$476.3

As Table 1 illustrates, the total need of \$1.62 billion for state-of-good-repair projects includes an estimated \$612.9 million for capital renewal, which represents the amount needed over the next 10 years to maintain facilities in a state-of-good-repair, as projected in the FRRM database. This plan shows an existing backlog for deferred maintenance of \$570.3 million, with another \$439.2 million for other one-time expenses.⁵ Investments for seismic repairs may or may not be required during the ten-year period, as described below; as such, the cost of seismic work is not included in the total need, but is shown separately. Appendix A provides a detailed breakdown of the need shown in Table 1, by Port facility.

Seismic Costs

Since the publication of the Port’s first capital plan in 2006, the Port has maintained a policy decision to assume as a need all seismic repair even where that need exceeds code-driven requirements. In consideration of the fact that many of the Port’s structures are 100 years old, the Port’s original capital plan adopted a standard that all properties should be upgraded to modern seismic standards.

The City’s Capital Planning Committee has provided direction to City departments to report need (defined as projects required to maintain property in a state of good repair) separately from seismic work.⁶ To conform to City convention, the FY2012-21 Capital Plan instituted a policy of

⁵ One-time needs are generally utilized in FRRM for non-cyclical needs, which are typically driven by changes in code requirements. The Port’s capital modeling also includes a large number of the structures at Pier 70 in this category, as they are condemned and entirely in a state of deferred maintenance. For these structures, partial rehabilitation is not a viable option, and any rehabilitation will trigger substantial seismic work. Until they are rehabilitated and enter a capital maintenance cycle, the entire rehabilitation cost for these buildings are modeled as one-time costs.

⁶ The City’s modeling of capital needs differs from the Port’s in one very important respect, which is related to the fact that only the Port must account for pile supported pier structures. The City’s calculation of “need” is entirely centered around renewal of building subsystems at the end of their usable life. As a result, there are no state-of-good-repair projects carried in the City Plan that could trigger a seismic upgrade to the structure in which they are contained. For that reason, the City classifies all seismic upgrade projects as capital enhancements. The Port’s modeling of its capital assets is distinct from the City’s in that the Port includes structural elements of buildings –

programming funding for seismic work only where a change of use or major rehabilitation is taking place, consistent with building code requirements. The FY2016-25 Capital Plan further distinguishes between the Port's aggregate capital need and capital need inclusive of contingent seismic costs by separating out seismic costs from state-of-good-repair. Over the next ten years, that seismic need totals \$476 million.⁷

The seismic work identified in this plan represents a kind of worst-case scenario in terms of potential impacts to capital expenditure planning. Port engineers believe that a number of the pier and wharf structures along the waterfront may be structurally repaired in a manner that does not trigger seismic work. Additionally, depending on the way in which a given pier was constructed (as nearly all were constructed approximately 100 years ago), costs associated with full seismic upgrade can be prohibitive, where the amortization period for the associated investment would exceed the useable life of the pier (in particular, the cost of mitigating the effects of sea level rise and overtopping of lower elevation piers complicate the economics of investment recovery on these facilities).

the piles and decking of piers. Repair to these pier structure elements will under some circumstances trigger seismic work, so the Port categorizes seismic projects as conditional or caveated need (as opposed to capital enhancement).

⁷ This number excludes Pier 70, where the costs for seismic work are rolled into "full rehabilitation" estimates, where seismic-only costs cannot be separated out (see footnote #5).

V. CAPITAL EXPENDITURES

This plan identifies funds that are projected to be available during the ten-year period from FY2016 through FY2025. The expenditure of those funds is broken into two categories: (1) capital projects that help maintain the Port's facilities in a state-of-good-repair, and (2) enhancement projects that add value to the Port property (some enhancement projects also include work to address seismic conditions). Table 2 provides a breakdown of capital expenditures and funding sources by fiscal year.

Table 2 – Ten-Year Capital Expenditure Plan

Spending Plan	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021-25	Total
State of Good Repair							
Emergency Facility Repair	0.1	0.1	0.1	0.1	0.1	0.5	1.0
ADA		0.1	0.1	0.1	0.1	0.5	0.9
Dredging	18.9	6.0	6.0	6.0	6.0	30.0	72.9
Emerging Needs							
Repair / Reinvestment	60.4	52.9	44.8	49.4	21.2	184.5	413.2
<i>State of Good Repair Subtotal:</i>	<i>79.4</i>	<i>59.1</i>	<i>51.0</i>	<i>55.6</i>	<i>27.4</i>	<i>215.5</i>	<i>487.9</i>
Enhancements							
Parks and Open Space	10.5	12.8	0.8			32.4	56.5
Facility Improvements	2.0	6.5	5.3	4.2	4.4	20.4	42.9
Development Project Areas		5.3	59.6	62.5	15.1	33.5	176.1
Ferry Terminal Expansion Project	9.4	10.2	9.7	38.6		22.4	90.3
<i>Enhancements Subtotal:</i>	<i>22.0</i>	<i>34.9</i>	<i>75.4</i>	<i>105.3</i>	<i>19.5</i>	<i>108.7</i>	<i>365.8</i>
Spending Total:	101.3	93.9	126.4	160.9	47.0	324.2	853.7

Deferred
SOGR:
1,133.0

Deferred
Seismic:
464.5

Funding Sources	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021-25	Total
Port Capital Budget	12.8	19.8	22.2	15.9	15.5	69.9	156.1
Port Revenue Bonds and	1.2					40.0	41.2
General Obligation Park	11.4	13.9	0.8			35.0	61.1
Federal & State Grants	2.0	3.8	2.0	2.2	2.5	12.6	25.2
Federal Railway	2.8						2.8
US Army Corps of Engineers	0.3	7.0				20.2	27.5
DTFT - State Proposition 1B	5.4	6.1	10.3	38.6		22.4	82.8
DTFT - Local Sources (RM2)	5.4	6.1	3.1				14.6
Port Tenant Improvements	29.4	5.5	8.9	29.4	13.8	60.4	147.4
Development Projects	30.7	31.8	79.0	74.7	15.1	63.7	295.1
Funding Total:	101.3	93.9	126.4	160.9	47.0	324.2	853.7

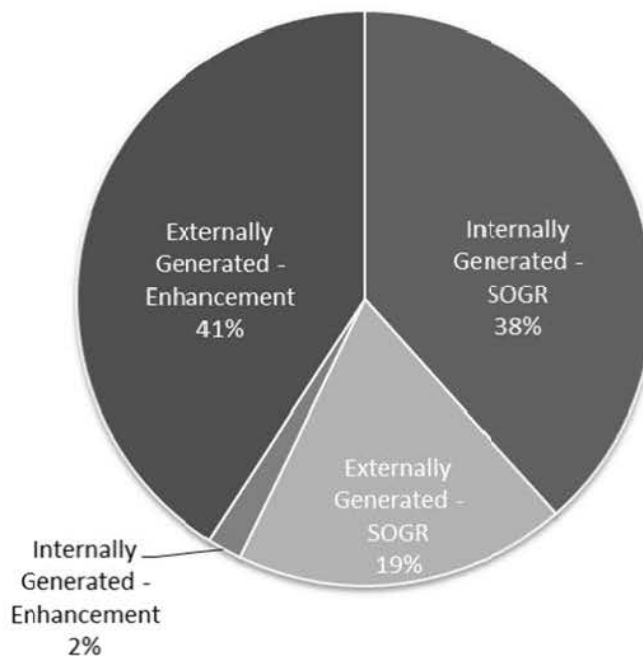
Balance/ (Shortfall):	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Additional Funding Sources	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021-25	Total
US Army Corps WRDA 2020						40.0	40.0
City Match to WRDA 2020						20.0	20.0
Transferrable Development						23.9	23.9
Additional Funding Sought						83.9	83.9

As Table 2 illustrates, a total of \$853.7 million is projected to be available during the ten-year period, of which the Port will apply \$487.9 million to state-of-good-repair needs and \$365.8 million to capital enhancement projects (including seismic work). At the end of the ten-year period, the Port will reduce its state-of-good-repair needs by 30 percent from \$1.62 billion to \$1.13 billion and its conditional seismic needs from \$476 million to \$464.3 million.⁸ Fluctuations in year-to-year spending are driven by the timing of repair and renewal activities, the availability of grant funding for dredging the Central Basin, and development project schedules, as reflected in project term sheets and other planning documents.

Overall, the plan reflects a balanced expenditure of funds, with most of the Port’s internally generated funding sources directed towards state-of-good-repair (SOGR) projects, whereas enhancement projects are more dependent on externally generated funds, as described in the next section and illustrated below:

Figure 1 – All Funds, Sources and Uses



While the plan projects \$853.7 million in capital investments over the next ten years, at the end of that period the Port will still face a backlog of \$1.13 billion for needed improvements, and possibly another \$464.5 million in conditional seismic work. The Port must continue to explore ways to address these unfunded needs, including building partnerships to attract new sources of

⁸ A small amount of seismic conditions will be addressed by development projects (Pier 48 and Pier 70) and the Downtown Ferry Terminal project. For the most part, project plans assume that conditional seismic requirements are not triggered. The capital plan will continue to carry conditional seismic costs in project inventory unless and until there is a definitional change or investments are made that remove the cost.

funds. Some pier sheds, such as Piers 26, 28, and 54, do not appear viable for rehabilitation with present day financing tools (although rehabilitation of the bulkhead structures appears feasible). Piers 26 and 28 are contributing resources to the Embarcadero Historic District listed on the National Register of Historic Places. If the Piers 26 and 28 sheds cannot be rehabilitated in their entirety (as prior predevelopment investigation at Pier 26 suggests), Port staff believe that there may be an approach to saving and rehabilitating the historic Piers 26 and 28 bulkhead buildings, with their distinctive Spanish-Mediterranean facades underneath the Bay Bridge. The Port will work with historic rehabilitation experts and the public to determine the future of these facilities.

The bottom of Table 2 lists additional funding sources that the Port is actively pursuing. These funding sources are too speculative to include in the current expenditure plan, but reflect the Port's ongoing strategy for outside funding sources. As the Port obtains additional federal, state or local legislative authorization or grant awards, these funding sources will be added to future capital plans. It is also likely that estimations of need will change as the Port investigates these funding opportunities. For example, it is only after the Port conducts preliminary engineering analysis of the seawall that staff will be able to accurately reflect costs to strengthen the seawall in the capital plan.

VI. PLAN OF FINANCE

The purpose of the plan of finance is to map out how the Port intends to utilize existing and potential financing mechanisms to maintain its assets in a state-of-good-repair and to enhance its portfolio through strategic investments. The plan presents a strategy that will fund \$853.7 million in state-of-good-repair and enhancements over the ten-year period (FY2016-25). The first two years of this plan employ the two-year capital budget as a starting point. The two-year capital budget will be considered for adoption separately by the Port Commission; subsequent years' capital spending will go before the Port Commission for approval as part of the biennial budget process.

This report breaks discussion of funding sources into two categories: (1) internally-generated funds, and (2) externally-generated funds. The funding sources within each category are described more fully below, along with a discussion of the proposed uses of those funds. Table 2 summarizes the amounts projected from each of these sources over the next ten years.

A. Internally-Generated Funding Sources

Internally-generated funding sources include those sources that are primarily within the Port's control, utilizing existing assets, with a fairly high degree of confidence in their projected value. These sources include (1) Port capital funds, (2) Port revenue bonds, and (3) tenant obligations. Together, these sources are projected to generate \$344.7 million over the next ten years, of which the Port will apply \$328.1 million (or 95 percent) to state-of-good-repair projects (including dredging) and \$16.6 million (or 5 percent) to capital enhancement projects:

Internally-Generated Funding Sources	Repair (\$ millions)	Enhancement (\$ millions)	Total (\$ millions)
Port Capital Budget	\$139.5	\$16.6	\$156.1
Port Revenue Bonds & COPs	41.2		41.2
Port Tenant Improvements	147.4		147.4
Total	\$328.1	\$16.6	\$344.7

The sources and uses of internally-generated funds are illustrated below:

Figure 2 – Internal Funding Sources

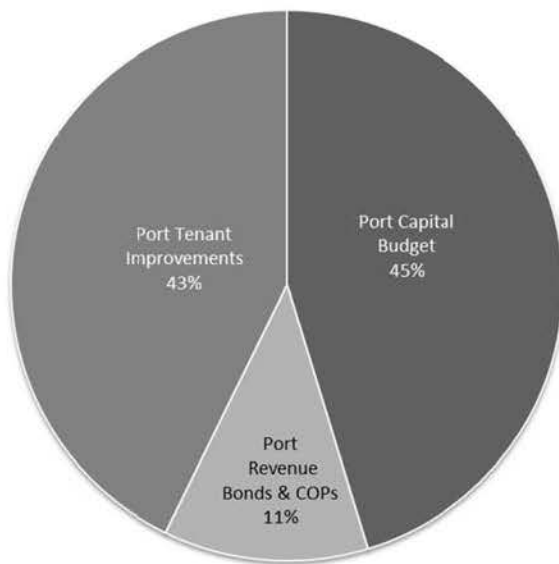
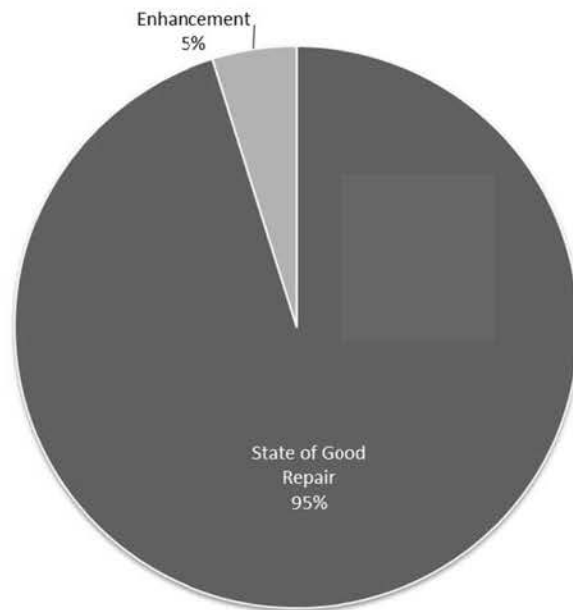


Figure 3 – Uses of Internal Funds



A.1 Port Capital Funds

In 2012, the Port Commission adopted a policy designating a minimum amount of operating revenues for capital projects. Pursuant to this policy, on an annual basis, a minimum of no less than 20 percent of Port operating revenues shall be set aside in the Port’s operating budget to fund capital expenditures (increasing to 25 percent beginning in FY2019). This minimum funding requirement shall be met through (1) an annual appropriation for current capital expenditures (“Capital Budget”) and (2) a designation of current estimated revenues for future capital expenditures, consistent with the Ten-Year Capital Plan. The policy is intended to (1) ensure that the Port has stable and growing operating resources dedicated to capital expenditures, (2) constrain the operating budget to achieve the funding requirement goal of operating revenues for capital, (3) require staff and Port Commission trade-off decisions between operating growth and capital needs, and (4) reduce the credit risk associated with unfunded capital obligations.

The policy is an attempt to reverse the Port’s historical trend of underinvestment in maintaining its assets in a state-of-good-repair. Based on certain analyses, the Port should reinvest in its pier substructures a minimum amount of 0.75 percent of the value of those substructures each year.⁹ According to this formula, the Port should spend \$23.3 million annually in substructure repairs

⁹ The level of need is calculated based on the cyclical replacement of portions of pier substructures, based on construction type and exposure to tidal action. For example, Port engineers estimate that the Port should rehabilitate 15 percent of the Port’s pre-1920s era concrete piers every 20 years.

alone. Over the last ten years the annual appropriation for the Capital Budget has averaged just over \$10 million.¹⁰ The size of the Port's annual capital budgets combined with the deferred backlog has meant that the capital budgets have primarily funded dredging, deferred maintenance and emergency needs, and have not addressed renewal needs adequately.

Port capital funds are generally allocated to the following program areas: (1) emergency facility repair (a set-aside of funds for unforeseen situations, available for the most pressing capital needs in subsequent years if the programmed year remains emergency-free); (2) renovations to make facilities compliant with the Americans with Disabilities Act; (3) dredging of the bay floor along the waterfront, which maintains the depth of berths at the Port's piers so that they remain suitable for water traffic; (4) emerging needs, where planning and design of projects are funded in order to position them for non-Port sources of construction funds; (5) repair and reinvestment to maintain facilities for current use; and (6) capital enhancements, where new assets are being constructed or where development of a facility includes rehabilitation far beyond return to current use. The process and criteria used to select projects for the Capital Budget are described in Appendix B.

Year 1 of the Capital Plan is the second year of the two-year Capital Budget, which is adopted by the Port Commission on a biennial basis. For FY2016, that allocation programs capital funding at \$12.8 million. An unplanned surplus of funds has provided an additional \$19.4 million for assorted projects, which the report discusses below, bringing the FY2016 total to an unprecedented \$28.1 million in Port Capital funds. The next four years of the plan (FY2017-FY2020) are based on forecasts included in the Port's five-year financial plan, and reflect a modest increase in capital funding each year. The capital plan assumes an average available capital budget of \$17.2 million per year for the remaining five years of the plan (FY2021-2025). Overall, capital funding from the Port's operating budget reflects a notable improvement from the average annual appropriation levels of past plans.

The projects currently proposed to be funded by the additional funds include:

- Port development of the Backlands, \$8,500,000;
- BAE Electrical Service Separation, \$3,000,000;
- Matching the US Army Corps of Engineers to dredge the Central Basin, \$2,900,000;
- Pier 23 Roof Replacement, \$2,833,151;
- Additional funding for the Quint Street Lead, \$1,000,000;
- Seawall Study and Repairs, \$1,000,000; and
- Pier 39 Sediment Investigation, \$250,000.

Each of the listed projects is described in detail in the February 6, 2015 staff report requesting approval to seek the aforementioned \$19.4 million supplemental appropriation.

¹⁰ The range of funds available for annual reinvestment during this ten-year period is from a low of \$6.4 million in FY2005 to a high of \$15.4 million in FY2012; however the amounts prior to adoption of the Capital Policy do not reflect a natural growth over the period but instead show a wide variation in the allocation.

A.2 Port Revenue Bonds

The Port finances its larger scale capital projects, addressing significant deferred maintenance and enhancing property, in part, through the issuance of debt. The Port's revenue bonds, secured by the net revenues of the Port as defined in the bond indenture, present an opportunity to accelerate the delivery of much-needed capital investments. Bond proceeds are used to fund new projects that offer a significant return on investment, as well as repair of critical infrastructure needed to sustain the Port's operating revenues and protect future bonding capacity.

Over the last five years, the Port has gone out to the capital markets on three separate occasions to raise funds for its capital program. In 2010 the Port issued \$36.7 million of revenue bonds, in 2013 the City issued \$37.7 million of Certificates of Participation (COPs) on behalf of the Port, (which the Port is responsible to repay), and in 2014 the Port issued \$22.7 million of revenue bonds.

The majority of the proceeds from these three debt issues have been expended or committed primarily for the construction of the new James R. Herman Cruise Terminal, rehabilitation of Piers 31 and 33, repairs and improvements to the Port's historic pier structures located in the Northern Waterfront, and for capital expenditures related to preparing venues for the 34th America's Cup regattas.

Port staff will periodically revisit its remaining debt capacity, based on then current projections of operating revenues and expenditures. When considering additional bond sales, it will be important to factor in the impact of increased debt service on the amount of funds available to pay for repair and replacement projects from operating revenues. Port staff will assess the trade-offs between pay-as-you-go and accelerated funding via bonds. This plan reserves any remaining bonding capacity for projects with early returns on investments that generate revenues in excess of the amount required to service debt costs. This approach is necessary for expanding sources for the repair and replacement capital budget, as well as for expanding the Port's bonding capacity in order to make future investments in maritime commerce projects. As no projects have been identified as ready for funding, this plan assumes no additional Port bond revenues over the next ten years. Port staff may revisit this assumption if the SWL 337 or Pier 70 waterfront site projects begin generating sufficient net revenues to fund improvements to the Port's historic finger piers (as anticipated by SB 815) in the next ten years.

A.3 Tenant Obligations

The Port has a number of properties that are under long-term leases (for example, a master tenant agreement of up to 66 years). Often, a condition of those leases is that the tenant assumes responsibility for maintenance and capital improvements to the property, including both the superstructure and substructure. The Port's asset database (FRRM) identifies the facilities where responsibility is assigned to Port tenants, and for those facilities, this plan assumes that those

tenants maintain the facility in a state-of-good-repair, according to the capital replacement schedule.¹¹ Over the next ten years, FRRM projects tenant obligations to be \$147.4 million.

B. Externally-Generated Funding Sources

For purposes of this year’s plan, externally-generated funding sources represent those sources that require some form of partnership with an external party in order to be realized. Those partners may include developers, federal or state agencies, or other departments within the City and County of San Francisco. While partnerships often require considerably more effort to build and maintain, and are not entirely within Port’s control, ultimately they have far greater potential in the long-term than traditional internally-generated sources. The plan of finance relies significantly on these sources to fund both state-of-good-repair and enhancement projects over its ten-year period. These sources include (1) development projects, (2) general obligation bonds, (3) grants, and (4) transferable development rights.

Together, this plan programs these sources as generating \$509.1 million, of which the Port will apply \$160.1 million (or 32 percent) to state-of-good-repair projects and \$349.0 million (or 68 percent) to enhancement projects.¹²

Externally-Generated Funding Sources	Repair (\$ millions)	Enhancement (\$ millions)	Total (\$ millions)
General Obligation Park Bonds	\$5.6	\$55.5	\$61.1
Federal & State Grants	0.4	24.8	25.2
Federal Railway Administration	0.0	2.8	2.8
US Army Corps of Engineers	27.5	0.0	27.5
Prop 1B, RM2 (DTFT)	7.6	89.8	97.4
Development Projects	119.0	176.1	295.1
Total	\$160.1	\$349.0	\$509.1

¹¹ The Port characterizes repairs for facilities where tenants have ten years or more left on their lease agreement as sourced to tenants, recognizing that short-term tenants are unlikely to make major capital investments with little time left to amortize those improvements.

¹² Enhancement projects include an estimated \$78.5 million in seismic work at Piers 30-32, Pier 48, Pier 70, and the Downtown Ferry Terminal expansion.

The sources and uses of externally-generated funds are illustrated below:

Figure 4 – External Funding Sources

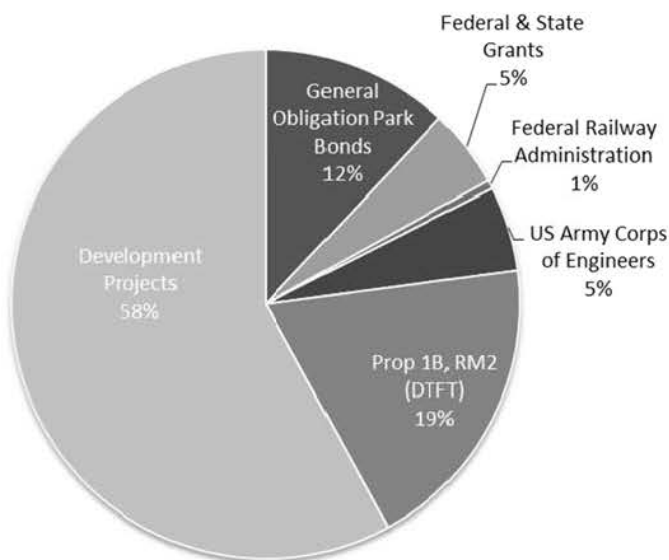
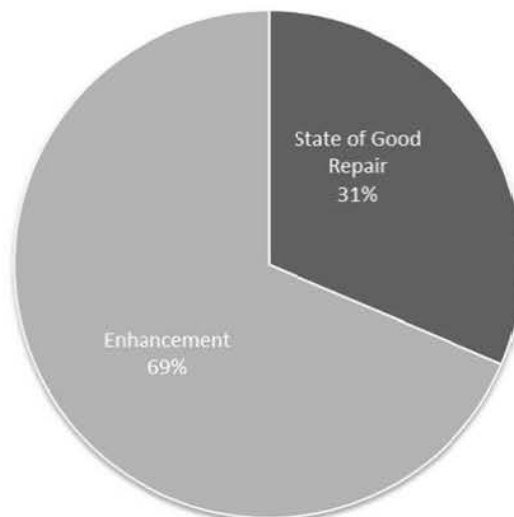


Figure 5 – Uses of External Funds



B.1 Legislative Program

The Port has adopted policies and pursued options to attract partners and external funding through an aggressive legislative program. The following is a summary of the results of recent legislative efforts:

- In 2005, the California Legislature adopted SB 1085 (Senator Carole Migden), permitting the Board of Supervisors to form Infrastructure Financing Districts (IFD) on Port property that allow the capture of growth in property (or possessory interest) tax increment to fund public improvements along the waterfront.
- In 2007, the California Legislature adopted SB 815 (Senator Carole Migden), authorizing the Port to lease certain seawall lots south of Market Street and north of Pier 50 for non-trust (i.e., commercial and residential) purposes, with net proceeds to fund rehabilitation of Port historic resources and parks required by the San Francisco Bay Conservation and Development Commission (“BCDC”). The largest of these is Seawall Lot 337 in Mission Bay, the site of the Port’s current negotiations with Seawall Lot 337 Associates, LLC, to develop a new neighborhood south of AT&T Park.
- In 2010, the California Legislature adopted AB 1199 (Assemblymember Tom Ammiano), permitting the Port to establish a Pier 70 IFD that may issue debt repayable with both the local share of possessory interest tax and the state’s share of possessory interest tax (permitted by AB 1199).
- In 2011, the California Legislature adopted AB 664 (Assemblymember Tom Ammiano), with technical amendments following in 2012 (AB 2259), authorizing the Port to capture

up to \$1 million annually in state tax revenue to fund the James R. Herman Cruise Terminal and related improvements, if the City demonstrates that the state will earn revenue in excess of this amount from the 34th America's Cup. This legislation applies to the following locations: SWL 330, and Piers 19, 23 and 29. The California Infrastructure Financing Bank (I-Bank) must first find that the net present value of tax benefits of the 34th America's Cup to the State of California exceeds the net present value of tax increment it would forego from these sites.

- In 2011, the California Legislature adopted AB 418 (Assemblymember Tom Ammiano) authorizing the California State Lands Commission to approve a trust swap with Pier 70, allowing the public trust designation of land within the site to be rationalized to allow for development. The Port is negotiating with Forest City California, Inc. to develop the 25 acre Waterfront Site at Pier 70. The Port is negotiating separately to develop the Port's historic buildings along 20th Street with Orton Development, Inc.
- In 2008, and again in 2012, San Francisco voters approved investments through issuance of general obligation bonds totaling \$68 million in the development of a network of waterfront parks from Fisherman's Wharf to Heron's Head Park adjacent to Pier 96.

B.2 Infrastructure Financing Districts

Building on the authority granted by state legislation and working with the San Francisco Board of Supervisors, the Port is now in the process of forming a second Port Infrastructure Financing District.¹³ Government Code Sections 53395 et seq. ("IFD Law") allow public agencies to finance public infrastructure improvements by capturing and bonding against property tax increment generated in the IFD after it is established. To do so, the public agency must follow a multi-step process that includes approval of a financing and infrastructure plan by the Board of Supervisors.

IFD Law was crafted to allow IFDs to function much like redevelopment project areas. In this regard, IFDs do not increase tax rates; rather, they rely on increases in the property tax base within the IFD. Like redevelopment, the fundamental justification for tax increment financing is the notion that but for public and private investment made possible by tax increment financing, development and the resulting property tax increases would not occur. In contrast to redevelopment law, the IFD Law does not require the public agency to make a finding of blight or require a set-aside of a portion of the tax increment for affordable housing (except when the projects to be financed through the IFD displace housing).

¹³ IFDs function in a manner similar to redevelopment, by allowing local jurisdictions to establish a geographical district within which all growth in property and possessory interest tax above an established base year (typically referred to as "tax increment") can be pledged to service debt on bonds issued to fund capital improvements of communitywide significance. Note that although this mechanism uses property tax increment, it does not rely on a redevelopment agency structure and is not impacted by the recent elimination of redevelopment agencies in California.

By Resolution 110-12, the Board of Supervisors adopted a Resolution of Intention to Establish an Infrastructure Financing District for the City and County of San Francisco (Infrastructure Financing District No. 2, the “District”) for multiple sites on Port property, including Seawall Lot (SWL) 330, Piers 30-32, Pier 26, Pier 28, Pier 48, and Pier 70. Resolution 227-12 amended the District to include SWL 351 as a project area.

Port staff will likely recommend removal of Piers 26 and 28 from the District, because these piers are no longer likely development sites. Concurrent with recommending a Disposition and Development Agreement for the proposed development of SWL 337 and Pier 48 in conjunction with the Port’s development partner, Port staff will recommend that the Board of Supervisors amend Resolution 227-12 to include SWL 337. Concurrent with recommending a Disposition and Development Agreement for the Pier 70 Waterfront Site, it is likely that Port staff will also recommend adding 3 acres of adjacent private property owned by Pacific Gas and Electric, Inc. to the Pier 70 project area.

As Port staff advances individual development projects, there will be an associated Infrastructure Finance Plan for the Board’s consideration as the next step in forming the District. The Finance Plan will include a detailed description of the development plan for each project area and specify the type of projects eligible for IFD monies and the estimated value of the tax increment over the life of the projects. The development projects currently being negotiated are summarized below.¹⁴

In 2013, the Board of Supervisors adopted Resolution 123-13, adopting Guidelines for the Establishment and Use of an Infrastructure Financing District with Project Areas on Land Under the Jurisdiction of the San Francisco Port Commission (Port IFD Guidelines). Consistent with IFD law applicable to the proposed Port IFD, proposed uses of the Port IFD proceeds can include:

- Repairs and upgrades to piers, docks and wharves and the Port’s seawall;
- Installation of piles, both to support piers and to support buildings where soil is subject to liquefaction;
- Parks and shoreline improvements, where the Port has been unable to secure General Obligation bond funding to fund new parks;
- Utility infrastructure, including utility requirements to comply with standards imposed by the Regional Water Quality Control Board and/or the Bay Area Air Quality Management District;
- Streets and sidewalks;
- Seismic upgrades and improvements to the City’s seawall and other measures to address sea level rise;
- Environmental remediation;

¹⁴ Each of the development projects is subject to ongoing real estate negotiations which include the allocation of IFD to infrastructure costs. When City staff publishes each project term sheet for public review and consideration by the Port Commission and the Board of Supervisors, City staff will publish more detailed cost information related to the use of IFD.

- Historic rehabilitation; and
- Improvements to Port maritime facilities.

The Port IFD Guidelines establish minimum criteria regarding the formation of IFD project areas on Port property. These guidelines can be found in Appendix C. IFD Law is the subject of frequent legislative action in wake of California's repeal of community redevelopment law. This year, Governor Jerry Brown has signaled his openness to amendments to IFD Law that would permit its use for affordable housing in addition to infrastructure and facilities of communitywide significance. If the Legislature enacts such a change (or similar changes), the Port and the Board of Supervisors may need to consider further amendments to the Port IFD Guidelines.

B.3 Development Projects

Since the 1970s, the Port's primary tool for redeveloping property has been public-private partnerships. In exchange for long-term leases (50-66 years) and other financial consideration (including rent credits, land value and IFD tax increment, for example), private developers assume much of the responsibility for rehabilitating and improving Port property for designated uses. This includes upgrades to meet current seismic building code requirements, repairs to adjoining segments of the seawall, and climate change adaptation improvements. The Port typically limits its contribution to development projects to existing facility improvements, along with Port staff, attorneys, and other consultants needed to coordinate and assist the developer. By engaging a development partner and allowing them to make a reasonable return on their investment, the Port is able to generate substantially more resources to address the Port's backlog of capital investment needs.

As noted in Table 2, development projects are forecast to be the largest financial source to address both state-of-good-repair (\$119 million) and enhancement (\$176.1 million) in the plan. The vast majority of enhancements that are contemplated are investments in new, publicly-owned parks and infrastructure, largely to support new neighborhoods planned at SWL 337 and Pier 70. A portion of expenditures on enhancements will also address seismic conditions.

The Port is engaged in an exclusive negotiations process with a private investor or partner in several project areas. The developers will make significant investments to rehabilitate and enhance these properties; however, the ten-year plan reflects only that portion of the investment necessary to repair or replace facilities to continue operating them for their current use, or for enhancements that benefit the general public. Funding for these projects may come from a number of both private and public sources; however, for purposes of this plan, all development project generated funds are shown on a single line item in Table 2.

Two of these projects (SWL 337 and Pier 70 Waterfront Site) involve proposed height increases that are likely to be subject to significant local debate. SWL 337 and the Pier 70 Waterfront Site are just starting the process of environmental review and urban design planning.

The teams working on these projects plan to entitle them within the current real estate market cycle. If any of the projects are not entitled within expected timeframes, Port staff will make corresponding adjustments to future capital plans.

Pier 70 Area: Pier 70 is located on San Francisco's Central Waterfront, an approximately 65-acre site, generally between 18th and 22nd Streets, east of Illinois Street. For over 150 years, some portion of the site has been in use for ship building and repair or steel production, as well as for other supporting heavy industrial uses. The Port completed an environmental investigation and risk assessment of the project area. Findings from the completed risk assessment do not indicate any immediate need for soil or groundwater remediation. Following a three-year community planning process, the Port Commission endorsed the Pier 70 Master Plan in May 2010. The Plan balances sustained ship repair, historic preservation, new waterfront parks and new development. It identifies over 3 million square feet of new building potential and 700,000 square feet of buildings to be rehabilitated. On April 17, 2014, the National Park Service approved the Port's nomination for the Union Iron Works Historic District at Pier 70 and listed the district in the National Register of Historic Places. Port staff continues to work with the State Lands Commission on public trust matters that impact the Pier 70 area.

The Port Commission authorized a developer solicitation for the Waterfront Site as well as a second solicitation for Historic Buildings:

Pier 70 Waterfront Site: Following a competitive process, the Port Commission selected Forest City California, Inc. as its development partner for the Waterfront Site and on July 12, 2011 authorized an ENA. This project area requires significant infrastructure investment and new land use approvals to redeploy a largely vacant portion of Pier 70 for new uses in new buildings. The ENA provides for a five-year period to develop plans for the project, negotiate required agreements, and secure required approvals. In May 2013, the Port Commission endorsed a non-binding term sheet describing the fundamental deal terms for the project. The Board of Supervisors, in June 2013, added its endorsement of the term sheet and, in accordance with Administrative Code, Chapter 29, determined the proposed development fiscally feasible. Negotiations between the Port and the developer continue on the transaction details and documents, including the ground leases, the development and disposition agreement and financing plans.

In response to Proposition B (June 2014), Forest City redesigned its development concept for the Waterfront Site and drafted and qualified Proposition F for voter consideration on the November 4, 2014 ballot. As described above, San Francisco voters approved Proposition F to increase site zoning from 40 to 90 feet, which is not higher than the tallest point at the tallest historic building already at this project site. Subject to all required public review processes, this initiative encourages a development project and sets policy direction for identified major uses and supporting infrastructure improvements. The measure sets forth major uses to include: (i) nine acres of waterfront parks, playgrounds and recreation opportunities on and adjacent to the Project Site; (ii) below market-rate homes, representing 30% of all new housing units; (iii) construction of between approximately 1,000 and 2,000 new housing units, a majority of which will be

rental homes; (iv) restoration and reuse of currently deteriorating historic structures essential to the creation of a new Union Iron Works Historic District; (v) substantial new and renovated space for arts, cultural, small-scale manufacturing, local retail and neighborhood services; (vi) preservation of the artist community currently located in the Noonan Building; (vii) between approximately 1,000,000 and 2,000,000 square feet of new commercial and office space (which is in addition to reuse of historic structures); and (viii) accessory parking facilities and other transportation infrastructure.

Forest City's development concept for the Waterfront Site is subject to review and approval under CEQA. Forest City has filed an environmental application for CEQA review which commenced in late 2014, with potential consideration of final transaction documents and a Waterfront Site Special Use District by the Port Commission, the Planning Commission and the Board of Supervisors in 2016.

20th Street Historic Buildings: The 20th Street Historic Buildings are six buildings on or near 20th Street at Pier 70. These historic resources, some dating to the 1880s, are in need of substantial investment to return to active use. Following a competitive solicitation process, in May 2012, the Port entered into an exclusive negotiations agreement with Orton Development Inc. for a public/private partnership to rehabilitate these buildings. In September 2014, the project's Lease Disposition and Development Agreement ("LDDA") was executed. The LDDA is the document that describes the obligations of each party to implement the rehabilitation project including a detailed schedule of performance describing a phased construction schedule.

The Port and Orton Development expect to close escrow and execute a lease to convey the site to Orton in 2015. In total, these buildings have over 250,000 square feet of building space with potential in some cases, for additional mezzanine construction. The current capital cost estimate is \$76 million. The Port will contribute \$1.5 million to the project (repositioning funds previously committed to a temporary shoring of one of the buildings). Orton will invest up to \$14 million of equity in the project and secure the remainder of the funding from leasehold mortgage, historic tax credit investors and a Seismic Safety Loan administered by the Mayor's Office of Housing and Community Development. The Port defers its rent from the project until Orton's equity investment is repaid.

BAE Ship Repair: The BAE Ship Repair leasehold is 15.1 acres of leasable land and 17.4 acres of leasable water on the northeastern edge of Piers 68 and 70. It includes 19 buildings, six functional cranes, and two floating drydocks. It is under a lease to BAE generating approximately \$1.8 million dollars in annual revenues to the Port. A capital improvement plan is being developed for further improvements to infrastructure that will sustain the Ship Repair facility for the next 25 years. These improvements will be reflected in future capital plans upon completion of negotiations with BAE.

Seawall Lot 337 & Pier 48: In September 2010, following a one-year community planning and developer selection process, the Port entered into an exclusive negotiation agreement (ENA)

with Seawall Lot 337 Associates, LLC (an affiliate of the San Francisco Giants) for the mixed-use development of Seawall Lot 337 (SWL 337) and the adjacent Pier 48. Pursuant to the ENA, the developer submitted its Revised Proposal in March 2012 which contemplates a flexible mixed-use development at the site balancing residential, office, retail, exhibition and parking uses distributed over a network of city blocks – with expectation that the combination of uses will evolve to meet market demands and to reflect community and regulatory concerns, and be responsive to certain requirements to ensure mixed-use diversity.

In March 2013, the Port Commission endorsed a non-binding term sheet describing the fundamental negotiated elements and proposed financial terms for the lease and development of the project site and, in May 2013, the Board of Supervisors added its endorsement of the term sheet and also found the proposed development to be fiscally feasible under Administrative Code, Chapter 29. Following these approvals, the ENA allows the developer three years to complete the project entitlement process. The total cost of the project, as planned, is estimated at \$1.8 billion.

The project team is pursuing project entitlements including a thorough environmental review in accordance with the California Environmental Quality Act ("CEQA"). The Port anticipates that this project could generate new lease revenues and result in higher property values. The project schedule previously anticipated completing the CEQA process and gaining project approvals in early 2015 with lease payments commencing on sub parcels beginning in 2016. However, Proposition B (June 2014) requires voter approval of the height increases required for the project, as proposed (per the non-binding terms endorsed by the Port and City). In light of Proposition B, Seawall Lot 337 Associates, LLC is re-examining the proposed heights and density with the expectation that the Project would be presented to the voters for approval on a future ballot.

8 Washington/Seawall Lot 351: This two-thirds of an acre site is currently a surface parking lot located along the Ferry Building waterfront at The Embarcadero and Washington Street. It is to be merged with the adjacent 2½ acre tennis and swim club property in a \$345 million residential-commercial development agreement between the Port and San Francisco Waterfront Partners ("SFWP"), including dedicated public parking for the Ferry Building area, improvements to approximately ½ acre of public open space and \$5 million in public funding for sidewalk widening and street furnishings recommended in the Northeast Embarcadero Study ("NES").

As described above, the approved project is the subject of a recently passed legislative referendum rescinding the increase in building height granted the development. SFWP, therefore, is considering its options to reevaluate the proposed development, including project funding structure. The Port is awaiting the developer's decision on proceeding with this project following its reevaluation.

Pier 38 Bulkhead Rehabilitation: Pursuant to Port Commission authorization, the Port issued a request for proposals ("RFP") for the Pier 38 Bulkhead in November 2012, seeking a development entity to rehabilitate the Pier 38 bulkhead building and limited shed improvements for re-occupancy in the near-term. Responses were received in March 2013 and the Port

Commission selected TMG Partners in December 2013. Lease negotiations consistent with the Port Commission's goal to expeditiously rehabilitate and re-tenant the bulkhead building are nearing completion. Under the proposed agreement, TMG would invest approximately \$7.2 million to correct code violations, improve public access and upgrade the float on the north side of the pier. The Port expects the lease to commence in 2015.

B.4 General Obligation Bonds

The Port Commission and Port staff remain grateful for the infusion of funding approved by voters to create waterfront open space through the 2008 and 2012 Clean and Safe Waterfront Parks General Obligation Bonds. The following bond-funded projects, totaling \$34.7 million are in various stages of conceptual development and permitting:

- **Crane Cove Park, Phase 1:** Crane Cove Park is an approximately 9 acre Blue Greenway waterfront park located in the Central Waterfront generally between 19th and Mariposa Streets east of Illinois Street. Initial park concepts include shoreline cleanup and stabilization, restoration of historic cranes, historic interpretation, bay access, and a facility for human powered boats. The total cost for the entire project is expected to be \$45 million dollars, which is greater than the current available funding. As a result, the project will be phased as funding is secured. Available funding for the 1st phase of the project is \$23.3 million, including (a) \$10 million from 2008 Clean and Safe Neighborhood Park G.O. Bonds, (b) \$10 million from 2012 Clean and Safe Neighborhood Parks G.O. Bonds, (c) \$1 million from grants from the Metropolitan Transportation Commission and California Coastal Conservancy, and (d) \$3.3 million in other Port funds.

This Blue Greenway Project benefits from significant planning conducted through the development of the Port's Pier 70 Preferred Master Plan and the Blue Greenway Planning and Design Guidelines community planning process. The Park Master Plan and Schematic Design were approved by the City's Waterfront Design Advisory Committee and the BCDC Design Review Board in July 2014. Phase 1 of the project, comprising approximately 5 acres, will start construction in 2016 and is expected to be complete by 2017.

- **Bayview Gateway:** The \$3.9 million Bayview Gateway Project will create a new one acre public open space along the southern bank of Islais Creek in San Francisco's southeast waterfront. The project site is bound by Islais Creek on the north, Cargo Way on the south, 3rd Street on the west, and Illinois Street on the east. The project will demolish the existing timber wharf, rehabilitate the seawall, and transform the asphalt lot into a public park with walkways, plaza spaces and green spaces from which to enjoy the Bay. In addition, the project will serve as both a gateway to and an amenity for the Bayview neighborhood. The project is under construction, and is expected to be completed in 2015.

- **Agua Vista Park:** The \$2.5 million 20,000 square foot Aqua Vista park within 2,000 linear feet of shoreline access will be renovated and connected to the recently improved edge of Bayfront Park (with 2008 Neighborhood Parks bond proceeds). When completed, Aqua Vista Park and the future Bayfront Park combined are expected to include 2,000 linear feet of new shoreline access, continuous walking and bike paths, and dramatic views of ships being worked on at the Pier 70 ship yard and dry dock. Improvements may include new pathways, seating areas, interpretation and fishing facility improvements. Aqua Vista is a waterfront park at the southern edge of Mission Bay located on Terry Francois Boulevard at 16th Street that was originally improved in the 1970s. The project is expected to be completed in 2017.
- **Islais Creek Improvements:** The Islais Creek Shoreline Access improvement project is expected to complete the pathway system along the northern shore of Islais Creek from I-280 to Illinois Street. New public access would connect the Islais Creek Promenade at Tennessee Street to the historic Third Street Bridge. Improvements budgeted at \$2 million are expected to include a new waterfront walkway and scenic look out points. This site currently is partially unimproved, but improvements would close a gap in the Islais Creek system of open spaces, the Blue Greenway, and Bay Trail. The project is expected to be completed in 2017.
- **Warm Water Cove Park:** This existing 2 acre park is located along the bay's edge. Currently, it has a walking path, sitting areas, and native shoreline plantings. This park is expected to be renovated and expanded as a bay-side open space for gathering, walking, picnicking and historic interpretation, at a cost of \$1.5 million. Originally improved in the 1970s, the park is in need of new plantings, site furnishings, pathways and lighting. The park also is expected to be expanded to connect with 25th Street to close a gap in the Blue Greenway and San Francisco Bay Trail network. The project is expected to be completed in 2017.
- **Fisherman's Wharf Plaza:** The Port and the San Francisco Bay Conservation and Development Commission are conducting a community planning process to define improvements for a public plaza in Fisherman's Wharf. Improvements will complement the existing Pier 43 Bay Trail Promenade. The area will offer places to sit, picnic or stroll, along with dramatic views of the historic Pier 43 Ferry Arch and Alcatraz Island. The \$1.5 million plaza will be in the heart of Fisherman's Wharf, connecting and expanding upon shoreline open space.

B.5 Grants, Direct Appropriations and Other Funding Sources

As part of the plan of finance for the Port's capital requirements, Port staff is working with local, state, and federal governments and organizations to identify and secure grants and other contributions. Table 2 above lists several sources of funding that will support both state-of-good-repair and enhancement projects.

- **U.S. Department of Transportation, Federal Railway Administration** – In 2012 the Port was awarded \$3 million to improve reliability and efficiency of rail movement through

track and switching upgrades to the Port's primary rail spur, the Quint Street Lead. The award is strategically important for the Port, as it supports the larger goal of (and is a necessary component to) creating a robust export terminal at Pier 96 serviced by six-axle locomotives. The project assumes iron ore as the export commodity, with appropriate weight capacity and resiliency built in to associated infrastructure improvements. The remaining \$3.8 million in funding (which includes \$1 million in additional Port capital funds allocated by this year's proposed supplemental appropriation) will be expended by the Port in FY2016.

- ***USACE, Continuing Authorities Program Section 107, Central Basin Dredging*** – The Central Basin is the approach to the Pier 70 Shipyard's primary drydock facility. Dredging of this area is critical to operations of the shipyard. While the drydock itself is the largest privately operated repair facility of its kind on the west coast of the Americas, the increasingly restrictive siltation in the Central Basin is limiting the number and type of vessels that can access it. In September 2009, the Port requested dredging assistance from the Army Corps under Continuing Authorities Program Section 107. A 35' depth Central Basin dredge project has been approved and is scheduled for construction in 2016. The Army Corps will provide up to \$10 million in federal funding, which is 63 percent of the \$15.8 million estimated cost of the dredge project. The Port's proposed supplemental appropriation for this year includes \$2.9 million and BAE will provide \$2.9 million to fund the project, providing for a \$5.8 million local match. After this initial dredge, the Army Corps will then assume all costs for future dredging of the Central Basin, which will require several million dollars of federal funding every decade..
- ***USACE, Water Resources Development Act of 2007 (WRDA07)*** – In 2006, Port staff worked with Mayor Gavin Newsom's Office to successfully petition the Office of House of Representatives Speaker Nancy Pelosi to carry a new bill for federal authorization of a number of the Port's facilities. WRDA07 was approved by Congress and, in Section 5051 authorizes USACE, in cooperation with the Port of San Francisco, to seek appropriation of \$25 million for "...repair and removal, as appropriate, of Piers 30-32, 35, 36, 70 (including Wharves 7 and 8), and 80 in San Francisco, California, substantially in accordance with the Port's redevelopment plan." In 2011, Congress appropriated \$4.8 million of this authorization for removal of Pier 36, leaving \$20.2 million in authorization remaining. All funding from this source requires a 2:1 match from the Port. The Port has traditionally been the only City department with projects eligible for funding from the Army Corps.

In 2008 Congress placed a hold on project-based authorization, determining them to be "earmarks." As of the writing of this plan, the United States Congress continues to operate under a two-year moratorium on congressionally directed spending, i.e., direct "project" funding. However, because this moratorium has a differential impact across funding sources – in particular, the budget for the USACE is more affected than others – there is a great deal of speculation that the definition of "earmark" may be revised. The Capital Plan assumes that the remaining authorization of \$20.2 million will be appropriated in the FY2020-24 period.

- Department of Homeland Security, Port Security Grants*** – Since 2007, the Port’s Homeland Security Division has applied for and been awarded over \$28 million in State and Federal Port Security grant Programs. Over the next five years, the Port plans to apply for an additional \$6.3 million in federal funding provided by FEMA under the PSGP (Port Security Grant Program). PSGP funding will provide enhanced security capabilities, establish boundaries, and provide controlled access where required and authorized, as well as enhance threat detection and prevention, and increase security measures for berth and passenger terminals that are consistent with Department of Homeland Security and United States Coast Guard requirements. It is expected that FEMA will continue to require a 25 percent match, which the Port will provide from the capital budget. Individual security projects may include lighting, high security fencing, closed-circuit television (CCTV) cameras, intrusion detection systems, and vessels.
- San Francisco Bay Area Water Emergency Transportation Authority (WETA)*** – WETA is proposing to utilize federal and state funding to support a two-phased project to improve the Downtown Ferry Terminal (DTFT) at the San Francisco Ferry Building. WETA and the Port have entered into a Memorandum of Understanding (MOU) to undertake a coordinated planning effort for the DTFT expansion project in accordance with the Port’s objectives for stewardship of the San Francisco waterfront and WETA’s mission to provide ferry service and emergency operations. The project would expand the number of ferry gates, improve pedestrian circulation and ferry patron boarding, and enhance emergency response capabilities to evacuate people from San Francisco in the event of a major catastrophic event. The remaining work in the project plan includes funding from state and local sources, including California Proposition 1B, Proposition K (½ cent sales tax) and RM2 (bridge tolls) and addresses \$7.6 million in state-of-good-repair and \$2.1 million in seismic needs.

The Water Emergency Transportation Authority (“WETA”) is now pursuing Phase 2 of the Downtown Ferry Terminal to add up to three new ferry gates, weather-protected areas for queuing, and a new public plaza between the Ferry Building and the Agriculture Building, which also will support emergency staging and evacuation in the event of a major catastrophe. Construction of Phase 2, at an estimated cost of \$97 million, is expected to begin in 2016 and be completed by 2020.
- Environmental Clean-up and Open Space Projects*** – As part of a settlement agreement with the Cosco Busan following a collision with the Bay Bridge in 2012, the Port and Department of Recreation and Parks were awarded \$1.37 million in funding to be used for environmental clean-up and open space projects. The Port will use its \$685,000 share of the award to stabilize the shoreline at the future site of Crane Cove Park in the Port’s Pier 70 area.
- California Coastal Conservancy Grant*** – The California Coastal Conservancy has awarded the Port \$620,000 for repair to the Port’s historic Copra Crane, and for related removal of portions of Pier 84. The Copra Crane, operated by Longshoremen, was last utilized in 1974 to remove copra (dried coconut) imported from the Philippines from cargo vessels. It is an important part of Port labor history, as it is the last remnant of

manually operated machinery for loading and unloading cargo on the San Francisco waterfront.

Table 2 lists several additional sources of funding that the Port staff has identified, but not yet secured, that could contribute significantly to future capital plans. Staff will make a concerted effort to realize these funding sources.

- ***City Match to USACE WRDA 2020, Seawall Repair*** – Though WRDA legislation is intended to be biennial, as a matter of practice these new authorizations are passed into law much less frequently. For the next WRDA, Port staff will submit language to amend the Port’s existing WRDA07 authorization to increase the amount of funding authorized, and to make eligible appropriations for seawall construction or repair and removal of derelict pilings. This Authorization assumes a conservative estimate of \$60 million for a comprehensive rehabilitation and modernization of the San Francisco seawall. The USACE share of this project would be two-thirds, or \$40 million. The balance of funds, or local match for the seawall rehabilitation described above, is one-third, or \$20 million. Because this capital requirement is so high relative to the Port’s capital budget, and because the beneficiaries of this project extend far beyond the Port, the plan assumes that financing for the local share of the project would come from a general fund source that recognizes its City-wide benefit.

B.6 Transferrable Development Rights

Each of the pier sheds and associated bulkhead buildings on the Port's historic finger piers are collectively recognized as part of the Embarcadero Waterfront Historic District listed on the National Register of Historic Places. Any alteration or historic rehabilitation undertaken for these resources is required under Port Commission policy to comply with U.S. Secretary of the Interior Standards for Historic Rehabilitation (Secretary Standards). The Port has relied on the Federal Historic Tax Credit Program as one essential financing tool to assist in paying for the high cost of rehabilitation to meet the Secretary Standards. However, given the age of the piers and increasing costs of repair, structural and/or seismic interventions necessary to meet current codes, other financing strategies are required to save these historic resources and continue the Port's waterfront revitalization efforts.

The Port has initiated discussions with the Board of Supervisors, Planning Department, San Francisco Architectural Heritage and other preservation stakeholders to consider allowing the City's Transfer of Development Rights (TDR) program to be applied to historic rehabilitation projects defined by the Port Commission that would rehabilitate historic resources in the Embarcadero Historic District. TDR is an historic preservation incentive tool that allows unused development air rights on sites containing recognized historic resources of public value to be sold and applied to other development "receptor" sites. The City's TDR program requirements and provisions are contained in the San Francisco Planning Code and administered by the San Francisco Planning Department. Any historic building that receives benefit from the TDR program would require that the allowable development of that site be reduced by the amount sold through the TDR program.

The Port sees TDR as an important financing tool that could generate significant funding to support historic rehabilitation costs of its historic pier resources, particularly at Piers 19, 23 and 29 in the Northern Waterfront.

In 2013, the Port participated with City Planning in a study of the current program to determine how the current TDR market is functioning and to what extent the addition of Port piers into the program would impact the existing market. The study concluded that there is some limited capacity in the local TDR market for addition of publicly-owned buildings, and that the City should remain open to the Port's proposal to use TDR for Piers 19, 23 and 29.

In 2013, the Planning Department and Capital Planning Committee endorsed the use of TDR for designated historic Civic Center Buildings including the War Memorial, only the second time in the history of the program that TDR has been used to help finance rehabilitation of publicly-owned historic buildings. The Planning Department and the Capital Planning Committee have determined that further use of TDR for publicly-owned buildings (including the Port's piers) should wait until market impacts of the War Memorial TDR allocation can be determined.

If the War Memorial allocation indicates that there is sufficient market demand to accommodate the Port's finger piers, the Board of Supervisors would have to adopt legislation authorizing the Port to participate in the TDR program. The Port has already succeeded in gaining State authorization to participate in the local TDR program through enactment of AB 2649 (Assemblymember Tom Ammiano).

VII. CONCLUSIONS

The Port's Ten-Year Capital Plan continues to evolve since its inception nine years ago. The Port has employed the information that the Plan generates to develop and implement its legislative and financing strategies to redevelop the City's waterfront, fulfill its public trust mission, and reconnect the City with its waterfront.

Since the first plan in 2006, the Port has used this document to guide a total in investment exceeding \$220 million in non-developer funding. Still, a persistent gap remains between the Port's available resources and its ever growing need. It is a clear challenge, but one the Port has demonstrated it has the fortitude as an institution to meet. While the plan is a forward looking document, it is our history of continual improvement that has generated opportunity for growth, and leveraged even greater opportunity. The plan was integral to the Port's issuance of its revenue bonds as well as to the Port's preparations for the 34th America's Cup. It provides a solid framework and confidence-building, holistic view of the Port to interested constituents, as well as to general audiences.

As a road-map, the plan has enabled stronger application for federal grant funding, and stronger footing for inclusion in future City-sponsored general obligation bonds. The plan also served a vital role in supporting legislative changes to the Port's ability to develop Seawall Lot 337 and Pier 70 by securing tax increment to pay for public infrastructure investments in these proposed development project areas.

The Port's review of the Waterfront Land Use Plan highlighted that the Port is more unified with its waterfront than it has ever been, with industry, commerce and residence all existing in a harmony of contrasts. A South Beach resident might walk from her home to attend a San Francisco Giants game, and between innings, watch from her seat as one of the largest ships in the world is lifted out of the water for repair at the Port's Pier 70 shipyard. However united we are as a Port, we continue to need to grow in our connection with those away from the shore.

The controversy around height limits that so dominated discussion around the waterfront in 2014 changed the prism through which the Port must view development. With the passage of Proposition B, the community that is actively weighing in on the Port's development is no longer nearby and neighborhood in character, but rather an entire City of civic-minded voters. Moving forward, the Port must be ever mindful of the larger presence our work has in the San Francisco consciousness.

The next big capital planning challenge for the Port is to involve sister City agencies and regulatory partners in examining the Port's 100-year-old seawall to address its structural stability facing both a seismic event and future sea level rise. The long-range improvements to the City's seawall and marginal wharf will require a coordinated planning and funding strategy that will need to be reflected in future updates of the Port's Capital Plan.

Finally, the preliminary success of the Port-BCDC planning study and the Port's desire to reposition its northern waterfront piers for different uses through a public process underscore the need for strong public outreach and comprehensive planning. The Port must always take care to

ensure that there is a strong local and regional public consensus regarding the future of one of the most beautiful public waterfronts in the world.

APPENDIX A – Ten-Year Capital Needs, By Facility

Definitions

Building Type: This is the fundamental structure type, where a ‘simple’ building is a warehouse or garage structure with limited subsystems, a ‘basic’ building is a standard commercial structure with appropriate subsystems, ‘small’ buildings are less than 5,000 square feet (and as such, the method for estimating costs for these structures is simplified), and a ‘pier’ is a pile supported over-water foundation structure (as distinct from a shed building that sit atop a pier).

Backlog: The accumulation of all overdue needed repair work, as of year one of this Plan.

Ten-Year Renewals: Costs for replacing building subsystems that will reach the end of their life between year one and year ten of this plan.

One-Time Costs: Costs that are singular in nature, such as a seismic upgrade, as differentiated from the cyclical costs of replacing building subsystems at the end of their lifetime (e.g., many roofs at the Port are 30-year roofs, and as such, are on a 30-year replacement schedule).

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
000	Leased Piers	Port Wide	\$0	\$46,664	\$0	\$46,664
0000	Equipment	BASIC	\$0	\$0	\$10,664	\$10,664
0000	Port-wide Projects	Port Wide	\$0	\$324,482	\$208,220	\$532,702
1001	Downtown Ferry Terminal	BASIC	\$760	\$0	\$2,621	\$3,381
1010	Pier 1	Piers	\$0	\$88	\$0	\$88
1010	Pier 1 - Office Building	BASIC	\$0	\$3,481	\$0	\$3,481
1015	Pier 1 1/2	Piers	\$0	\$0	\$0	\$0
1015	Pier 1 1/2 - Bulkhead/Shed Building	BASIC	\$0	\$467	\$0	\$467
1020	Pier 2	Piers	\$4,631	\$0	\$2,210	\$6,841
1030	Pier 3	Piers	\$8,476	\$0	\$6,558	\$15,034
1030	Pier 3 - Bulkhead/Shed Building	BASIC	\$0	\$754	\$0	\$754
1050	Pier 5	Piers	\$0	\$0	\$0	\$0
1055	Pier 5 1/2 - Bulkhead Building	BASIC	\$0	\$553	\$0	\$553
1070	Pier 7 Public Pier	Piers	\$0	\$0	\$0	\$0
1075	Pier 7 - The Waterfront Restaurant	BASIC	\$319	\$113	\$178	\$609
1075	Pier 7 1/2	Piers	\$0	\$0	\$0	\$0
1090	Pier 9	Piers	\$12,724	\$0	\$10,590	\$23,314
1090	Pier 9 Bulkhead/Shed Building	BASIC	\$9,580	\$7,044	\$3,780	\$20,404
1095	Pier 9 1/2	Piers	\$835	\$0	\$687	\$1,522
1140	Pier 14 (Public Pier)	Piers	\$0	\$0	\$0	\$0
1150	Pier 15	Piers	\$141	\$0	\$0	\$141
1150	Pier 15 - Bulkhead/Shed Building (contains trailer)	SIMPLE	\$3,239	\$597	\$4,098	\$7,934
1155	Pier 15/17 - Office on Marginal Wharf	SMALL	\$0	\$0	\$0	\$0
1155	Pier 15/17 Valley - demolition	Piers	\$9,527	\$0	\$0	\$9,527
1170	Pier 17	Piers	\$105	\$0	\$0	\$105
1170	Pier 17 - Shed Building	SIMPLE	\$3,350	\$883	\$3,439	\$7,672
1175	Pier 17 1/2	Piers	\$1,552	\$0	\$510	\$2,062

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
1190	Pier 19	Piers	\$4,415	\$0	\$6,850	\$11,265
1190	Pier 19 - Bulkhead/Shed Building	SIMPLE	\$1,416	\$179	\$2,882	\$4,477
1195	Pier 19 1/2	Piers	\$5,522	\$0	\$3,049	\$8,571
1195	Pier 19 1/2 - Bulkhead/Shed	SIMPLE	\$671	\$82	\$1,289	\$2,043
1225	Pier 22 1/2	Piers	\$2,483	\$0	\$1,074	\$3,557
1225	Pier 22 1/2 - Fire Station	BASIC	\$715	\$0	\$146	\$861
1225	Pier 22 1/2 - Maintenance / Recreation	SMALL	\$0	\$0	\$0	\$0
1230	Pier 23	Piers	\$6,557	\$0	\$10,870	\$17,427
1230	Pier 23 - Bulkhead/Shed Building	SIMPLE	\$666	\$0	\$2,956	\$3,622
1235	Pier 23 1/2	Piers	\$3,068	\$0	\$504	\$3,572
1235	Pier 23 1/2 Pier 23 Cafe	SMALL	\$0	\$0	\$0	\$0
1245	Pier 24 1/2	Piers	\$4,723	\$0	\$3,701	\$8,424
1245	Pier 24 1/2 -Bulkhead/Shed Building	SIMPLE	\$647	\$0	\$824	\$1,471
1260	Pier 26	Piers	\$16,147	\$0	\$16,224	\$32,371
1260	Pier 26 - Bulkhead/Shed	SIMPLE	\$3,141	\$2,349	\$3,786	\$9,276
1265	Pier 26 1/2	Piers	\$3,558	\$0	\$2,869	\$6,427
1265	Pier 26.5 - Bulkhead	BASIC	\$2,330	\$952	\$0	\$3,282
1270	Pier 27	Piers	\$0	\$0	\$0	\$0
1270	Pier 27 - Office Annex	SMALL	\$588	\$0	\$0	\$588
1280	Pier 28	Piers	\$10,371	\$0	\$15,303	\$25,674
1280	Pier 28 - Bulkhead/Shed Building	SIMPLE	\$2,465	\$405	\$2,266	\$5,136
1285	Pier 28 1/2	Piers	\$510	\$0	\$387	\$897
1285	Pier 28 1/2 - Hivive Restaurant	SMALL	\$216	\$0	\$0	\$216
1290	Pier 29	Piers	\$10,207	\$0	\$0	\$10,207
1290	Pier 29 - *Bulkhead/Shed Building	SIMPLE	\$0	\$0	\$4,564	\$4,564
1295	Pier 29 1/2	Piers	\$0	\$0	\$0	\$0
1295	Pier 29 1/2 - Bulkhead Building	SIMPLE	\$1,508	\$100	\$1,547	\$3,155
1310	Pier 31	Piers	\$5,132	\$0	\$17,408	\$22,540
1310	Pier 31 - Bulkhead/Shed Building	SIMPLE	\$3,145	\$1,446	\$2,801	\$7,393
1315	Pier 31 1/2	Piers	\$3,834	\$0	\$3,152	\$6,986
1320	Pier 30 and 32	Piers	\$43,903	\$295	\$57,582	\$101,780
1325	Pier 32 1/2 Marginal Wharf (Brannan St)	Piers	\$0	\$0	\$0	\$0
1330	Pier 33	Piers	\$6,801	\$0	\$11,337	\$18,138
1330	Pier 33 - Bulkhead/Shed Building	SIMPLE	\$2,055	\$1,951	\$2,620	\$6,625
1335	Pier 33 1/2	Piers	\$0	\$0	\$495	\$495
1335	Pier 33 1/2 - Bulkhead Building	BASIC	\$114	\$0	\$0	\$114
1345	Pier 34 1/2 Marginal Wharf	Piers	\$0	\$0	\$0	\$0
1350	Pier 35 - Bulkhead/Shed Building	BASIC	\$5,801	\$13,836	\$5,372	\$25,008
1350	Pier 35 Cruise Terminal	Piers	\$42,791	\$274	\$10,031	\$53,095
1355	Pier 35 1/2	Piers	\$0	\$0	\$5,402	\$5,402
1380	Pier 38	Piers	\$19,106	\$0	\$16,933	\$36,039
1380	Pier 38 - Bulkhead/Shed Building	SIMPLE	\$411	\$1,850	\$3,269	\$5,531
1385	Pier 38 1/2	Piers	\$656	\$0	\$539	\$1,195
1390	Pier 39	Piers	\$0	\$0	\$0	\$0
1390	Pier 39 - Retail Shops	BASIC	\$4,337	\$4,879	\$7,699	\$16,915
1390	Pier 39 - Underwater World	BASIC	\$313	\$854	\$0	\$1,167
1395	Pier 39 1/2 Marginal Wharf	Piers	\$0	\$0	\$0	\$0
1400	Pier 40	Piers	\$5,487	\$0	\$10,887	\$16,374

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
1400	Pier 40 - Shed Building	SIMPLE	\$274	\$728	\$1,353	\$2,356
1400	Pier 40 Restaurant & Robert Steck Chandelry	BASIC	\$55	\$228	\$235	\$519
1405	Pier 40 1/2 (S Beach Harbor Wharf)	Piers	\$2,899	\$0	\$477	\$3,376
1405	Pier 40 1/2 - Java House	SMALL	\$0	\$0	\$0	\$0
1410	Pier 41	Piers	\$0	\$0	\$3,376	\$3,376
1415	Pier 41 1/2	Piers	\$2,195	\$0	\$0	\$2,195
1415	Pier 41 1/2 - Blue&Gold Bldg.	BASIC	\$0	\$1,359	\$435	\$1,794
1430	Pier 43	Piers	\$0	\$0	\$316	\$316
1430	Pier 43 - Arch	SMALL	\$248	\$0	\$0	\$248
1435	Pier 43 1/2	Piers	\$0	\$0	\$0	\$0
1435	Pier 43 1/2 - Franciscan Restaurant	BASIC	\$659	\$267	\$421	\$1,347
1435	Pier 43 1/2 - Red & White Tours	SMALL	\$0	\$35	\$0	\$35
1450	Pier 45	Piers	\$1,130	\$2,696	\$0	\$3,825
1450	Pier 45 - Shed A	SIMPLE	\$732	\$1,447	\$2,133	\$4,312
1450	Pier 45 - Shed B	SIMPLE	\$736	\$1,455	\$2,145	\$4,336
1450	Pier 45 - Shed C	SIMPLE	\$1,033	\$1,210	\$2,184	\$4,427
1450	Pier 45 - Shed D	SIMPLE	\$728	\$1,252	\$1,937	\$3,916
1461	Pier 46B China Basin Ferry Terminal	Piers	\$958	\$0	\$0	\$958
1470	Pier 47 - Guardinos Storage Bldg	SMALL	\$0	\$64	\$0	\$64
1470	Pier 47 - Scoma / Fish Prep Bldg	SMALL	\$0	\$0	\$0	\$0
1470	Pier 47 - Scoma Storage Bldg	SMALL	\$0	\$103	\$0	\$103
1470	Pier 47 - Scomas Restaurant	BASIC	\$387	\$1,221	\$365	\$1,973
1470	Pier 47 - Scomas Storage Shed	SMALL	\$0	\$0	\$0	\$0
1470	Pier 47 - Wharf J6, J7, J8	Piers	\$1,963	\$0	\$4,565	\$6,528
1470	Pier 47 WF Albert Seafoods Proc Bldg	SIMPLE	\$143	\$92	\$192	\$427
1480	Pier 48	Piers	\$10,461	\$0	\$1,598	\$12,059
1480	Pier 48 - Shed A	SIMPLE	\$2,031	\$443	\$0	\$2,474
1480	Pier 48 - Shed B	SIMPLE	\$2,086	\$455	\$0	\$2,542
1485	Pier 48 1/2 - Jellys restaurant	SMALL	\$0	\$0	\$0	\$0
1490	Pier 49 - Aliotos Restaurant (Wharf J-1)	BASIC	\$0	\$436	\$355	\$791
1490	Pier 49 - Fishermans Grotto No. 9 (Wharf J-1)	BASIC	\$0	\$678	\$552	\$1,230
1490	Pier 49 - Fishermans Memorial Chapel	SMALL	\$0	\$166	\$0	\$166
1490	Pier 49 - Guardinos (Wharf J-1)	SMALL	\$0	\$0	\$0	\$0
1490	Pier 49 - Sabella & Latorre (Wharf J-1)	SMALL	\$0	\$0	\$0	\$0
1490	Pier 49 - Tarantinos Restaurant (Wharf J-1)	BASIC	\$0	\$377	\$210	\$587
1490	Pier 49 - The Crab Station (Wharf J-1)	SMALL	\$0	\$0	\$0	\$0
1490	Pier 49 Nicks Lighthouse (Wharf J-1)	SMALL	\$0	\$185	\$0	\$185
1490	Wharfs J-1 and J-3 (Pier 49)	Piers	\$0	\$906	\$3,485	\$4,391
1500	Pier 50	Piers	\$24,943	\$1,973	\$20,445	\$47,361
1500	Pier 50 - Shed A	SIMPLE	\$2,375	\$953	\$2,190	\$5,518
1500	Pier 50 - Shed B	SIMPLE	\$1,233	\$1,234	\$2,221	\$4,688
1500	Pier 50 - Shed C	SIMPLE	\$1,847	\$1,441	\$2,668	\$5,957
1500	Pier 50 - Shed D	SIMPLE	\$1,515	\$1,018	\$3,081	\$5,615
1505	Pier 50 1/2	Piers	\$0	\$0	\$393	\$393
1520	Pier 52	Piers	\$0	\$0	\$4,515	\$4,515
1540	Pier 54	Piers	\$27,870	\$0	\$9,374	\$37,244

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
1540	Pier 54 - Office Bldg	SMALL	\$554	\$0	\$0	\$554
1540	Pier 54 - Oil Shed	SMALL	\$132	\$0	\$0	\$132
1540	Pier 54 - Shed Building	SIMPLE	\$433	\$350	\$725	\$1,508
1540	Pier 54 - Storage Shed	SMALL	\$0	\$0	\$0	\$0
1600	Pier 60 - Wharf - wood piles	Piers	\$1,218	\$0	\$527	\$1,745
1620	Third Street Bridge House	SMALL	\$0	\$27	\$0	\$27
1640	Pier 64	Piers	\$3,010	\$0	\$300	\$3,310
1645	Pier 64 1/2 Kelly Mission Rock Resort Restnt	BASIC	\$0	\$460	\$0	\$460
1680	Pier 68	Piers	\$7,919	\$43,104	\$7,855	\$58,878
1680	Pier 70 - Pier 68 - Bathrooms Bldg. #141	SMALL	\$0	\$66	\$0	\$66
1680	Pier 70 - Pier 68 - Beth Street Substation #2, Bldg. #50	SMALL	\$0	\$0	\$9	\$9
1680	Pier 70 - Pier 68 - Beth Street Warehouse Bldg. #30	SMALL	\$0	\$0	\$70	\$70
1680	Pier 70 - Pier 68 - Blast Shed Bldg. #150	SMALL	\$0	\$0	\$0	\$0
1680	Pier 70 - Pier 68 - Boiler/Steam Power House - #103	SMALL	\$308	\$0	\$241	\$549
1680	Pier 70 - Pier 68 - Building #149	SMALL	\$0	\$0	\$0	\$0
1680	Pier 70 - Pier 68 - Cable/Electric Shop - Bldg.#38	SIMPLE	\$0	\$0	\$450	\$450
1680	Pier 70 - Pier 68 - Checkhouse #1, Bldg. #122	SMALL	\$0	\$0	\$197	\$197
1680	Pier 70 - Pier 68 - Checkhouse #2, Bldg. #123	SMALL	\$0	\$0	\$95	\$95
1680	Pier 70 - Pier 68 - Equipment Building #36	SIMPLE	\$352	\$48	\$2,732	\$3,132
1680	Pier 70 - Pier 68 - Machine Shop - Bldg. #105	SIMPLE	\$538	\$49	\$4,403	\$4,990
1680	Pier 70 - Pier 68 - near checkhouse #2, Building #51	SMALL	\$66	\$0	\$0	\$66
1680	Pier 70 - Pier 68 - Office Bldg (#127)	SMALL	\$0	\$0	\$0	\$0
1680	Pier 70 - Pier 68 - Office Bldg Annex to #101, Bldg. #40	BASIC	\$0	\$0	\$177	\$177
1680	Pier 70 - Pier 68 - Office Building #101	BASIC	\$7,231	\$0	\$5,736	\$12,967
1680	Pier 70 - Pier 68 - Office Building #104	BASIC	\$4,568	\$0	\$5,127	\$9,695
1680	Pier 70 - Pier 68 - Office/Warehouse Bldg.- Bldg #111	BASIC	\$6,397	\$1,447	\$11,695	\$19,539
1680	Pier 70 - Pier 68 - Ops. Bldg #102	BASIC	\$1,087	\$0	\$2,067	\$3,154
1680	Pier 70 - Pier 68 - Pipe Rack, Bldg. #120	SMALL	\$0	\$0	\$51	\$51
1680	Pier 70 - Pier 68 - Pipe Storage Bldg #107	SMALL	\$0	\$0	\$0	\$0
1680	Pier 70 - Pier 68 - Sheet Metal/Tools Bldg #109	SIMPLE	\$1,488	\$803	\$2,210	\$4,500
1680	Pier 70 - Pier 68 - Shipwright Building #108	BASIC	\$6,733	\$0	\$11,937	\$18,670
1680	Pier 70 - Pier 68 - Steel Shop Office (bldg #121)	SMALL	\$0	\$102	\$0	\$102
1680	Pier 70 - Pier 68 - Substation #4 (bldg #58)	SMALL	\$0	\$0	\$157	\$157
1680	Pier 70 - Pier 68 - Substation #6, Bldg. #64	SMALL	\$331	\$0	\$1,124	\$1,455

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
1680	Pier 70 - Pier 68 - Substation #7 (bldg #68)	SMALL	\$0	\$0	\$87	\$87
1680	Pier 70 - Pier 68 - Warehouse & 6-ton crane, Bldg. #49	SIMPLE	\$0	\$0	\$500	\$500
1680	Pier 70 - Pier 68 - Yard Washroom, Bldg. #110	SMALL	\$0	\$0	\$1,000	\$1,000
1680	Pier 70 - Pier 68 - Yard Washroom, Bldg. #119	SMALL	\$0	\$0	\$25	\$25
1700	Pier 70	Piers	\$55,359	\$0	\$49,864	\$105,223
1800	Pier 80	Piers	\$11,505	\$1,468	\$67,804	\$80,777
1800	Pier 80 - Entry Canopy	SIMPLE	\$270	\$0	\$325	\$595
1800	Pier 80 - Gear & Maintenance Building	SIMPLE	\$1,227	\$129	\$1,147	\$2,503
1800	Pier 80 - Office Bldg #2	SMALL	\$116	\$0	\$0	\$116
1800	Pier 80 - Service Building	SIMPLE	\$1,341	\$1,408	\$911	\$3,660
1800	Pier 80 - Shed A	SIMPLE	\$0	\$1,857	\$25,275	\$27,132
1800	Pier 80 - Shed D	SIMPLE	\$3,289	\$1,400	\$4,970	\$9,659
1800	Pier 80 - Terminal Office	SMALL	\$294	\$0	\$0	\$294
1800	Pier 80 Office Bldg #1	SMALL	\$116	\$0	\$0	\$116
1840	Copra Crane	BASIC	\$896	\$0	\$0	\$896
1900	Pier 90	Piers	\$11,737	\$0	\$0	\$11,737
1900	Pier 90 - Fire Department Building	BASIC	\$81	\$29	\$184	\$294
1900	Pier 90 - Maintenance Bldg	SMALL	\$0	\$0	\$0	\$0
1900	Pier 90 - Old Powerhouse	SMALL	\$0	\$0	\$0	\$0
1900	Pier 90 - Storage Bldg	SMALL	\$0	\$39	\$0	\$39
1900	Pier 90 - Truck Pits	SMALL	\$0	\$108	\$0	\$108
1920	Pier 92	Piers	\$4,483	\$0	\$0	\$4,483
1940	Pier 94 - 96 wharf area	Piers	\$5,582	\$0	\$8,387	\$13,969
1940	Pier 94 - Wharfside Building	SMALL	\$0	\$66	\$0	\$66
1960	Pier 96 - Administration Building	BASIC	\$1,147	\$633	\$457	\$2,236
1960	Pier 96 - Entry Canopy	SIMPLE	\$244	\$0	\$294	\$538
1960	Pier 96 - Exit Canopy	SIMPLE	\$145	\$0	\$174	\$319
1960	Pier 96 - Gatehouse Bldg	SMALL	\$0	\$240	\$0	\$240
1960	Pier 96 - Maintenance Building	BASIC	\$1,540	\$1,123	\$890	\$3,554
1960	Pier 96 - Office/Restroom	SMALL	\$0	\$0	\$0	\$0
1960	Pier 96 - Recycling/LASH Terminal	SIMPLE	\$2,626	\$4,865	\$5,483	\$12,974
1960	Pier 96 - Storage	SMALL	\$0	\$159	\$0	\$159
1960	Pier 96 - Truck Scales	SMALL	\$0	\$41	\$0	\$41
1980	Herons Head Park	BASIC	\$0	\$0	\$226	\$226
2000	Fac. 2000 - Ferry Plaza	Piers	\$633	\$390	\$0	\$1,024
2500	Hyde Street Pier	Piers	\$0	\$0	\$0	\$0
2500	Hyde Street Pier - Storage Buildings (3)	SMALL	\$0	\$166	\$0	\$166
2505	Pier 50 Administration Building	BASIC	\$2,019	\$546	\$573	\$3,138
2740	Fac. 200 - World Trade Club Restaurant	BASIC	\$338	\$1,156	\$883	\$2,378
2750	Fac. 274-175 - Ferry Building Clock Tower	BASIC	\$0	\$484	\$360	\$844
2750	Fac. 274-275 Ferry Building	BASIC	\$0	\$12,995	\$8,772	\$21,767
2750	Ferry Building: Fac. 274 - 275	Piers	\$0	\$0	\$0	\$0
2770	Pier 2 - Sinbads	BASIC	\$0	\$0	\$0	\$0
2780	Fac. 278 Agriculture Bldg Substructure	Piers	\$5,668	\$0	\$3,107	\$8,775

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
2780	Fac. 278 Agriculture Building	BASIC	\$3,729	\$288	\$652	\$4,669
2800	Pier 80 Administration Building	BASIC	\$4,874	\$1,450	\$2,309	\$8,633
3010	SWL 301 - Andre Boudin Pavilion	SMALL	\$0	\$0	\$0	\$0
3010	SWL 301 - Andre Boudin Restaurant	BASIC	\$0	\$460	\$0	\$460
3020	Street - Pier 47, Fish Alley, Al Scoma Way	Street	\$417	\$0	\$0	\$417
3020	SWL 302 - Alioto Fish Co.	BASIC	\$0	\$1,735	\$465	\$2,200
3020	SWL 302 - Castagnola/Storage Bldg	SMALL	\$0	\$142	\$0	\$142
3020	SWL 302 - Crab Boat Owners Asso.	BASIC	\$404	\$0	\$79	\$483
3020	SWL 302 - Firewood Cafe	BASIC	\$0	\$409	\$117	\$526
3020	SWL 302 - Pompeis Grotto	BASIC	\$0	\$324	\$121	\$445
3020	SWL 302 - Port Harbor Office	SMALL	\$0	\$63	\$0	\$63
3020	SWL 302 - Scomas (Smoke House)	BASIC	\$0	\$177	\$141	\$318
3020	SWL 302 - United Shellfish Warehouse	SMALL	\$0	\$0	\$0	\$0
3020	SWL 302 Castagnola Rest.	BASIC	\$0	\$534	\$435	\$969
3020	SWL 302 Coast Marine Supply Mat. Storage Bldg	SIMPLE	\$0	\$485	\$615	\$1,100
3020	SWL 302 Costal Marine Retail Space	SMALL	\$0	\$301	\$0	\$301
3020	SWL 302 D&G Co. d.b.a. Lou Blues	SMALL	\$0	\$610	\$0	\$610
3020	SWL 302 Franks Fisherman Supply	BASIC	\$102	\$431	\$241	\$773
3020	SWL 302 Substructure (Wharf J-9)	Piers	\$5,833	\$0	\$2,055	\$7,888
3020	SWL 302 United Shellfish Processing	SIMPLE	\$0	\$45	\$50	\$95
3030	Street - Hyde Alley, Fish Alley	Street	\$309	\$0	\$0	\$309
3030	SWL 302 Cal Shell Fish Shed	SMALL	\$0	\$122	\$0	\$122
3030	SWL 303 - Alioto Fish Co,	BASIC	\$266	\$710	\$216	\$1,192
3030	SWL 303 - Cal Shell Fish	BASIC	\$156	\$172	\$144	\$472
3030	SWL 303 - Cioppinos/(Hoppe)	BASIC	\$0	\$748	\$336	\$1,084
3030	SWL 303 - Franceschis Restaurant	BASIC	\$0	\$195	\$109	\$304
3030	SWL 303 - GP Resources	SMALL	\$34	\$0	\$0	\$34
3030	SWL 303 - SP Trantino/Martell Ins	SMALL	\$0	\$0	\$0	\$0
3030	SWL 303 - The Bay Company, Hoppe, Arthur N.	BASIC	\$0	\$439	\$245	\$684
3110	SWL 311 Pier 39 Garage	SIMPLE	\$0	\$942	\$7,121	\$8,063
3130	SWL 313 Embarcadero Triangle Lot Assn.	SIMPLE	\$0	\$428	\$3,376	\$3,804
3150	SWL 315 Office Bulding (HHC Investment limited)	BASIC	\$0	\$8,241	\$3,889	\$12,130
3160	SWL 316 Houstons Restaurant	BASIC	\$0	\$1,056	\$371	\$1,427
3170	SWL 317 Office Building	BASIC	\$0	\$9,047	\$4,268	\$13,315
3180	SWL 318 Roundhouse One	BASIC	\$367	\$923	\$592	\$1,882
3180	SWL 318 Roundhouse Two	BASIC	\$1,115	\$181	\$804	\$2,100
3180	SWL 318 Sandhouse	SMALL	\$0	\$238	\$0	\$238
3190	SWL 319 Fog City Diner	BASIC	\$0	\$163	\$137	\$300
3220	SWL 322 ABC TV	BASIC	\$0	\$6,341	\$4,984	\$11,325
3270	Epic Roasthouse	BASIC	\$0	\$149	\$0	\$149
3270	Waterbar Restaurant	BASIC	\$0	\$149	\$0	\$149
3310	SWL 331 & 332 Delancey Street Foundation	BASIC	\$0	\$6,007	\$4,820	\$10,827
3450	Pier 70 - SWL 345 - Kneass Boatworks, Main Office/boat storage	SIMPLE	\$0	\$0	\$1,862	\$1,862

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
3450	Pier 70 - SWL 345 - Kneass, Pier 66 Boatyard Office	SMALL	\$331	\$0	\$0	\$331
3450	SWL 345 - SF Boat Works Office/Shop	BASIC	\$206	\$275	\$227	\$708
3450	SWL 345 - SF Boat Works Storage/The Ramp	SIMPLE	\$175	\$24	\$188	\$387
3490	Pier 70 - SWL 349 - Auto Yard Shop Bldg #19	SIMPLE	\$211	\$0	\$1,243	\$1,454
3490	Pier 70 - SWL 349 - Beth Street Stress Relieving, Bldg. #16	SIMPLE	\$297	\$0	\$1,383	\$1,680
3490	Pier 70 - SWL 349 - Beth Street Warehouse, Bldg. #32	SIMPLE	\$384	\$0	\$1,704	\$2,088
3490	Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #24	SMALL	\$568	\$0	\$790	\$1,358
3490	Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #25	SMALL	\$0	\$247	\$60	\$307
3490	Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #29	SMALL	\$612	\$0	\$938	\$1,550
3490	Pier 70 - SWL 349 - Brass Foundry, Bldg. #115	SIMPLE	\$577	\$0	\$2,404	\$2,981
3490	Pier 70 - SWL 349 - Foundry, Bldg. #116	SIMPLE	\$577	\$0	\$5,184	\$5,761
3490	Pier 70 - SWL 349 - Test Room, Bldg. #23	SMALL	\$721	\$0	\$281	\$1,002
3490	Pier 70 - SWL 349 - UIW Machine Shop, Bldg. #114	SIMPLE	\$288	\$0	\$4,731	\$5,019
3490	Pier 70 - SWL 349 Building #6 (condemned)	SIMPLE	\$1,234	\$0	\$7,652	\$8,886
3490	Pier 70 - SWL 349 Equipment Bldg - Bldg #14	SIMPLE	\$517	\$0	\$2,531	\$3,048
3490	Pier 70 - SWL 349 Heavy Machine Shop - Bldg #113	SIMPLE	\$2,758	\$0	\$21,765	\$24,523
3490	Pier 70 - SWL 349 Office Building - Bldg. #11 Noonan	BASIC	\$0	\$0	\$531	\$531
3490	Pier 70 - SWL 349 SF Shipyard Training Bldg 117	SIMPLE	\$0	\$0	\$464	\$464
3490	Pier 70 - SWL 349 Shop Building - Bldg #21	SIMPLE	\$0	\$0	\$4,062	\$4,062
3490	Pier 70 - SWL 349 Traffic Department Bldg. #12 & #15	BASIC	\$0	\$0	\$33,321	\$33,321
3490	Pier 70 - SWL 349 Traffic Dept. Shed - Bldg #66	SIMPLE	\$734	\$0	\$649	\$1,383
3490	Pier 70 - SWL 349 Warehouse - Bldg.2	SIMPLE	\$0	\$0	\$18,395	\$18,395
3520	SWL 352 - Backlands Redevelopment Street - Hyde N of Jefferson to Hyde St Pier	BASIC	\$2,748	\$0	\$0	\$2,748
4001	Street - Jefferson from Leavenworth to Hyde	Street	\$250	\$0	\$0	\$250
4002	Street - R.H. Dana Dr. (Leavenworth) N of Jefferso	Street	\$135	\$0	\$348	\$483
4003	Street - Jefferson btw Jones and Leavenworth	Street	\$154	\$0	\$0	\$154
4004	Street - Taylor Street btw. Jefferson and Embarcadero	Street	\$130	\$0	\$0	\$130
4006	Street - Embarcadero from Taylor to	Street	\$319	\$0	\$301	\$620
4008		Street	\$0	\$586	\$0	\$586

Bldg. No.	Building Name	Building Type	Backlog	10 Year Renewals	One-Time	Total
	Powell					
4017	Street - Lombard btw Sansome and Embarcadero	Street	\$187	\$0	\$0	\$187
4020	Street - Green between Davis and Front	Street	\$175	\$0	\$0	\$175
4022	Street - Broadway btw Embarcadero & Vallejo	Street	\$527	\$0	\$0	\$527
4033	Street - T. Francois along China Basin	Street	\$525	\$0	\$0	\$525
4034	Street - T. Francois btw China Basin and Mission R	Street	\$5,494	\$0	\$0	\$5,494
4036	Street - 20th east of Illinois	Street	\$479	\$0	\$0	\$479
4038	Street - 24th from Michigan to Maryland	Street	\$667	\$410	\$596	\$1,673
4040	Street - Marin east of Michigan	Street	\$175	\$0	\$0	\$175
4041	Street - TN, IN, MN btw Tulare and Marin	Street	\$918	\$0	\$0	\$918
4043	Street - Amador and extension	Street	\$2,117	\$442	\$0	\$2,558
5470	Wharf J-4	Piers	\$0	\$0	\$0	\$0
5470H	Joint Operations Center / Hyde Harbor Office	SIMPLE	\$0	\$0	\$0	\$0
5470H	Wharf J-11	Piers	\$0	\$0	\$0	\$0
6020	Freight Yard - Intermodal Container Transfer Facility	Street	\$4,003	\$11,738	\$5,041	\$20,782
PORT TOTAL			\$569,376	\$570,186	\$956,320	\$2,095,883

APPENDIX B - Allocation Strategy for Port Capital Funds

The Port's process for allocating its own limited capital funding involves a series of meetings with designated representatives from each of the Port's seven Divisions – the Capital Projects Working Group ("CP Group"). The CP Group developed the Port's evaluation criteria for capital projects, and weighting for each criterion. Annually, the CP Group allocates a total score to each capital project proposed by Port staff.

These first set of criteria address public safety concerns and conformance with the Port's mission, as set out in the Burton Act and Transfer Agreement of 1969, and are scored as follows:

<u>Review Criterion</u>	<u>Maximum Score</u>
Does the project address a code or regulatory issue?	20
Does the project significantly reduce liability to the Port?	15
Does the project promote maritime commerce, navigation or fisheries?	10
Does the project attract people to the waterfront?	10
Does the project protect natural or cultural resources?	15

The review process also employs two complimentary ways of scoring capital projects that would bring in additional revenue and/or reduce operating costs, the first intended to capture the efficiency of the investment, the second the scale of the financial impact:

What is the payback period, if 10 years or less?	10
What is the total ten-year financial benefit to the Port?	20

Where a project would pay for itself in 10 years, that project was scored by subtracting the payback period, in years, from 11. For example, a project with a payback period of three years would score 8 points in this category.

To determine the score assigned for the ten-year financial benefit, the CP Group took the real benefits, as recorded in dollars, and then considered the distribution of all the values returned for projects at the end of the review process. The results were a rather even distribution, which made appropriate a simple method of scaling, where a project received 1 point for every \$500,000 worth of benefit within the ten-year period. For example, a \$4 million project that would generate \$1 million per year in new revenues would score 12 points in this category [(\$10 million - \$4 million) / \$500,000].

Finally, Port staff reviewed all projects to determine if they fell into one or more of the four major categories listed below. The CP Group determined that a project belonging to one of these groups was worthy of separate consideration either before or after other projects, depending on the category.

Prioritization Category

- Is the project required to address an emergency, defined as an immediate threat to human health or the environment?
- Is the project legally mandated by a regulatory order or legal judgment?

- Is the project substantially matched by outside funding sources?

De-prioritization Category

- Is the project non-revenue generating and does it have less than 25% in outside matching funds?

The project review process concludes with a proposed programming of Port capital funds over two years based on the above evaluation, which becomes the Port's two-year capital budget. For the remaining years of the ten-year capital plan, expenditures are assumed to be proportional to the categories funded in the two-year budget.

APPENDIX C – Criteria for Formation of Port IFD Project Areas

The Port IFD Guidelines establish the following minimum criteria regarding the formation of IFD project areas on Port property:

1. **Port land.** Consistent with the IFD law, the Port IFD may initially be formed only with Port land.
2. **Annexing non-Port land.** If an owner of non-Port land petitions to add adjacent property to a waterfront district in accordance with the IFD law, the City will consider on a case-by-case basis whether to annex such property and to what extent tax increment generated in the non-Port land but not used for waterfront district infrastructure should be subject to the City IFD Guidelines.
3. **CEQA.** Although the City may initially form the Port IFD to include all of the Port land, neither the Port IFD nor any project-specific project area will be authorized to use property tax increment until the City has completed environmental review of the proposed development project and any proposed public facilities to be financed with property tax increment from the project area.
4. **Priority of improvements.** Waterfront districts must finance improvements that are consistent with the IFD law, the Port’s then-applicable Waterfront Land Use Plan, the Public Trust (if constructed on trust property), and the Port’s 10-Year Capital Plan.
5. **Economic benefit.** The Infrastructure Financing Plan (“IFP”) developed for the Port IFD will include a projection for each project area/waterfront district of the amount of total revenue that the City’s General Fund is projected to receive as a result of the proposed development project and the number of jobs and other economic development benefits the waterfront district is projected to produce, similar to the type of analysis that City staff and consultants perform to comply with Chapter 29 of the Administrative Code to determine that projects requiring public funding are fiscally feasible and responsible.
6. **State and City matching contributions.** In those cases where the IFD Law authorizes the allocation of the State’s share of property tax increment to a waterfront district in proportion to the City’s allocation of tax increment to the waterfront district, the City will allocate to the waterfront district the amount of tax increment that will maximize the amount of the State’s tax increment that is available to fund eligible projects in the waterfront district.
7. **Amount of increment allocated.** The waterfront districts will fund eligible waterfront improvements necessary for each proposed development project in an amount up to \$0.65 per property tax dollar, or, where permitted by State law, up to \$0.90 per property tax dollar, until the costs of required infrastructure are fully paid or reimbursed. The allocation should be sufficient to enable the Port to (a) obtain fair market rent for Port leases, and (b) enable proposed development projects to attract private equity. No

increment will be used to pay a developer's return. The Board of Supervisors in its discretion may allocate additional increment to other waterfront projects that require funding. Increment will be disbursed to the project area to fund (a) debt service and debt service coverage for bonds issued under the Mello-Roos Act ("Community Facilities District Bonds" or "CFD Bonds") or IFD bonds, and/or (b) eligible costs on a pay-as-you-go basis.¹⁵

8. **Excess increment.** Tax increment not required to fund eligible project-specific infrastructure will be allocated to the City's General Fund or to improvements to the City's seawall and measures to protect against sea level rise.
9. **Port annual capital program.** If the Port issues Port revenue bonds¹⁶ repaid by tax increment revenue generated in one or more waterfront districts, to further the purposes of Port Commission Resolution No. 12-22, adopting the Port's Policy for Funding Capital Budget Expenditures, the Port will annually invest in its annual Capital Program any tax increment revenue allocated to the waterfront district for the purpose of providing debt service coverage on Port revenue bond debt payable from tax increment.
10. **Funding for infrastructure maintenance.** Tax increment will be allocated to the Port IFD from a waterfront district only when the Port has identified a source of funding for the maintenance of any infrastructure to be financed. This source could be in the form of: (a) private financing mechanisms, such as a homeowners' association assessment; (b) a supplemental special tax (such as a community facilities district formed under the Mello-Roos Act) or assessment district (such as a community benefit district); or (c) the Port's maintenance budget or other allocation of the Port Harbor Fund.

¹⁵ For example, one vehicle for efficiently leveraging tax increment to finance public infrastructure would involve (i) formation of a community facilities district ("CFD") under the Mello-Roos Act and an IFD project area -- the boundaries of which are coterminous with the boundaries of the private development -- prior to construction of the public infrastructure, (ii) issuance of CFD bonds early in the development cycle, i.e., prior to generation of significant tax increment that can be allocated to the IFD, (iii) application of special taxes levied in the CFD to pay debt service as long as tax increment is not available and (iv) use of tax increment, when available, to pay debt service on the bonds, which allows a reduction in the amount of special taxes levied for that purpose.

¹⁶ City staff currently assumes that the preferred method for debt issuance would be a CFD bond repaid with IFD proceeds.

APPENDIX A FOR PROJECT AREA A

(To be Attached.)

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APPENDIX B FOR PROJECT AREA B

(To be Attached.)

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APPENDIX C FOR PROJECT AREA C

(To be Attached.)

APPENDIX D FOR PROJECT AREA D

(To be Attached.)

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APPENDIX E FOR PROJECT AREA E

(To be Attached.)

APPENDIX F FOR PROJECT AREA F

(To be Attached.)

APPENDIX G FOR PROJECT AREA G

(To be Attached.)

Appendix G-1
Sub-Project Area G-1
(Pier 70 - Historic Core)

This Appendix G-1 (“Appendix” or “Appendix G-1”) supplements and amends the main body of the Infrastructure Financing Plan (the “IFP”) as it relates to Sub-Project Area G-1. In the event of any inconsistency between the main body of this Infrastructure Financing Plan and this Appendix, the provisions of this Appendix shall govern with respect to Sub-Project Area G-1. The Board of Supervisors has appointed the City and County of San Francisco (the “City”), acting by and through its Port Commission (“Port”), as the agent of the IFD to implement this Appendix.

Boundaries of Sub-Project Area G-1. The boundaries of the proposed IFD, including the boundaries of Sub-Project Area G-1, are described in the map attached to the main body of the Infrastructure Financing Plan as Exhibit A. The legal description of Sub-Project Area G-1 is also attached to the main body of the Infrastructure Financing Plan as Exhibit A.

Pier 70 District; Pier 70 Enhanced Financing Plan. Sub-Project Area G-1 is a “Pier 70 district,” as defined in Section 53395.8(c)(11) of the IFD Law, and this Appendix constitutes a “Pier 70 enhanced financing plan” as defined in Section 53395.8(c)(12) of the IFD Law. Terms used but not defined in this Appendix have the meanings ascribed to them in the IFD Law or the IFP.

Summary of Financing Plan. The financing plan is presented in Table 2 and summarized in Exhibit G-1c. For purposes of this Appendix G-1, “debt” has the meaning given that term in Section 53395.8(c)(4) of the IFD Law and “ERAF-secured debt” has the meaning given that term in Section 53395.8(c)(7) of the IFD Law.

In order for the capital facilities (the “**Facilities**”) authorized by Section 53395.8(d) of the IFD Law and listed in Exhibit G-1b and Table 1 to be developed concurrently with the Historic Core buildings, and because there will be some lag time between the construction of the Facilities and availability of Allocated Tax Increment (defined herein), the following forms of debt/ERAF-secured debt will be needed to finance the Facilities :

- The IFD will repay Historic Pier 70, LLC (the “**Developer**”), the master tenant of certain property in Sub-Project Area G-1, from Allocated Tax Increment for the Developer’s advance of funds to pay for Facilities;
- The IFD will repay the Port from Allocated Tax Increment for advances it will make to pay for Facilities;
- The IFD will pay from Allocated Tax Increment debt service on bonds that will be issued by the IFD and/or a community facilities district (the “**CFD**”) established by the City to include the property in Sub-Project Area G-1 to finance the Facilities; and

- The IFD will pay Facilities costs from annual deposits of Allocated Tax Increment.

All of the repayment obligations described above are secured by and payable from Allocated Tax Increment, as described in this Appendix G-1.

A. Base Year: Commencement of Tax Increment Allocation

The “**Base Year**” for Sub-Project Area G-1 is the fiscal year in which the assessed value of taxable property in Sub-Project Area G-1 was last equalized prior to the effective date of the ordinance adopted to create Sub-Project Area G-1 or a subsequent fiscal year. The Base Year for Sub-Project Area G-1 is FY 2015-2016.

Tax increment may begin to be allocated to the IFD from Sub-Project Area G-1 beginning in the fiscal year following the Base Year: FY 2016-2017.

B. Allocation of Tax Increment

- (1) The annual allocation of tax increment generated in Sub-Project Area G-1 to the IFD for purposes of Section 53396(b) of the IFD Law will be the amount appropriated in each fiscal year by the Board of Supervisors for deposit in the special fund established for Sub-Project Area G-1.
- (2) In the main body of the IFP, the Board of Supervisors concluded that, under the IFD Law, it may (i) allocate to the IFD all or a portion of the incremental tax revenue generated in a Project Area for the period specified in the applicable appendix, (ii) irrevocably allocate incremental tax revenue to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors, (iii) reserve the right to make discretionary annual appropriations and (iv) reserve the right to amend the appendix for a Project Area to terminate an allocation to the IFD of any incremental tax revenue not irrevocably allocated to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors.
- (3) This Appendix assumes that the Board of Supervisors will appropriate 100 percent of the Allocated Tax Increment for allocation to the IFD until the IFD repays all debt, including all ERAF-secured debt, payable from Allocated Tax Increment to fund the Facilities.

As a result, this Appendix also assumes that 100% of the “ERAF Tax Increment” (as defined below) will be allocated to the IFD. Section 53395.8(g)(3)(D) of the IFD Law provides that the portion of incremental property tax revenue of the City to be allocated to the IFD from Sub-Project Area G-1 must be equal to the portion of the incremental tax

revenue of the ERAF share proposed to be committed to Sub-Project Area G-1.¹

(4) However, the allocation made by the Board of Supervisors in this Appendix shall be the following:

(A) The Board of Supervisors hereby irrevocably allocates all of the “City Share of Tax Increment” (as defined below) from Sub-Project Area G-1 to the IFD to the extent that the City Share of Tax Increment is necessary to repay bonds or related agreements (including Pledge Agreements, as described below) or meet contractual obligations that the IFD or the Port is obligated to satisfy with Allocated Tax Increment, in each case to the extent such bonds, agreements or obligations have been approved by the Board of Supervisors.

(B) The Board of Supervisors retains the discretion to make annual appropriations for the allocation of City Share of Tax Increment from Sub-Project Area G-1 to the IFD to pay for debt that is not described in the preceding clause (A), including repayment of loans made to pay Facilities costs and to satisfy contractual obligations from annual deposits of Allocated Tax Increment.

(5) For purposes of this Appendix G-1, the following terms are defined as follows:

“**Gross Tax Increment**” is 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within Sub-Project Area G-1.

“**Incremental Assessed Property Value**” is, in any fiscal year, the difference between the assessed value of the property within Sub-Project Area G-1 for that fiscal year and the assessed value of the property within the Sub-Project Area G-1 in the Base Year, to the extent that the difference is a positive number.

“**ERAF Tax Increment**” is 25.330110% of Gross Tax Increment. The “ERAF Tax Increment” is the “ERAF share” as defined in Section 53395.8(c)(8) of the IFD Law, and it is available to be allocated to the IFD because Sub-Project Area G-1 is a Pier 70 district.

“**City Share of Tax Increment**” is 64.588206% of Gross Tax Increment. The City Share of Tax Increment is the incremental property tax revenue that, in the absence of the allocation to the IFD pursuant to this Appendix, would be allocated to the City and

¹ This Appendix G-1 assumes allocation of 100% of the City Share of Tax Increment and 100% of the ERAF Tax Increment for the period permitted under the IFD Law. If, because of time limitations applicable to the ERAF Tax Increment established by the IFD Law, the ERAF Tax Increment is no longer available under the IFD Law during the period specified in Section H, the City Share of Increment will remain available as provided in this Appendix G-1.

County General Fund and includes amounts set aside for the City and County Children’s Fund, the City and County Library Protection Fund, and the City and County Open Spaces Fund.

“**Allocated Tax increment**” is the sum of ERAF Tax Increment and City Share of Tax Increment.

C. Maximum Portion of Tax Increment Revenue of San Francisco and Affected Taxing Agencies to be Committed to Sub-Project Area G-1

The taxing agencies that provide services to the IFD properties and the distribution of property tax increment among the agencies / funds are as follows:

Exhibit G1a – FY 2015/16 Distribution of 1% Property Tax Rate among Taxing Agencies/Funds

	<i>FY 2015/16 Distribution of 1% Property Tax Rate²</i>
City and County General Fund (inclusive of the Children’s Fund, Library Fund, and Open Space Fund)	64.588206%
Education Revenue Augmentation Fund	25.330113%
San Francisco Unified School District	7.698857%
San Francisco Community College Fund	1.444422%
Bay Area Rapid Transit District	0.632528%
Bay Area Air Quality Management District	0.208539%
County Office of Education	<u>0.097335%</u>
Total	100.000000%

The IFD will be funded solely from Allocated Tax Increment, which consists of the City Share of Tax Increment and the ERAF Tax Increment.

The maximum portion of the City Share of Tax Increment that is allocated to the IFD is 100%. The maximum portion of the ERAF Tax Increment that is allocated to the IFD is 100%.

This IFP does not allocate any portion of tax increment of the local educational agencies to Sub-Project Area G-1.

D. Projection of Tax Increment Revenue to Sub-Project Area G-1

The financing section must include a projection of the amount of tax increment expected to be allocated to the IFD from Sub-Project Area G-1, assuming an allocation period that ends

² City and County of San Francisco annual property tax rate ordinance (Ordinance No. 169-15).

no later than 45 years after the date on which the City projects that the IFD will have received \$100,000 of tax increment from Sub-Project Area G-1 under the IFD Law.

The projection of Allocated Tax Increment from Sub-Project Area G-1 to be allocated to the IFD is attached as Rider #1 to this Appendix.

E. Tax Increment Limit

The financing section must include a limit on the total number of dollars of tax increment that may be allocated to the IFD pursuant to the Infrastructure Financing Plan, subject to amendment of the Infrastructure Financing Plan.

The tax increment limit for Sub-Project Area G-1, including the limit on ERAF Tax Increment, is initially established at \$64,000,000. This limit reflects the projected total Allocated Tax Increment of \$49,220,000 plus a contingency factor of 30%.

F. Pier 70 ERAF Allocation Limit

In accordance with Section 53395.8(g)(3)(D)(ii)(II) of the IFD Law, Sub-Project Area G-1 is subject to a limitation on the number of dollars of the ERAF share to be divided and allocated to the IFD from Sub-Project Area G-1. Pursuant to IFD Law the limit of ERAF dollars allocated to the IFD shall be established in consultation with the San Francisco Controller and shall be included in the statement of indebtedness that the IFD files for the 19th fiscal year after the fiscal year in which any ERAF-secured debt is first issued.

The limit on the ERAF Tax Increment to be divided and allocated to the IFD from Sub-Project Area G-1 is initially established at \$18,000,000, which reflects the projected ERAF Tax Increment allocation to Sub-Project Area G-1 plus a contingency factor of 30%.

G. 20% Waterfront Set-Aside Requirement for Waterfront Districts

Pursuant to Section 53395.8(g)(3)(C)(ii) of the IFD Law, 20% of the Allocated Tax Increment (“**Set-Aside**”) must be set aside to be expended solely on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the San Francisco waterfront (“**Authorized Set-Aside Uses**”). The development of Phase 2 of Crane Cove Park involves shoreline restoration and will provide public access to the waterfront; consequently, the costs associated with Phase 2 of Crane Cove Park are an Authorized Set-Aside Use. On a cumulative basis, it is estimated that approximately 64% of the Allocated Tax Increment to the IFD from Sub-Project Area G-1 will be used for Authorized Set-Aside Uses. The IFD Law allows the Set-Aside Requirement applicable to Project Area G (Pier 70) to be met on a Project Area G-wide basis rather than on a Sub-Project Area basis. As such, the Port’s use of more than 20% of the Allocated Tax Increment from Sub-Project Area G-1 on Authorized Set-Aside Uses would allow the IFD, at its discretion, to spend less than 20%

of Allocated Tax Increment from other Sub-Project Areas in Project Area G on Authorized Set-Aside Uses.

H. Time Limits

Under the IFD Law, the financing section must include the following time limits:

(A) a date on which the effectiveness of the infrastructure financing plan and all tax increment allocations to Sub-Project Area G-1 will end, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues from Sub-Project Area G-1;

(B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received in Sub-Project Area G-1 under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues from Sub-Project Area G-1; and

(C) a time limit on the issuance of new ERAF-secured debt to finance the Facilities, which (with certain exceptions described in the IFD Law) may not exceed 20 fiscal years from the fiscal year in which any Pier 70 district (which would include any Sub-Project Area) subject to a Pier 70 enhanced financing plan first issues debt.

For Sub-Project Area G-1, the following are the applicable time limits under the IFD Law:

Date on which the effectiveness of the infrastructure financing plan with respect to Sub-Project Area G-1 and all tax increment allocations to Sub-Project Area G-1 will end: **45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.**

Date after which the IFD may no longer repay indebtedness with incremental tax revenues received under the IFD Law from Sub-Project Area G-1: **45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.**

Date after which the IFD may not issue new ERAF-secured debt with respect to Sub-Project Area G-1: **June 30, 2036.** The IFD Law allows the IFD to issue ERAF-secured debt after this date in certain circumstances, and this Appendix incorporates those provisions by this reference as if they were fully incorporated herein.³

³ For purposes of this Appendix G-1, ERAF-secured debt includes the obligation of the IFD to use ERAF Tax Increment to pay directly for Facilities. This ERAF-secured debt shall be considered to be issued in the first fiscal year in which the IFD uses ERAF Tax Increment to pay directly for Facilities and shall be payable for the period ending 45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.

I. Description of Public Improvements and Facilities

The IFD Law requires an infrastructure financing plan to contain the following information with respect to Sub-Project Area G-1.

(1) Public improvements and facilities to be provided by the private sector.

Under the terms of the Lease Disposition and Development Agreement (the “LDDA”) between the Port and the Developer, the Developer is responsible for developing an outdoor plaza/venue and an indoor lobby/atrium in Building 113, both of which will be made accessible to the public. The plaza will be a multi-use space available for public plaza uses, special events, loading, and tenant yard uses.

These costs will not be repaid to the Developer from Allocated Tax Increment generated in Sub-Project Area G-1.

(2) Public improvements and facilities to be provided by governmental entities without assistance under the IFD Law.

The Port is currently in the process of designing Crane Cove Park and intends to construct the park in two phases. Phase I, with a budget of \$31.48 million, will consist of: the creation of a beach shoreline to the north, two new pier overlooks, a sediment cap to contain contamination, a new multi-purpose lawn area, a children’s play area, a sun deck, adaptive reuse of Building 49 for a human powered aquatic center, a dog play area, landscape beds, pathways, site interpretation including artifacts, site furnishings, and ship building slipway 4 and its components including two new cranes. The Port has secured funds for Phase 1 and does not anticipate seeking funding from the IFD for Phase 1.

(3) Facilities to be financed with assistance from Sub-Project Area G-1.

The Facilities that will be funded with Sub-Project Area G-1's Allocated Tax Increment are those authorized by Section 53395.8(d) and listed in Table 1. **The actual cost of the improvements to be funded by the IFD may vary from and are not limited in any way by the cost estimates contained in Exhibit G1-b, Table 1 and throughout Appendix G-1.** The Facilities can be grouped into three general categories:

- a) Improvements to adjacent streets and sidewalks that will serve Pier 70. The street and sidewalk improvements need to be completed in the near term to serve the new Pier 70 tenants.
- b) The relocation of electrical systems now in Building 102 that serve the BAE shipyard (located in Project Area G, north of Sub-Project Area G-1) that the Port is responsible to undertake pursuant to the terms of the LDDA.

- c) Phase 2 improvements to Crane Cove Park. Phase 2 will include the adaptive reuse of historic Building 109, shoreline clean-up on the eastern shoreline and a sediment cap, a new pier overlook, new native shoreline landscape areas, pathways, site interpretation and artifacts, and furnishings. These improvements will comply with the Port’s Pier 70 Risk Management Plan, which the San Francisco Bay Regional Water Quality Control Board approved in 2014. The schedule for Phase 2 will be driven by the availability of funding. It is anticipated that the IFD will provide approximately \$13.9 million of the \$30 million budgeted for the Phase 2 improvements. Given that it is anticipated that the IFD will not generate sufficient funding for all of the Phase 2 improvements, the Port will need to secure other funding to complete Phase 2.

Exhibit G-1b

Facilities to be funded by IFD	Estimated Cost, 2015 Dollars	Target Completion Schedule
Street, sidewalk, traffic signal improvements	\$1,271,000	FY 2016/2017 – FY 2017/2018
Bldg. 102 Electrical Relocation/Improvements	\$3,090,000	FY 2016/2017
Phase 2 of Crane Cove Park	\$13,899,000 ⁴	No set date – driven by availability of funding
Total	\$18,260,000	

(4) Public improvements and facilities to be provided jointly by the private sector and governmental entities

There are no improvements or facilities that will be jointly provided by the private and governmental entities.

J. Projected Sources of Financing for the Public Facilities

The financing section must include the projected sources of financing for the Facilities, including debt to be repaid with Allocated Tax Increment, projected revenues from future leases, sales, or other transfers of any interest in land within Sub-Project Area G-1, and any other legally available sources of funds.

The financing plan is presented in Table 2 and summarized in Exhibit G-1c. In order to maximize funding for the improvements, it is assumed that 100% of the City Share of Tax Increment and 100% of the ERAF Tax Increment will be allocated to the IFD throughout the 45-year term of Sub-Project Area G-1. Pursuant to IFD Law, the allocation of ERAF Tax Increment and City Share of Tax Increment will be evidenced by debt obligations and reflected

⁴ This reflects the amount of funding anticipated to be available from Sub-Project Area G-1 for Crane Cove Park. Phase 2 costs are anticipated to total \$30 million, which exceeds the amount of available funding from Sub-Project Area G-1.

in each annual Statement of Indebtedness for Sub-Project Area G-1. It is anticipated that the Facilities will be financed with a combination of:

1. bridge financing to be advanced by the Developer (to be secured by and repaid by the IFD with Allocated Tax Increment from Sub-Project Area G-1);
2. bridge financing to be advanced by the Port (to be secured by and repaid by the IFD with Allocated Tax Increment from Sub-Project Area G-1);
3. bond proceeds (the bonds will be secured by and repaid by the IFD with Allocated Tax Increment from Sub-Project Area G-1); and
4. annual deposits of Allocated Tax Increment from Sub-Project Area G-1 beyond the amount needed to repay bridge financing and bond debt. The obligation of the IFD to use Allocated Tax Increment from Sub-Project Area G-1 to pay for the Facilities is secured by and payable from Allocated Tax Increment and will be reflected in the annual Statement of Indebtedness.

At this time, it is contemplated that either IFD bonds or CFD bonds will be issued; in both cases, Allocated Tax Increment will be used to pay debt service (in the case of CFD bonds, the IFD will execute a Pledge Agreement, in which it will pledge Allocated Tax Increment to payment of debt service on the CFD Bonds). The type of bond to be issued will be determined based on market conditions approaching the time of issuance.

Exhibit G-1c

Anticipated Sources and Uses of Funds		
	2015/16 Dollars	Nominal Dollars
Anticipated Sources of Funds		
Developer Loan for Street Improvements	\$746,000	\$783,000
Port Loan for Bldg.102 and 20 th Street Sidewalk improvements	\$3,110,000	\$3,203,000
IFD or CFD Bond Proceeds	\$6,559,000	\$7,832,000
Port Loan for Street Improvements funded by Required Developer Reimbursements	\$504,000	\$526,000
Allocated Tax Increment ⁵	\$23,412,000	\$49,220,000
Total Sources	\$34,331,000	\$61,564,000
Uses of Funds (Facilities)		
Phase 2 Crane Cove Park ⁶	\$13,899,000	\$31,490,000
Streetscape Improvements	\$1,271,000	\$1,329,000
Bldg. 102 Electrical Improvements	\$3,090,000	\$3,183,000
Repay Developer Loan	\$806,000	\$887,000
Repay Port Loans	\$3,999,000	\$4,684,000
Bond Debt Service	\$11,267,000	\$19,991,000
Total Uses	\$34,331,000	\$61,564,000

Under the terms of the LDDA, the Port may ask the Developer to advance funds to pay for certain public improvements (the “**Other Tasks**”). Approximately \$746,000 of the streetscape improvements to be funded by the IFD are eligible Other Tasks for which the Port will request a Developer advance the “**Developer Loan**”⁷. The Developer Loan will accrue interest at the rate equal to the rate set forth in the most senior construction loan for the improvements to be undertaken by the Developer. The Developer’s most recent project pro forma estimates this rate at 4.5% per annum. It is anticipated that the Developer Loan will be fully repaid from Allocated Tax Increment by FY 2019-2020.

The Port will advance \$3.1 million to fund the Building 102 electrical improvements and construction of a sidewalk on the north side of 20th Street (the “**Port Loan**”). The Port Loan will be due and payable in 15 years and will accrue interest at the rate of 4.4%. The Port Loan will be repaid from a combination of annual deposits of Allocated Tax Increment and bond proceeds. It is anticipated that the Port Loan will be fully repaid after bond proceeds are available in FY 2021-2022.

⁵ Includes an anticipated \$7.5 million of ERAF Tax Increment and \$19.3 million of City Share Tax Increment that will be allocated to the IFD to pay for Facilities on a pay-go basis pursuant to Government Code Section 53395.2. As described elsewhere in this Appendix G-1, the obligation of the IFD to use Allocated Tax Increment to pay for the Facilities under this IFD constitutes a debt and an ERAF-secured debt and shall be payable through the period ending 45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.

⁶ Includes the Allocated Tax Increment used to pay directly for Facilities.

⁷ “Other Tasks” are listed on Table 7.

Under the terms of the LDDA, the Developer is also obligated to advance funds for all Required ODI Tasks (the “**Required Port Benefit Tasks**”). It is estimated that approximately \$504,000 of the streetscape improvements to be funded by the IFD are Required Port Benefit Tasks. Although the Port is obligated under the LDDA to reimburse the Developer for the advance, any such reimbursement will be reduced by 100% of the outstanding Deferred Port Transaction Costs, which are currently approximately \$800,000. The funding of the streetscape improvements will be credited against the Developer’s obligation to reimburse the Port for \$800,000 in outstanding Deferred Port Transaction Costs and the Developer will not be reimbursed for the advance. This advance of \$504,000 is a “Port Loan” and will be repaid by the IFD.

As shown in Table 2, in order to serve the Historic Core Pier 70 development, approximately \$3.8 million of Facilities will need to be constructed in FY 2016-2017 and \$708,000 in FY 2017-2018. While Allocated Tax Increment is anticipated to be allocated to the IFD from Sub-Project Area G-1 starting in FY 2016-2017 as a result of supplemental assessments, deposits through FY 2018-2019 will not be sufficient to pay the scheduled Facilities costs in a timely manner. The Developer Loan and the Port Loan will be repaid from Allocated Tax Increment and a portion of the net proceeds of the IFD or CFD bonds. It is anticipated that the bonds will be issued at the beginning of FY 2021-2022, after the assessed value of the taxable property in Sub-Project Area G-1 has reached stabilization. It is estimated that the bonds will yield approximately \$7.8 million of net proceeds, which will be sufficient to retire the outstanding balance on the Port Loan and contribute \$4.7 million towards the development of Phase 2 of Crane Cove Park. 100% of the debt service on the bonds will be secured by and paid with Allocated Tax Increment from Sub-Project Area G-1.

K. Accounting Procedures

The IFD will maintain accounting procedures for Sub-Project Area G-1 in accordance, and otherwise comply, with Section 6306 of the Public Resources Code for the term of this Appendix.

L. Cost and Revenue Analysis

The financing section must include an analysis of: (A) the costs to the City’s General Fund for providing facilities and services to Sub-Project Area G-1 while Sub-Project Area G-1 is being developed and after it is developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City’s General Fund as a result of expected development in Sub-Project Area G-1.

- (1) Costs to the City’s General Fund for providing facilities and services to Sub-Project Area G-1 while it is being developed and after Sub-Project Area G-1 is developed.

Estimates of costs to the City's General Fund for providing facilities and services to Sub-Project Area G-1 while it is being developed and after it is developed are detailed in Attachment 1: "Fiscal and Economic Impact Analysis – Historic Core Pier 70" and summarized in the following Exhibit G-1d. As shown, the annual cost to the City's General Fund to provide services to the project will approximate \$91,000 upon anticipated build-out in FY 2018-2019. Service costs during the entire construction period are estimated at \$76,000. General Fund costs are costs to provide police, fire, and emergency medical services to the project. The cost of maintaining and operating Crane Cove Park and other spaces/facilities will not be funded by the General Fund. It is currently expected that 100% of these costs will be funded by a CFD maintenance special tax.

(2) Taxes, fees, charges and other revenues expected to be received by the City's General Fund as a result of expected development in Sub-Project Area G-1.

Taxes, fees, charges and other revenues expected to be received by the City's General Fund as a result of expected development in Sub-Project Area G-1 are detailed in Attachment 1: "Fiscal and Economic Impact Analysis – Historic Core Pier 70" and summarized in the following Exhibit G-1d. As shown, upon stabilization in FY 2018-2019, the project is anticipated to annually generate from \$264,000 to \$425,000 of revenue to the City's General Fund. The range of revenues reflects differing assumptions about the average level of gross receipts of the businesses to locate within the project, which impacts the calculation of gross receipts taxes.

As shown in Exhibit G-1d, it is estimated that the Historic Core Pier 70 development will annually generate a net fiscal surplus to the City's General Fund ranging from \$174,000 to \$334,000 per year, expressed in nominal dollars. After discounting the projection for inflation and the value of time, the present value of the annual General Fund surplus approximates \$142,000 to \$273,000.

Exhibit G-1d

Estimated General Fund Revenue / Expenditure	Lower Revenue Scenario - Gross Receipts Tax Does Not Apply			Higher Revenue Scenario - Gross Receipts Tax Applies to All		
	During Construction FY 15 - FY 17	Post Construction FY 2018/19	Total IFD Term	During Construction FY 15 - FY 17	Post Construction FY 2018/19	Total IFD Term
Revenues						
Possessory Interest Tax						
Not Deposited in IFD	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax	0	0	0	\$119,400	\$193,400	\$17,343,100
Sales Tax	\$78,300	\$68,300	\$6,156,700	\$78,300	\$68,300	\$6,156,700
Utility Users Tax	\$42,700	\$51,300	\$4,607,600	\$42,700	\$51,300	\$4,607,600
Prop. Tax In-Lieu of VLF	\$46,900	\$63,900	\$5,835,500	\$46,900	\$63,900	\$5,835,500
Business Registration Fee	\$48,900	\$58,100	\$5,225,400	\$21,000	\$24,900	\$2,239,500
Property Transfer Tax	\$0	\$0	\$0	\$0	\$0	\$0
Other Taxes and Fees	\$114,500	\$22,800	\$2,144,200	\$114,500	\$22,800	\$2,144,200
Total Revenues	\$331,300	\$264,400	\$23,969,400	\$422,800	\$424,600	\$38,326,600
Expenditures						
Police	\$17,500	\$20,900	\$1,881,300	\$17,500	\$20,900	\$1,881,300
Fire and EMS	\$58,100	\$69,800	\$6,271,400	\$58,100	\$69,800	\$6,271,400
Total Expenditures	\$75,600	\$90,700	\$8,152,700	\$75,600	\$90,700	\$8,152,700
Net General Fund Impact						
<i>Nominal Dollars</i>	\$256,000	\$174,000	\$15,817,000	\$347,000	\$334,000	\$30,174,000
\$2015 (3% discount)	\$234,000	\$159,000	\$7,392,000	\$318,000	\$306,000	\$13,929,000
NPV (7% discount)	\$209,000	\$142,000	\$5,117,000	\$283,000	\$273,000	\$8,041,000

(1) The Assessor is currently determining the magnitude of transfer tax due as a result of the lease. Given that the amount has not yet been established, this analysis does not include any transfer tax revenue.

Appendix G-1

Rider No 1

**PROJECTION OF ALLOCATED TAX INCREMENT, PROJECT AREA G-1 (PIER 70 –
HISTORIC CORE)**

FY 2015/16	Base Year - \$0
FY 2016/17	\$36,000
FY 2017/18	\$359,000
FY 2018/19	\$539,000
FY 2019/20	\$719,000
FY 2020/21	\$733,000
FY 2021/22	\$749,000
FY 2022/23	\$762,000
FY 2023/24	\$779,000
FY 2024/25	\$794,000
FY 2025/26	\$811,000
FY 2026/27	\$827,000
FY 2027/28	\$841,000
FY 2028/29	\$876,000
FY 2029/30	\$895,000
FY 2030/31	\$911,000
FY 2031/32	\$930,000
FY 2032/33	\$948,000
FY 2033/34	\$968,000
FY 2034/35	\$986,000
FY 2035/36	\$1,008,000
FY 2036/37	\$1,027,000
FY 2037/38	\$1,047,000
FY 2038/39	\$1,069,000
FY 2039/40	\$1,089,000
FY 2040/41	\$1,112,000
FY 2041/42	\$1,123,000

Appendix G-1
Rider No 1 Continued

FY 2042/43	\$1,135,000
FY 2043/44	\$1,157,000
FY 2044/45	\$1,179,000
FY 2045/46	\$1,202,000
FY 2046/47	\$1,227,000
FY 2047/48	\$1,253,000
FY 2048/49	\$1,277,000
FY 2049/50	\$1,302,000
FY 2050/51	\$1,328,000
FY 2051/52	\$1,356,000
FY 2052/53	\$1,381,000
FY 2053/54	\$1,409,000
FY 2054/55	\$1,438,000
FY 2055/56	\$1,467,000
FY 2056/57	\$1,496,000
FY 2057/58	\$1,525,000
FY 2058/59	\$1,556,000
FY 2059/60	\$1,587,000
FY 2060/61	\$1,619,000
FY 2061/62	\$1,651,000
Cumulative Total, Rounded	\$49,220,000

Table 1
Appendix G-1
Improvements to be Funded by IFD
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)

<u>Location of Improvements</u>	<u>Description of Improvements</u>	<u>2015/16 Cost Est.</u>
Illinois St., in front of Bldgs. 101 and 40	East sidewalk - Upgrade curb ramps to meet ADA standards, replace historical fence, remove fence around Bldg. 101, remove asphalt	\$27,517 ¹
20th and Illinois	Upgrade traffic signal - 20% share of cost	\$70,643 ²
20th St., north side (west of Georgia)	North sidewalk - Patch concrete segments, fix historical fence, remove chain link fence	\$31,165 ¹
20th St. at Georgia	North sidewalk - Install Ped/ADA path of travel improvements, install crosswalk and ADA-compliant ramps	\$31,937 ¹
20th, east of Georgia	North sidewalk - Overlay asphalt sidewalk, shoring of Bldg. 103, and remove chain-link fence	\$20,125 ¹
20th and Louisiana	Intersection - Add ADA-compliant curb ramps, remove SW corner of Bldg. 113 landing, rebuild concrete sidewalk, install bollards on the north side, add crosswalks (west and south), and add stop signs	\$54,477 ¹
Louisiana Street	Add overlay of new asphalt pavement, regrade parking area, install retaining wall, install asphalt sidewalk with curb on east side, install crosswalk and ADA-compliant curb cut, install ped/ADA path of travel, remove and install chain-link fence, modify electrical equipment at NE face of Bldg 113	\$340,809 ¹
20th St, south side	South sidewalk - Install ramp and stairs adjacent to west end of bldg. 113, patch sidewalk between Michigan and Bldg 113 entrance, patch sidewalk between bldg 113 and Louisiana, install ADA-compliant curb ramps at Bldg. 113 entry and at Michigan, add railing along edge, add crosswalk at west of Bldg 113	\$97,486 ¹
Michigan Street	Add ped/ADA path of travel on west side, add asphalt overlay, add crosswalk at south end and curb and gutter on east side	\$284,252 ¹
Louisiana, Georgia, Michigan, 20th	Install street lighting	\$312,142 ¹
Building 102	Remove PCBs and transformers from ODI option parcel, increase power reliability to BAE, purchase & install new transformers & switchgear, remove & dispose of old transformers, install new electric feeder lines east of ODI leasehold	\$3,090,000 ³
Crane Cove Park	Phase 2. Construct public park and removal of bay fill. Work will include adaptive reuse of bldg. 109, shoreline cleanup, sediment cap, new pier overlook, new native shoreline landscape areas, pathways, site interpretation and artifacts, and furnishings. Improvements will comply with the Port's Remedial Action Plan.	Ph. 2 cost = \$30 million. IFD's funding capacity est. at \$13.9 mil. ⁴
Est. Improvement Costs to be Funded by IFD		\$18,259,676

¹ Based on 2014 cost estimate prepared by CHS Consulting, provided as Table 3. 2015/16 cost estimate reflects 3% inflation adjustment.

² Required mitigation measure of the project. ODI will fund 20% of project to be reimbursed. Balance is being funded by SFMTA.

³ Work is needed for the BAE shipyard. Port has already budgeted this task in its supplemental FY 2015/16 budget.

⁴ Cost estimate prepared by Port staff. It is estimated that IFD will generate sufficient funds for approximately 46% of the costs of Phase 2. Funding for the balance will be secured from other sources.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

		Total 2015/16 Dollars	Total Nominal Dollars	IFD Year ¹ FY 16/17	Year 1 FY 17/18	Year 2 FY 18/19	Year 3 FY 19/20	Year 4 FY 20/21	Year 5 FY 21/22	Year 6 FY 22/23	Year 7 FY 23/24	Year 8 FY 24/25	Year 9 FY 25/26
Available Property /Possessory Interest Tax Increment Revenue to IFD²													
City Share of Tax Increment	100%	\$16,815,978	\$35,354,000	\$26,000	\$258,000	\$387,000	\$516,000	\$526,000	\$538,000	\$547,000	\$560,000	\$570,000	\$583,000
ERAF Tax Increment	100%	\$6,595,934	\$13,866,000	\$10,000	\$101,000	\$152,000	\$203,000	\$207,000	\$211,000	\$215,000	\$219,000	\$224,000	\$228,000
Annual Total		\$23,411,912	\$49,220,000	\$36,000	\$359,000	\$539,000	\$719,000	\$733,000	\$749,000	\$762,000	\$779,000	\$794,000	\$811,000
IFD Sources of Funds													
Annual Tax Increment		\$23,411,912	\$49,220,000	\$36,000	\$359,000	\$539,000	\$719,000	\$733,000	\$749,000	\$762,000	\$779,000	\$794,000	\$811,000
Developer Loan - Not Required Tasks ³		\$746,350	\$782,777	\$300,844	\$481,933	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan, Bldg. 102 + 20th St. Sidewalk ³		\$3,110,125	\$3,203,429	\$3,203,429	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan of Required Dev. Rmbmts ³		\$504,079	\$525,776	\$300,049	\$225,726								
Bond Proceeds ³		\$6,558,879	\$7,831,644	\$0	\$0	\$0	\$0	\$0	\$7,831,644	\$0	\$0	\$0	\$0
Prior Year Net Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds		\$34,331,344	\$61,563,625	\$3,840,322	\$1,066,659	\$539,000	\$719,000	\$733,000	\$8,580,644	\$762,000	\$779,000	\$794,000	\$811,000
IFD Uses of Funds													
Bond Debt Service ³		\$11,266,552	\$19,990,909	\$0	\$0	\$0	\$0	\$0	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364
Repay Developer Loan ⁴		\$806,218	\$886,720	\$18,000	\$179,500	\$269,500	\$419,720	\$0	\$0	\$0	\$0	\$0	\$0
Repay Port Loan ⁴		\$3,998,898	\$4,684,291	\$18,000	\$179,500	\$269,500	\$299,280	\$733,000	\$3,185,011	\$0	\$0	\$0	\$0
Crane Cove Park Improvements		\$13,899,123	\$31,489,724	\$0	\$0	\$0	\$0	\$0	\$4,729,269	\$95,636	\$112,636	\$127,636	\$144,636
Building 102 Electrical Improvements		\$3,090,000	\$3,182,700	\$3,182,700	\$0								
Streetscape Improvements		\$1,270,553	\$1,329,281	\$621,622	\$707,659	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds		\$34,331,344	\$61,563,625	\$3,840,322	\$1,066,659	\$539,000	\$719,000	\$733,000	\$8,580,644	\$762,000	\$779,000	\$794,000	\$811,000
Net IFD Fund Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits				0%	0%	0%	0%	0%	151%	124%	106%	93%	83%

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, October 8, 2015
Port of San Francisco

	Year 10 FY 26/27	Year 11 FY 27/28	Year 12 FY 28/29	Year 13 FY 29/30	Year 14 FY 30/31	Year 15 FY 31/32	Year 16 FY 32/33	Year 17 FY 33/34	Year 18 FY 34/35	Year 19 FY 35/36	Year 20 FY 36/37	Year 21 FY 37/38
Available Property /Possessory Interest Tax Inc												
City Share of Tax Increment <i>100%</i>	\$594,000	\$604,000	\$618,000	\$629,000	\$643,000	\$654,000	\$668,000	\$681,000	\$695,000	\$708,000	\$724,000	\$738,000
ERAF Tax Increment <i>100%</i>	\$233,000	\$237,000	\$242,000	\$247,000	\$252,000	\$257,000	\$262,000	\$267,000	\$273,000	\$278,000	\$284,000	\$289,000
Annual Total	\$827,000	\$841,000	\$860,000	\$876,000	\$895,000	\$911,000	\$930,000	\$948,000	\$968,000	\$986,000	\$1,008,000	\$1,027,000
IFD Sources of Funds												
Annual Tax Increment	\$827,000	\$841,000	\$860,000	\$876,000	\$895,000	\$911,000	\$930,000	\$948,000	\$968,000	\$986,000	\$1,008,000	\$1,027,000
Developer Loan - Not Required Tasks ³	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan, Bldg. 102 + 20th St. Sidewalk ³	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan of Required Dev. Rmbmts ³	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Proceeds ³	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year Net Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds	\$827,000	\$841,000	\$860,000	\$876,000	\$895,000	\$911,000	\$930,000	\$948,000	\$968,000	\$986,000	\$1,008,000	\$1,027,000
IFD Uses of Funds												
Bond Debt Service ³	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364
Repay Developer Loan ⁴	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Port Loan ⁴	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Crane Cove Park Improvements	\$160,636	\$174,636	\$193,636	\$209,636	\$228,636	\$244,636	\$263,636	\$281,636	\$301,636	\$319,636	\$341,636	\$360,636
Building 102 Electrical Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Streetscape Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$827,000	\$841,000	\$860,000	\$876,000	\$895,000	\$911,000	\$930,000	\$948,000	\$968,000	\$986,000	\$1,008,000	\$1,027,000
Net IFD Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits	76%	70%	65%	61%	58%	56%	54%	52%	51%	50%	49%	48%

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, South of Market
Port of San Francisco

	Year 22 FY 38/39	Year 23 FY 39/40	Year 24 FY 40/41	Year 25 FY 41/42	Year 26 FY 42/43	Year 27 FY 43/44	Year 28 FY 44/45	Year 29 FY 45/46	Year 30 FY 46/47	Year 31 FY 47/48	Year 32 FY 48/49	Year 33 FY 49/50	
Available Property /Possessory Interest Tax Inc													
City Share of Tax Increment	100%	\$752,000	\$768,000	\$782,000	\$799,000	\$816,000	\$831,000	\$847,000	\$863,000	\$881,000	\$900,000	\$917,000	\$935,000
ERAF Tax Increment	100%	\$295,000	\$301,000	\$307,000	\$313,000	\$319,000	\$326,000	\$332,000	\$339,000	\$346,000	\$353,000	\$360,000	\$367,000
Annual Total		\$1,047,000	\$1,069,000	\$1,089,000	\$1,112,000	\$1,135,000	\$1,157,000	\$1,179,000	\$1,202,000	\$1,227,000	\$1,253,000	\$1,277,000	\$1,302,000
IFD Sources of Funds													
Annual Tax Increment		\$1,047,000	\$1,069,000	\$1,089,000	\$1,112,000	\$1,135,000	\$1,157,000	\$1,179,000	\$1,202,000	\$1,227,000	\$1,253,000	\$1,277,000	\$1,302,000
Developer Loan - Not Required Tasks ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan, Bldg. 102 + 20th St. Sidewalk ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan of Required Dev. Rmbmts ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Proceeds ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year Net Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds		\$1,047,000	\$1,069,000	\$1,089,000	\$1,112,000	\$1,135,000	\$1,157,000	\$1,179,000	\$1,202,000	\$1,227,000	\$1,253,000	\$1,277,000	\$1,302,000
IFD Uses of Funds													
Bond Debt Service ³		\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364	\$666,364
Repay Developer Loan ⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Port Loan ⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Crane Cove Park Improvements		\$380,636	\$402,636	\$422,636	\$445,636	\$468,636	\$490,636	\$512,636	\$535,636	\$560,636	\$586,636	\$610,636	\$635,636
Building 102 Electrical Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Streetscape Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds		\$1,047,000	\$1,069,000	\$1,089,000	\$1,112,000	\$1,135,000	\$1,157,000	\$1,179,000	\$1,202,000	\$1,227,000	\$1,253,000	\$1,277,000	\$1,302,000
Net IFD Fund Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits		47%	47%	46%	46%	46%	45%	45%	45%	45%	45%	46%	46%

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, October 8, 2015
Port of San Francisco

	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	
	FY 50/51	FY 51/52	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61	FY 61/62	
Available Property /Possessory Interest Tax Inc													
City Share of Tax Increment	100%	\$954,000	\$974,000	\$992,000	\$1,012,000	\$1,033,000	\$1,054,000	\$1,075,000	\$1,095,000	\$1,118,000	\$1,140,000	\$1,163,000	\$1,186,000
ERAF Tax Increment	100%	\$374,000	\$382,000	\$389,000	\$397,000	\$405,000	\$413,000	\$421,000	\$430,000	\$438,000	\$447,000	\$456,000	\$465,000
Annual Total		\$1,328,000	\$1,356,000	\$1,381,000	\$1,409,000	\$1,438,000	\$1,467,000	\$1,496,000	\$1,525,000	\$1,556,000	\$1,587,000	\$1,619,000	\$1,651,000
IFD Sources of Funds													
Annual Tax Increment		\$1,328,000	\$1,356,000	\$1,381,000	\$1,409,000	\$1,438,000	\$1,467,000	\$1,496,000	\$1,525,000	\$1,556,000	\$1,587,000	\$1,619,000	\$1,651,000
Developer Loan - Not Required Tasks ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan, Bldg. 102 + 20th St. Sidewalk ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Loan of Required Dev. Rmbmts ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Proceeds ³		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year Net Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds		\$1,328,000	\$1,356,000	\$1,381,000	\$1,409,000	\$1,438,000	\$1,467,000	\$1,496,000	\$1,525,000	\$1,556,000	\$1,587,000	\$1,619,000	\$1,651,000
IFD Uses of Funds													
Bond Debt Service ³		\$666,364	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Developer Loan ⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Port Loan ⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Crane Cove Park Improvements		\$661,636	\$1,356,000	\$1,381,000	\$1,409,000	\$1,438,000	\$1,467,000	\$1,496,000	\$1,525,000	\$1,556,000	\$1,587,000	\$1,619,000	\$1,651,000
Building 102 Electrical Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Streetscape Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds		\$1,328,000	\$1,356,000	\$1,381,000	\$1,409,000	\$1,438,000	\$1,467,000	\$1,496,000	\$1,525,000	\$1,556,000	\$1,587,000	\$1,619,000	\$1,651,000
Net IFD Fund Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Waterfront Expenditures as a % of													
Cumulative IFD Increment Deposits		46%	48%	50%	52%	54%	55%	57%	59%	60%	61%	63%	64%

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 3
Appendix G-1
Cost Estimate for Streetscape Improvements
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Historic Core, Pier 70)
Port Of San Francisco

ITEMS	QUANTITY	UNIT	PROJECT				TOTAL UNIT COST	AMOUNT
			BASE UNIT COST	DESIGN COST (10%)	MANAGEMENT (5%)	CONTINGENCY (30%)		
Illinois St. East Sidewalk (in front of Bldgs 101 and 40)								
Remove chain-link fence around Bldg 101	145	linear feet	\$10.00	\$1.00	\$0.50	\$3.00	\$14.50	\$2,103
Replace historic fence around Bldg 101	145	linear feet	\$20.00	\$2.00	\$1.00	\$6.00	\$29.00	\$4,205
Remove Asphalt	40	square feet	\$10.00	\$1.00	\$0.50	\$3.00	\$14.50	\$580
Upgrade curb ramps at the east side of Illinois at 20th to meet ADA standards	4	each	\$3,000.00	\$300.00	\$150.00	\$900.00	\$4,350.00	\$17,400
Subtotal								\$24,288
Estimate Permit Costs	10%							\$2,429
Total Cost								\$26,716
20th St. North Side (West of Georgia)								
Patch concrete segments and clean up debris (20% of total square feet)	1,120	square feet	\$11.00	\$1.10	\$0.55	\$3.30	\$15.95	\$17,864
Fix historical fence (Bldg 101)	170	linear feet	\$30.00	\$3.00	\$1.50	\$9.00	\$43.50	\$7,395
Remove chain link fence (Bldg 104)	155	linear feet	\$10.00	\$1.00	\$0.50	\$3.00	\$14.50	\$2,248
Subtotal								\$27,507
Estimate Permit Costs	10%							\$2,751
Total Cost								\$30,257
20th St. at Georgia								
Ped/ADA path of travel improvements leading north to the parking lot with bollards AND truncated domes (no curb and gutters)	90	linear feet	\$100.00	\$10.00	\$5.00	\$30.00	\$145.00	\$13,050
Install a continental style crosswalk (north) per Sherwood plan dated 3/6/14	35	linear feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$914
Install a continental style crosswalk (west) per Sherwood plan dated 3/6/14	45	linear feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$1,175
Install ADA-compliant curb ramps per Sherwood plan	3	each	\$3,000.00	\$300.00	\$150.00	\$900.00	\$4,350.00	\$13,050
Subtotal								\$28,188
Estimate Permit Costs	10%							\$2,819
Total Cost								\$31,007
20th St. north Side (east of Georgia)								
Remove chain-link fence	225	linear feet	\$10.00	\$1.00	\$0.50	\$3.00	\$14.50	\$3,263
Shoring of Bldg 103 to open sidewalk	215	linear feet	N/A					N/A
Overlay asphalt sidewalk and clean up debris (100%)	2,500	square feet	\$4.00	\$0.40	\$0.20	\$1.20	\$5.80	\$14,500
Subtotal								\$17,763
Estimate Permit Costs	10%							\$1,776
Total Cost								\$19,539
20th and Louisiana Intersection								
Add ADA-compliant curb ramps per Sherwood plan	4	each	\$3,000.00	\$300.00	\$150.00	\$900.00	\$4,350.00	\$17,400
Add crosswalk (west) per Sherwood plan	45	linear feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$1,175
Install bollards on the north side (spaced 5' OC) to prevent parking	9	each	\$400.00	\$40.00	\$20.00	\$120.00	\$580.00	\$5,220
Add crosswalk (south) per Sherwood plan	50	linear feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$1,305
Partial removal of Bldg 113 landing at the SW corner (approximately 23' from building corner), should align with gap between 1st and 2nd window	1,725 (25*23*3')	cubic feet	\$5.00	\$0.50	\$0.25	\$1.50	\$7.25	\$12,506
Rebuild concrete sidewalk at the SW corner	575	square feet	\$11.00	\$1.10	\$0.55	\$3.30	\$15.95	\$9,171
Add stop signs at 20th and Louisiana	3	each	\$300.00	\$30.00	\$15.00	\$90.00	\$435.00	\$1,305
Subtotal								\$48,082
Estimate Permit Costs	10%							\$4,808
Total Cost								\$52,890

Louisiana St.								
Regrade parking area	8,700 (290*20*1.5')	cubic feet	\$3.50	\$0.35	\$0.18	\$1.05	\$5.08	\$44,153
Install retaining wall	260	linear feet	\$60.00	\$6.00	\$3.00	\$18.00	\$87.00	\$22,620
Install 10' wide asphalt sidewalk with a 6" curb on the east side only	3,000	square feet	\$4.00	\$0.40	\$0.20	\$1.20	\$5.80	\$17,400
Modify electrical equipment at the NE face of Bldg 113	1	each	\$1,000.00	\$100.00	\$50.00	\$300.00	\$1,450.00	\$1,450
Add an overlay new asphalt pavement	10,000	square feet	\$10.00	\$1.00	\$0.50	\$3.00	\$14.50	\$145,000
Remove chain-link fence	350	linear feet	\$10.00	\$1.00	\$0.50	\$3.00	\$14.50	\$5,075
Install chain-link fence	300	linear feet	\$20.00	\$2.00	\$1.00	\$6.00	\$29.00	\$8,700
Install crosswalk at south side of Bldg 14	50	linear feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$1,305
Install ADA-compliant curb cut at southeast of Bldg 14	1	each	\$3,000.00	\$300.00	\$150.00	\$900.00	\$4,350.00	\$4,350
Install ped/ADA path of travel toward courtyard (bollards and truncated domes)	350	linear feet	\$100.00	\$10.00	\$5.00	\$30.00	\$145.00	\$50,750
Subtotal								\$300,803
Estimate Permit Costs	10%							\$30,080
Total Cost								\$330,883
20th St. South Side								
Patch concrete sidewalk between Michigan and Bldg 113 entrance (50%)	1,500	square feet	\$11.00	\$1.10	\$0.55	\$3.30	\$15.95	\$23,925
Patch asphalt sidewalk between Bldg 113 and Louisiana (100%)	3,000	square feet	\$4.00	\$0.40	\$0.20	\$1.20	\$5.80	\$17,400
Install ADA-compliant curb ramps at Bldg 113 entry	2	each	\$3,000.00	\$300.00	\$150.00	\$900.00	\$4,350.00	\$8,700
Install a 2-5% ramp adjacent to street at west end of Bldg 113	800	cubic feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$20,880
Install stairs adjacent to West end of Bldg 113	50	cubic feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$1,305
Add railing along edge where drop off exceeds 18"	60	linear feet	\$50.00	\$5.00	\$2.50	\$15.00	\$72.50	\$4,350
Add ADA-compliant curb ramps at Michigan	2	each	\$3,000.00	\$300.00	\$150.00	\$900.00	\$4,350.00	\$8,700
Add a crosswalk at west of Bldg 113	30	linear feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$783
Subtotal				\$0.00	\$0.00	\$0.00	\$0.00	\$86,043
Estimate Permit Costs	10%							\$8,604
Total Cost								\$94,647
Michigan St.								
Add a ped/ADA path of travel on west side of street	360	linear feet	\$100.00	\$10.00	\$5.00	\$30.00	\$145.00	\$52,200
Add asphalt overlay	12,500	square feet	\$10.00	\$1.00	\$0.50	\$3.00	\$14.50	\$181,250
Add a crosswalk at south end of Michigan	28	linear feet	\$18.00	\$1.80	\$0.90	\$5.40	\$26.10	\$731
Curb and gutter for the east side of Michigan	360	linear feet	\$32.00	\$3.20	\$1.60	\$9.60	\$46.40	\$16,704
Subtotal								\$250,885
Estimate Permit Costs	10%							\$25,088
Total Cost								\$275,973
Install Street Lighting (spaced 140' OC)								
Louisiana	3	each	\$10,000.00	\$1,000.00	\$500.00	\$3,000.00	\$14,500.00	\$43,500
Georgia	1	each	\$10,000.00	\$1,000.00	\$500.00	\$3,000.00	\$14,500.00	\$14,500
Michigan	3	each	\$10,000.00	\$1,000.00	\$500.00	\$3,000.00	\$14,500.00	\$43,500
20th	12	each	\$10,000.00	\$1,000.00	\$500.00	\$3,000.00	\$14,500.00	\$174,000
Subtotal								\$275,500
Estimate Permit Costs	10%							\$27,550
Total Cost								\$303,050
Phase 1 Project Improvements Total								\$1,164,962

PIER 70 INFRASTRUCTURE FINANCING DISTRICT PHASE 2 IMPROVEMENTS

COST ESTIMATES

ITEMS	QUANTITY	UNIT	PROJECT				TOTAL UNIT COST	AMOUNT
			BASE UNIT COST	DESIGN COST (10%)	MANAGEMENT (5%)	CONTINGENCY (30%)		
Illinois St. East Sidewalk (in front of Bldgs 101 and 40)								
Upgrade traffic signal at 20th/Illinois (new pole, signal head, and controller box), and remove abandoned equipment (poles, conduit, and utility boxes)	1	lump sum	\$215,000.00	\$21,500.00	\$10,750.00	\$64,500.00	\$311,750.00	\$311,750
Subtotal							\$311,750	
Estimate Permit Costs	10%						\$31,175	
Total Cost							\$342,925	
Phase 2 Project Improvements Total							\$342,925	
Pier 70 Infrastructure Financing District Improvements Total							\$1,507,887	

Table 4
Appendix G-1
Assessed Value and Possessory Income Tax Projection - Capitalized Income Approach to Valuation
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Total Revenue per 3/27/15 pro forma, 2018					\$7,995,755									
Expenses					\$2,398,537									
Adjusted NOI					\$5,597,218									
Cap Rate					7.00%									
Assessed Value (\$000)		\$3,998	\$39,980	\$59,970	\$79,960	\$81,559	\$83,191	\$84,854	\$86,552	\$88,283	\$90,048	\$91,849	\$93,686	\$95,560
Escalation factor		0.05	0.5	0.75	1	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Sale of Leasehold		0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
AV for projection		\$3,998	\$39,980	\$59,970	\$79,960	\$81,559	\$83,191	\$84,854	\$86,552	\$88,283	\$90,048	\$91,849	\$93,686	\$95,560

Table 4
Appendix G-1
Assessed Value and Possessory Interest
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Port of San Francisco

	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40	FY 40/41	FY 41/42	FY 42/43	FY 43/44	FY 44/45	FY 45/46
Total Revenue per 3/27/15 pro forma,																	
Expenses																	
Adjusted NOI																	
Cap Rate																	
Assessed Value (\$000)	\$97,471	\$99,421	\$101,409	\$103,437	\$105,506	\$107,616	\$109,768	\$111,964	\$114,203	\$116,487	\$118,817	\$121,193	\$123,617	\$126,089	\$128,611	\$131,183	\$133,807
Escalation factor	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Sale of Leasehold	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AV for projection	\$97,471	\$99,421	\$101,409	\$103,437	\$105,506	\$107,616	\$109,768	\$111,964	\$114,203	\$116,487	\$118,817	\$121,193	\$123,617	\$126,089	\$128,611	\$131,183	\$133,807

Table 4
Appendix G-1
Assessed Value and Possessory Interest
Infrastructure Financing Plan
Infrastructure Financing District No. 8
Port of San Francisco

	FY 46/47	FY 47/48	FY 48/49	FY 49/50	FY 50/51	FY 51/52	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61	FY 61/62
Total Revenue per 3/27/15 pro forma,																
Expenses																
Adjusted NOI																
Cap Rate																
Assessed Value (\$000)	\$136,483	\$139,213	\$141,997	\$144,837	\$147,734	\$150,688	\$153,702	\$156,776	\$159,912	\$163,110	\$166,372	\$169,700	\$173,094	\$176,555	\$180,087	\$183,688
Escalation factor	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Sale of Leasehold	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AV for projection	\$136,483	\$139,213	\$141,997	\$144,837	\$147,734	\$150,688	\$153,702	\$156,776	\$159,912	\$163,110	\$166,372	\$169,700	\$173,094	\$176,555	\$180,087	\$183,688

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

Property Tax Projection	NPV ²	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Incremental AV on Tax Roll (\$1,000s) ¹		\$3,998	\$39,980	\$59,970	\$79,960	\$81,559	\$83,191	\$84,854	\$86,552	\$88,283	\$90,048	\$91,849	\$93,686
Property Tax Increment at 1% 1.00%	\$26,036,766	\$39,980	\$399,801	\$599,702	\$799,603	\$815,595	\$831,907	\$848,545	\$865,516	\$882,826	\$900,482	\$918,492	\$936,862
Property Tax Distributed to IFD													
General Fund 64.59%	\$16,815,784	\$25,800	\$258,000	\$387,000	\$516,000	\$526,000	\$538,000	\$547,000	\$560,000	\$570,000	\$583,000	\$594,000	\$604,000
ERAF 25.33%	\$6,596,031	<u>\$10,100</u>	<u>\$101,000</u>	<u>\$152,000</u>	<u>\$203,000</u>	<u>\$207,000</u>	<u>\$211,000</u>	<u>\$215,000</u>	<u>\$219,000</u>	<u>\$224,000</u>	<u>\$228,000</u>	<u>\$233,000</u>	<u>\$237,000</u>
Total 89.92%	\$23,411,815	\$35,900	\$359,000	\$539,000	\$719,000	\$733,000	\$749,000	\$762,000	\$779,000	\$794,000	\$811,000	\$827,000	\$841,000

¹ Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area 8
Port of San Francisco

Property Tax Projection	NPV ²	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40
Incremental AV on Tax Roll (\$1,000s) ¹		\$95,560	\$97,471	\$99,421	\$101,409	\$103,437	\$105,506	\$107,616	\$109,768	\$111,964	\$114,203	\$116,487	\$118,817
Property Tax Increment at 1% <i>1.00%</i>	\$26,036,766	\$955,599	\$974,711	\$994,205	\$1,014,089	\$1,034,371	\$1,055,059	\$1,076,160	\$1,097,683	\$1,119,637	\$1,142,029	\$1,164,870	\$1,188,167
Property Tax Distributed to IFD													
General Fund <i>64.59%</i>	\$16,815,784	\$618,000	\$629,000	\$643,000	\$654,000	\$668,000	\$681,000	\$695,000	\$708,000	\$724,000	\$738,000	\$752,000	\$768,000
ERAF <i>25.33%</i>	\$6,596,031	<u>\$242,000</u>	<u>\$247,000</u>	<u>\$252,000</u>	<u>\$257,000</u>	<u>\$262,000</u>	<u>\$267,000</u>	<u>\$273,000</u>	<u>\$278,000</u>	<u>\$284,000</u>	<u>\$289,000</u>	<u>\$295,000</u>	<u>\$301,000</u>
Total <i>89.92%</i>	\$23,411,815	\$860,000	\$876,000	\$895,000	\$911,000	\$930,000	\$948,000	\$968,000	\$986,000	\$1,008,000	\$1,027,000	\$1,047,000	\$1,069,000

¹ Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area 8
Port of San Francisco

Property Tax Projection	NPV ²	FY 40/41	FY 41/42	FY 42/43	FY 43/44	FY 44/45	FY 45/46	FY 46/47	FY 47/48	FY 48/49	FY 49/50	FY 50/51	FY 51/52
Incremental AV on Tax Roll (\$1,000s) ¹		\$121,193	\$123,617	\$126,089	\$128,611	\$131,183	\$133,807	\$136,483	\$139,213	\$141,997	\$144,837	\$147,734	\$150,688
Property Tax Increment at 1% <i>1.00%</i>	\$26,036,766	\$1,211,931	\$1,236,169	\$1,260,893	\$1,286,111	\$1,311,833	\$1,338,069	\$1,364,831	\$1,392,127	\$1,419,970	\$1,448,369	\$1,477,337	\$1,506,884
Property Tax Distributed to IFD													
General Fund <i>64.59%</i>	\$16,815,784	\$782,000	\$799,000	\$816,000	\$831,000	\$847,000	\$863,000	\$881,000	\$900,000	\$917,000	\$935,000	\$954,000	\$974,000
ERAF <i>25.33%</i>	\$6,596,031	<u>\$307,000</u>	<u>\$313,000</u>	<u>\$319,000</u>	<u>\$326,000</u>	<u>\$332,000</u>	<u>\$339,000</u>	<u>\$346,000</u>	<u>\$353,000</u>	<u>\$360,000</u>	<u>\$367,000</u>	<u>\$374,000</u>	<u>\$382,000</u>
Total <i>89.92%</i>	\$23,411,815	\$1,089,000	\$1,112,000	\$1,135,000	\$1,157,000	\$1,179,000	\$1,202,000	\$1,227,000	\$1,253,000	\$1,277,000	\$1,302,000	\$1,328,000	\$1,356,000

¹ Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area 8
Port of San Francisco

Property Tax Projection	NPV ²	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61	FY 61/62
Incremental AV on Tax Roll (\$1,000s) ¹		\$153,702	\$156,776	\$159,912	\$163,110	\$166,372	\$169,700	\$173,094	\$176,555	\$180,087	\$183,688
Property Tax Increment at 1% <i>1.00%</i>	\$26,036,766	\$1,537,021	\$1,567,762	\$1,599,117	\$1,631,099	\$1,663,721	\$1,696,996	\$1,730,935	\$1,765,554	\$1,800,865	\$1,836,883
Property Tax Distributed to IFD											
General Fund <i>64.59%</i>	\$16,815,784	\$992,000	\$1,012,000	\$1,033,000	\$1,054,000	\$1,075,000	\$1,095,000	\$1,118,000	\$1,140,000	\$1,163,000	\$1,186,000
ERAF <i>25.33%</i>	\$6,596,031	<u>\$389,000</u>	<u>\$397,000</u>	<u>\$405,000</u>	<u>\$413,000</u>	<u>\$421,000</u>	<u>\$430,000</u>	<u>\$438,000</u>	<u>\$447,000</u>	<u>\$456,000</u>	<u>\$465,000</u>
Total <i>89.92%</i>	\$23,411,815	\$1,381,000	\$1,409,000	\$1,438,000	\$1,467,000	\$1,496,000	\$1,525,000	\$1,556,000	\$1,587,000	\$1,619,000	\$1,651,000

¹ Table 4

Table 6
Appendix G-1
Loan Advances to be Repaid by IFD
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

Loan Terms	Interest Rate	Term	DCR	Issuance
				Costs
Port Loan	4.41%	15		
Developer Loan	¹ 4.50%	15		1%
IFD or CFD Bond	6.50%	30	110%	10%

Interest rate shall be rate set forth in the most senior construction loan for the initial improvements. ODI pro forma dated 3/27/15 reflects a construction loan rate of 4.5%.

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	Total
Gross Loan Amounts							
Port Loan for Bldg. 102	\$3,203,429	\$0	\$0	\$0	\$0	\$0	\$3,203,429
Developer Required Reimbursements to Port (Amounts to be credited against outstanding Deferred Port Transaction Costs. Effectively a Port Loan to IFD)	\$300,049	\$225,726	\$0	\$0	\$0	\$0	\$525,776
Developer Loan for "Not Required/Other Tasks"	\$303,883	\$486,801	\$0	\$0	\$0	\$0	\$790,684
IFD or CFD Bonds				\$0	\$0	\$8,701,827	\$8,701,827
Net Loan Proceeds							
Port Loan for Bldg. 102	\$3,203,429	\$0	\$0	\$0	\$0	\$0	\$3,203,429
Developer Required Reimbursements to Port (Effectively a Port Loan to IFD)	\$300,049	\$225,726	\$0	\$0	\$0	\$0	\$525,776
Developer Loan for "Not Required Tasks"	\$300,844	\$481,933	\$0	\$0			\$782,777
IFD or CFD Bonds	\$0	\$0	\$0	\$0	\$0	\$7,831,644	\$7,831,644

Table 7
Appendix G-1
Amortization of Developer and Port Loans
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Developer Loan #1 - Other Tasks						
Beginning Balance	\$303,883	\$299,558	\$133,538	\$0	\$0	
Payments	\$18,000	\$179,500	\$139,547	\$0	\$0	
Interest	\$13,675	\$13,480	\$6,009	\$0	\$0	
Remaining Balance	\$299,558	\$133,538	\$0	\$0	\$0	
Developer Loan #2 - Other Tasks						
Beginning Balance		\$486,801	\$508,707	\$401,646	\$0	
Payments		\$0	\$129,953	\$419,720	\$0	
Interest		\$21,906	\$22,892	\$18,074	\$0	
Remaining Balance		\$508,707	\$401,646	\$0	\$0	
Port Loan #1 - Bldg 102						
Beginning Balance	\$3,203,429	\$3,326,700	\$3,293,907	\$3,169,669	\$3,010,171	\$2,409,920
Payments	\$18,000	\$179,500	\$269,500	\$299,280	\$733,000	\$2,516,197
Interest	\$141,271	\$146,707	\$145,261	\$139,782	\$132,749	\$106,277
Remaining Balance	\$3,326,700	\$3,293,907	\$3,169,669	\$3,010,171	\$2,409,920	\$0
Port Loan #2 - Req'd Reimbursement , 2016/17						
Beginning Balance	\$300,049	\$313,281	\$327,097	\$341,522	\$356,583	\$372,308
Payments	\$0	\$0	\$0	\$0	\$0	\$388,727
Interest	\$13,232	\$13,816	\$14,425	\$15,061	\$15,725	\$16,419
Remaining Balance	\$313,281	\$327,097	\$341,522	\$356,583	\$372,308	\$0
Port Loan #3 - Req'd Reimbursement , 2017/18						
Beginning Balance		\$225,726	\$235,681	\$246,075	\$256,926	\$268,257
Payments		\$0	\$0	\$0	\$0	\$280,087
Interest		\$9,955	\$10,394	\$10,852	\$11,330	\$11,830
Remaining Balance		\$235,681	\$246,075	\$256,926	\$268,257	\$0

Table 8
Appendix G-1
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

Public Facilities to be Funded by IFD

	<u>Total Cost</u>	<u>Est.</u>	<u>Party to</u>	<u>ODI Funding</u>	<u>Estimated Allocation</u>	
	<u>2015/16</u>	<u>Completion</u>	<u>Funds</u>	<u>Requirements per DDA¹</u>	<u>Required</u>	<u>Other</u>
Illinois St., East Sidewalk	\$27,517	FY 2016/17	ODI	Required/Other	\$13,759	\$13,759
Traffic Signal at 20th /Illinois ²	\$70,643	FY 2017/18	ODI	Required	\$70,643	
20th St., north side (west of Georgia)	\$31,165	FY 2016/17	ODI	Required	\$31,165	
20th St. at Georgia	\$31,937	FY 2016/17	ODI	Other task		\$31,937
20th St., north side (east of Georgia)	\$20,125	FY 2016/17	Port			
20th and Louisiana Intersection	\$54,477	FY 2016/17	ODI	Required/Other	\$27,239	\$27,239
Louisiana Street	\$340,809	FY 2016/17	ODI	Required/Other	\$170,405	\$170,405
20th Street, south side	\$97,486	FY 2016/17	ODI	Required/Other	\$48,743	\$48,743
Michigan Street	\$284,252	FY 2017/18	ODI	Required/Other	\$142,126	\$142,126
Street Lighting	\$312,142	FY 2017/18	ODI	Other task	0	\$312,142
Bldg. 102 Electrical Improvements	\$3,090,000	FY 2016/17	Port		\$504,079	\$746,350
Total facilities, before Crane Cove Park	\$4,360,553					
Crane Cove Park Improvements	\$13,899,123					
Total Public Facilities to be funded by IFD	\$18,259,676					

¹ Under the DDA, Orton must advance funds to pay for all Required ODI Tasks (aka Required Port Benefit Tasks). Although Orton will be reimbursed for the Certified Port Benefit Costs, such costs will be reduced by 100% of the outstanding deferred Port Transaction Costs, if any, and the remaining balance of Certified Port Benefit Costs after application of any outstanding Deferred Port Transaction Costs ("Outstanding Port Benefit Cost") will accrue simple interest on a monthly basis at a rate equal to the monthly interest rate set forth in the most senior construction loan for the initial improvements. Port Transaction Costs total \$1 million. Given that Required Port Benefit Tasks total approximately \$504,000, it is assumed that ODI's advance of these funds will be credited against the Port Transaction Cost obligation.

ATTACHMENT 1:
FISCAL AND ECONOMIC IMPACT ANALYSIS
PIER 70 – HISTORIC CORE



KEYSER MARSTON ASSOCIATES

FISCAL AND ECONOMIC IMPACT ANALYSIS PIER 70 – HISTORIC CORE

Prepared for
Port of San Francisco

Prepared by:
Keyser Marston Associates, Inc.

November 4, 2015

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I. EXECUTIVE SUMMARY

This report has been prepared to comply with Threshold Criteria 5 of the adopted and amended “Guidelines for the Establishment and Use of an Infrastructure Financing District (IFD) with Project Areas on Land under the Jurisdiction of the San Francisco Port Commission”. Pursuant to the Guidelines, the financing plan for each Port IFD must: 1) demonstrate that the Project will generate a net economic benefit; and 2) project the net fiscal impact to the City’s General Fund over the term of the IFD.¹

The subject Project is the rehabilitation of the 20th Street historic buildings on Pier 70 to be undertaken by Historic Pier 70, LLC, which is a development entity formed by Orton Development, Inc. (ODI). A more detailed description of the Project is provided in Section IIA. The Port and ODI have executed a series of transaction documents, including a Lease Disposition and Development Agreement (LDDA) and Lease No. L-15814 to govern the construction and operation of the property over the 66-year lease term. This analysis reflects the terms of the governing agreements and the operating projections contained in the development pro forma submitted by ODI on March 27, 2015, which is the most recent available pro forma.

This analysis is an update of the fiscal and economic impact estimates contained in the “Fiscal Responsibility and Feasibility” report submitted by the Port for the Pier 70 – Historic Core Project, which was adopted by the Board of Supervisors in 2012.

- 1. Fiscal Benefits to the City of San Francisco.** The rehabilitated buildings are anticipated to generate a significant annual net surplus to the City’s General Fund. On-going revenues to the City directly generated by the Project include new gross receipts taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, utility user taxes, and other taxes. General Fund expenses generated by the Project will be comprised of police, fire, and emergency medical services. It is estimated that the net present value of the surplus over the Infrastructure Financing District (IFD) term to the City’s General Fund will total from \$5.1 million to \$8.0 million, depending on the magnitude of gross receipts tax to be generated by the Project’s tenants. On an annual basis, it is estimated that upon stabilization, the Project will generate an annual net General Fund Surplus of \$142,000 to \$273,000 per year.
- 2. Direct, Indirect, and Induced Economic Benefits to the City.** It is estimated that the Project will create approximately 460 full-time jobs, with an average annual payroll of \$31 million and output of \$72 million. In addition to the direct benefits to be generated by the Project, the new businesses and employees will support other businesses in San Francisco and the region through expenditures on materials, retail goods, and services. Total direct,

¹ Threshold Criteria 6,7, and 8 of the Guidelines, which relate to the share to tax increment allocated to the City and ERAF and ERAF’s excess share of tax increment are addressed in the Infrastructure Financing Plan for Pier 70 – Historic Core.

indirect, and induced impacts are anticipated to be 780 jobs with annual payroll of \$50 million and output of \$106 million. Project construction is expected to generate a total direct, indirect, and induced impact of 705 jobs, \$45 million of payroll, and \$115 million of output during the construction period.

- 3. *Long-Term Project Operating and Maintenance Costs.*** The Project will generate an additional demand for police, fire, and emergency medical services from the City of San Francisco. Fire department costs are estimated to total \$2.9 million and police department costs are estimated to total \$900,000 over the term of the IFD. The Project will not generate any new maintenance costs to be borne by the City. The cost to operate and maintain Crane Cover Park is estimated at \$400,000 per year but 100% of these costs will be funded through a Maintenance Community Facilities District. The cost of maintaining the public plaza within the Historic Core leasehold will be privately funded by the tenant.
- 4. *Debt Load to be Carried by the City or the Port.*** The public investment is \$24 million from the City through its Seismic Safety Loan program, which is funded via a general obligation bond, and \$1.5 million to be provided by the Port for Building 113 seismic improvements and \$3 million to be advanced by the Port for improvements to Building 102 to serve the BAE shipbuilding operation. The Port's contribution will be funded from available cash resources.

II. INTRODUCTION

This report has been prepared to comply with Threshold Criteria 5 of the adopted and amended “Guidelines for the Establishment and Use of an Infrastructure Financing District (IFD) with Project Areas on Land under the Jurisdiction of the San Francisco Port Commission”. Pursuant to the Guidelines, the financing plan for each Port IFD must: 1) demonstrate that the Project will generate a net economic benefit; and 2) project the net fiscal impact to the City’s General Fund over the term of the IFD.

This report evaluates the anticipated performance of the proposed rehabilitation project of the 20th Street historic buildings on Pier 70 to be undertaken by Orton Development, Inc. (ODI) relative to these two criteria.

The Port and ODI have executed a series of transaction documents, including a Lease Disposition and Development Agreement (LDDA) and Lease No. L-15814 to govern the construction and operation of the property over the 66-year lease term. This analysis reflects the terms of the governing agreements and the operating projections contained in the development pro forma submitted by ODI on March 27, 2015, which is the most recent available pro forma.

Project Description

The Project focuses on the rehabilitation and tenanting of eight historic structures on Pier 70. These buildings are in need of substantial investment. Several are “red-tagged” due to structural problems and unusable in their current state. Two are unreinforced masonry buildings. All need full system replacements to provide new electrical, fire safety, phone, data, water, sewer and gas utilities. The buildings need to be modernized to address current code requirements for structural stability, exiting, accessibility, and life safety. New roofs are required in most cases as well as remediation of asbestos, lead paint and other hazardous building conditions. A recent Port 10 year Capital Plan estimated that returning these buildings to their current use would cost \$109 million. Transferring this obligation to ODI and bringing these buildings back to productive use is the primary public, financial, and fiscal benefit of this project.

As detailed below, the buildings to be rehabilitated by ODI total 267,000 square feet. The Developer will return the buildings to profitable use while maintaining their historic fabric. As proposed, the Project will be occupied by a mix of light industrial, office, health care, and restaurant uses. Building 101 and 104, as former Bethlehem steel and Union Ironworks office buildings, will return to office use with the technological capabilities required for modern businesses. The former powerhouse (Building 102) will become a restaurant. The Union Ironworks Machine shop (Building 113) will be occupied by health care uses. Surrounding warehouses (Buildings 114/115/116 and Building 14) will return to industrial and educational use as food technology and artisanal production centers, mirroring the high-quality “maker” type

businesses currently thriving in the Dogpatch neighborhood. It is assumed that the tenant mix will be similar in nature to that occupying the neighboring American Industrial Center.

Exhibit 1

Proposed Development Program			
Rehabilitation of 20th Street Historic Buildings at Pier 70			
Building	Land Use	Gross SF	Net SF
Building 101	Office / Light Industrial	61,311	58,245
Building 102	Restaurant	11,266	10,703
Building 104	Office	45,759	43,471
Building 113	Healthcare	77,530	60,743
Building 114	Light Industrial	16,088	15,444
Building 115	Light Industrial	13,078	12,555
Building 116	Light Industrial	25,270	24,259
Building 14	Light Industrial	16,315	15,662
Total		266,617	241,082

III. FINANCIAL BENEFITS

A. Fiscal Benefits to the General Fund of the City of San Francisco

1. Net General Fund Fiscal Impacts

While the primary objective of the Project is to rehabilitate the historic buildings and make them a vibrant part of the surrounding community, the Project is also anticipated to generate a significant amount of annual net revenue to the General Fund of the City and County of San Francisco. As summarized below, it is estimated that in the first year of stabilization (FY 2018/19), the Project will generate approximately \$174,000 in a lower revenue scenario and \$304,000 in a higher revenue scenario, to the General Fund. The net present value of the General Fund surplus over the term of the IFD is estimated to range from \$5.1 million to \$8.04 million.

Exhibit 2

Estimated General Fund Revenue / Expenditure	Lower Revenue Scenario - Gross Receipts Tax Does Not Apply			Higher Revenue Scenario - Gross Receipts Tax Applies to All		
	During Construction FY 15 - FY 17	Post Construction FY 2018/19	Total IFD Term	During Construction FY 15 - FY 17	Post Construction FY 2018/19	Total IFD Term
Revenues						
Possessory Interest Tax						
Not Deposited in IFD	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax	0	0	0	\$119,400	\$193,400	\$17,343,100
Sales Tax	\$78,300	\$68,300	\$6,156,700	\$78,300	\$68,300	\$6,156,700
Utility Users Tax	\$42,700	\$51,300	\$4,607,600	\$42,700	\$51,300	\$4,607,600
Prop. Tax In-Lieu of VLF	\$46,900	\$63,900	\$5,835,500	\$46,900	\$63,900	\$5,835,500
Business Registration Fee	\$48,900	\$58,100	\$5,225,400	\$21,000	\$24,900	\$2,239,500
Property Transfer Tax	\$0	\$0	\$0	\$0	\$0	\$0
Other Taxes and Fees	\$114,500	\$22,800	\$2,144,200	\$114,500	\$22,800	\$2,144,200
Total Revenues	\$331,300	\$264,400	\$23,969,400	\$422,800	\$424,600	\$38,326,600
Expenditures						
Police	\$17,500	\$20,900	\$1,881,300	\$17,500	\$20,900	\$1,881,300
Fire and EMS	\$58,100	\$69,800	\$6,271,400	\$58,100	\$69,800	\$6,271,400
Total Expenditures	\$75,600	\$90,700	\$8,152,700	\$75,600	\$90,700	\$8,152,700
Net General Fund Impact						
<i>Nominal Dollars</i>	\$256,000	\$174,000	\$15,817,000	\$347,000	\$334,000	\$30,174,000
<i>\$2015 (3% discount)</i>	\$234,000	\$159,000	\$7,392,000	\$318,000	\$306,000	\$13,929,000
<i>NPV (7% discount)</i>	\$209,000	\$142,000	\$5,117,000	\$283,000	\$273,000	\$8,041,000

* Parking tax; payroll tax; license, permit, and franchise fees; and fines, forfeitures, and penalties.

The greatest of the anticipated General Fund revenue sources is gross receipts taxes, which could potentially account for 45% of expected revenues. Since businesses generating less than

\$1 million of gross receipts are exempt from the tax and the exact nature of future Project businesses is not known, KMA has analyzed a lower revenue scenario in which the Project businesses are exempt from the gross receipts tax and a higher revenue scenario in which all businesses generate sufficient receipts to be subject to the tax.

The net revenues are made up of Project-generated gross receipts taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, utility users taxes, business registration taxes, parking taxes, and other taxes less anticipated Project service costs attributed to Police, Fire and Emergency Medical Services, as further described below.

2. General Fund Revenues

The Project is estimated to generate approximately \$264,000 to \$425,000 of General Fund revenues in the first stabilized year (FY 2018/19). Over the term of the IFD, General Fund revenues are estimated to total \$11 million to \$18 million, expressed in 2015 dollars. Gross receipts taxes (in the higher revenue scenario), followed by sales taxes, property tax in-lieu of motor vehicle license fees, utility users taxes, and business registration fees, are expected to be the leading categories of General Fund revenue to be generated by the Project. One hundred percent (100%) of General Fund property tax revenues will be dedicated to the Project's IFD, and will not be available to the General Fund until FY 2062/63.

- **Gross Receipts Tax Revenues** – In November 2012, San Francisco voters approved Proposition E instituting a gross receipts tax on businesses operating in the City and County and changing business registration fees. The gross receipts tax replaces the City and County's payroll tax, and phases in from 2014 to 2018.

Businesses generating less than \$1 million each year in gross receipts are exempt from the tax. Since exact information on the operations of businesses to occupy Pier 70 is not available at this time, KMA has estimated General Fund revenues under two scenarios. In the lower revenue scenario the Project businesses are exempt from the tax, and in the higher revenue scenario they are not.

The gross receipts tax is a share of total gross receipts. KMA estimates gross receipts of \$76 million at 100% occupancy based on the relationship between gross receipts and employees determined by the Minnesota IMPLAN Group for San Francisco County. The Minnesota IMPLAN Group produces economic flow models that track inputs and outputs within given geographic areas. KMA then adjusts estimated total gross receipts to reflect Project occupancy in each year of the projection, as outlined in Orton Development Inc.'s 20th Street Historic Buildings Pro Forma. Gross receipts are further adjusted by a 75% factor to reflect certain tax exclusions, such as for receipts generated outside San Francisco, and for bio-tech and clean-tech activities in the first years the tax is in place. The gross receipts phase-in rate is then applied, starting at 25% in 2015 and increasing to 100% in 2018. The gross receipts tax is calculated based on an estimated rate of 0.341% of gross receipts. Per the San

Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax, the tax rate varies by business type and by the amount of gross receipts generated. The 0.341% rate is an average of the rates for business types that we believe are representative of those expected to occupy the Project (retail, wholesale, and services; manufacturing / transportation / warehousing, information, biotechnology, clean technology, and food services; private education / health, administrative, and miscellaneous; and financial / insurance, professional, scientific, and technical services). The average is taken at the most conservative tax rate tier, for gross receipts between \$1 million and \$2.5 million.

Gross receipts taxes are estimated to total \$7.9 million throughout the IFD term (expressed in uninflated dollars), with approximately \$193,000 of gross receipts taxes accruing to the General Fund in FY 2018/19.

- **Sales Tax Revenues** – Sales tax revenues will be generated from Project employee expenditures and restaurant sales. Employee expenditures have been estimated based on weekly urban worker spending in the vicinity of office employment centers as reported in ICSC’s 2012 report, “Office-Worker Retail Spending in a Digital Age.” Restaurant sales have been estimated using an assumed sales productivity level of \$500 per square foot of rentable area. Total employee food spending has been adjusted to eliminate overlap with the projection of gross restaurant sales. The City General Fund portion of sales tax is 1% of taxable sales. This is estimated to generate \$68,000 in FY 2018/19.
- **Property Tax In-Lieu of Motor Vehicle License Fees** – The Project is estimated to generate approximately \$64,000 of property taxes in-lieu of motor vehicle license fees for the General Fund in the first year of stabilization. In accordance with SB 1096 and data from the California State Controller’s Office, revenue from the Project is based on the marginal growth of assessed value.
- **Assessed Value, Tax Increment and Possessory Interest** – The property’s assessed value in FY 2015/16 is zero (\$0). Future assessed value has been estimated based on the capitalized value of the Project’s net operating income upon stabilization, as projected in the Developer’s pro forma. This approach to valuation is based on discussions with representatives of the County’s tax assessor’s office. Given that the property is publicly owned, the private tenant will be responsible for paying possessory interest tax on the property. Because the lease term is longer than 35 years, it has been assumed that the leasehold interest will be valued as equivalent to fee interest for purposes of determining the possessory interest tax obligation. Based on this approach, it is estimated that the property’s assessed value will approximate \$80 million in FY 2019/20 and increase thereafter at the Prop. 13 statutory rate of 2% per year. It is assumed that 100% of the General Fund’s and ERAF’s share of annual possessory interest (tax increment) will be allocated to the IFD for the entire term of the IFD. Table 2a.

- **Utility Users Tax Revenues** – The City and County of San Francisco imposes a 7.5% tax on charges for certain utilities services. These include non-residential telephone, electricity, natural gas, steam, and water services, and both residential and non-residential cellular telephone services. For purposes of this analysis, the utility user’s tax has been estimated based on City and County of San Francisco budget factors for FY 2015/16. The budget factors have been calculated on a per employee basis for electricity, natural gas, steam, and water taxes, and on a per service population basis for telephone services. It is estimated that utility users taxes will generate \$51,000 in the first year of stabilization.

- **Business Registration Fee Revenues** – Per the San Francisco Business and Tax Regulations Code, Article 12: Business Registration, the fee per business is charged by tier based on the level of gross receipts generated. The number of businesses in the Project is calculated using the number of employees per business at the American Industrial Center, which has a similar tenant mix to that proposed by Orton Development Inc. The American Industrial Center is adjacent to the Project and includes 800,000 square feet of a mix of office and light industrial uses. Dun and Bradstreet data indicate that this complex houses approximately 200 businesses with 1,200 employees, or 6 employees per business. Business registration fees are expected to total \$25,000 to \$58,000 in FY 2018/19.

- **Property Transfer Tax Revenues** – The assessor’s office is currently in the process of determining the transfer tax obligation resulting from the execution of the lease. A future sale of the leasehold interest would also generate property transfer tax revenue. Transfer tax revenues have not been included in this analysis given that the obligation has not yet been established.

- **Other Tax Revenues** – The San Francisco City and County General Fund receives a 20% share of the 25% parking tax paid on parking fees per San Francisco Business and Tax Regulations Code Article 9: Tax on Occupancy of Parking in Parking Stations, and 2007’s Proposition A. Monthly fees per parking space are estimated at \$100 for 285 parking spaces. Business and Tax Regulations Code Article 12-A: Payroll Expense Tax specifies that the payroll tax is based on business payroll generated in San Francisco and will be phased out by 2018 as the gross receipts tax is phased in. Licenses, permits, and franchise fees, and fines, forfeitures, and penalties are estimated based on an extrapolation of the current per service population amount generated by San Francisco’s residents and employment base.

- **Escalation** – Gross receipts, employee spending and restaurant sales, utility user spending, parking fees, payroll, licenses, permits, and franchise fees, and fines, forfeitures, and penalties are estimated to increase at an annual rate of 3% per year. The San Francisco Business and Tax Regulations Code specifies that business registration fees are to be adjusted annually according to the increase in the Consumer Price Index for All Urban Consumers in San Francisco / Oakland / San Jose, and this is estimated to be a 3% annual

increase as well. Assessed property values for the purposes of estimating property taxes in lieu of motor vehicle license fees are based on IFD assessed value projections. Assessed values are limited to a maximum increase of 2% per year under Proposition 13.

- ***Inflation Adjustments and Net Present Value*** – In order to measure the revenue projection on a comparable basis across revenue sources, each annual revenue estimate has been converted to 2015 dollars based on a discount rate of 3% per year. To account for the impact of time, net revenues have also been discounted at a rate of 7%.
- ***Employment and Service Population*** – The number of jobs in the Project is estimated based on an average density of two employees per 1,000 square feet. For purposes of estimating Project service population, the analysis assumes that an employee is equivalent to approximately one third of a resident in terms of revenue and expenditure generation. Employment and service population are calculated on Appendix Table A-2.

3. General Fund Expenditures

In the first stabilized year, the Project is estimated to generate \$70,000 of Fire and EMS costs that will impact the City and County General Fund. The Project is also anticipated to generate Police service costs of \$21,000 per year. The cost of maintaining the Project's open space will be funded by the tenant. The cost to operate and maintain Crane Cove Park is estimated to total \$400,000 per year, but this cost will be funded through the establishment of a Maintenance Community Facilities District, which is funded by private tenants. The General Fund will not be responsible for funding the operation/maintenance of Crane Cove Park or public spaces within the Project.

Fire and EMS, and Police expenditures have been estimated from factors based on the cost and service population analysis contained in Economic & Planning Systems, Inc.'s Findings of Fiscal Responsibility and Feasibility - Pier 70 Waterfront Site and Illinois Street Parcel Report from May 21, 2013.

- ***Fire and EMS Expenditures*** – According to the EPS report, the allocation of costs for the new Public Safety Building in Mission Bay (Station 4) to the Pier 70 Waterfront and Illinois Street parcels is \$2.4 million per year. Based on the service population estimated from the EPS analysis, KMA's analysis uses a factor of \$394 per unit of service population to calculate Fire and EMS costs.
- ***Police Expenditures*** – The factor for Police expenditures is \$118 per unit of service population, based on the cost of one patrol unit needed to serve the Pier 70 Waterfront and Illinois Street parcels in EPS's report.

- **Public Open Space** – The Project’s tenant will be responsible for maintaining the Project’s open space. Crane Cove Park will be maintained through the establishment of a Maintenance CFD to be funded by private tenants.
- **Employment and Service Population** – As for the Project revenue estimates, the number of jobs is estimated based on two employees per 1,000 square feet, and the service population assumes one employee is equivalent to one third of a resident.

B. Economic Benefits to the City and County of San Francisco

It is estimated that the Project will create approximately 460 direct full-time jobs, with an average annual payroll of \$31 million and output of \$72 million, on an on-going basis once it is complete. In addition to the direct benefits, the new businesses and the employees will support other businesses in San Francisco and the region through expenditures on materials, retail goods, and services. Including these indirect and induced economic impacts, the Project is anticipated to result in a total of 780 jobs, \$50 million of annual payroll, and \$106 million of output city- and county-wide.

The construction of the Project is estimated to create 471 direct jobs, \$32 million of direct payroll, and \$79 million of direct output over the 3-year period during which building takes place. Total direct, indirect, and induced construction period impacts are expected to be approximately 707 jobs, \$45 million of payroll, and \$115 million of output.

Direct jobs are calculated based on project size, occupancy, and a density of 2 employees per 1,000 square feet. Direct payroll combines employment with the average Employment Development Department wages for occupations likely to be represented in the Project. Annual direct output is based on the relationship between jobs and output in San Francisco County according to the Minnesota IMPLAN Group.

Indirect and induced employment impacts are estimated using IMPLAN multipliers for San Francisco County which have been developed by the Minnesota IMPLAN Group. IMPLAN multipliers are applied to estimated direct economic impacts to arrive at the total direct, indirect, and induced impacts to be produced by the Project.

Exhibit 3

Economic Benefits to the City and County of San Francisco	On-Going			Construction Period		
	Jobs	Payroll (\$M)	Output (\$M)	Jobs	Payroll (\$M)	Output (\$M)
Direct	458	\$31.4	\$71.8	471	\$31.6	\$79.0
Indirect and Induced	321	\$19.0	\$34.7	236	\$13.4	\$36.4
Total Direct, Indirect, and Induced	779	\$50.4	\$106.5	707	\$45.0	\$115.4

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

Revenue / Expenditure	\$2015 ⁴	Total IFD Term	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
General Fund Revenues ¹														
Property Tax Not Deposited to IFD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	\$2,775,600	\$5,835,500	\$0	\$4,300	\$42,600	\$63,900	\$85,200	\$86,900	\$88,700	\$90,500	\$92,300	\$94,100	\$96,000	\$97,900
Property Transfer Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax	\$2,822,800	\$6,156,700	\$0	\$14,700	\$63,600	\$68,300	\$70,300	\$72,400	\$74,600	\$76,800	\$79,100	\$81,500	\$84,000	\$86,500
Parking Tax	\$735,400	\$1,602,400	\$0	\$4,400	\$17,200	\$17,800	\$18,300	\$18,800	\$19,400	\$20,000	\$20,600	\$21,200	\$21,800	\$22,500
Payroll Tax	\$83,900	\$88,600	\$0	\$13,700	\$74,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax	\$7,901,000	\$17,343,100	\$0	\$6,900	\$112,500	\$193,400	\$199,200	\$205,200	\$211,400	\$217,700	\$224,200	\$231,000	\$237,900	\$245,000
Business Registration Fee	\$0	\$0												
If Gr Receipts < \$1 M	\$2,387,000	\$5,225,400	\$0	\$4,300	\$44,600	\$58,100	\$59,900	\$61,700	\$63,500	\$65,400	\$67,400	\$69,400	\$71,500	\$73,600
If Gr Receipts > \$1 M	\$1,023,000	\$2,239,500	\$0	\$1,900	\$19,100	\$24,900	\$25,700	\$26,400	\$27,200	\$28,000	\$28,900	\$29,700	\$30,600	\$31,600
Utility Users Tax	\$2,104,500	\$4,607,600	\$0	\$3,600	\$39,100	\$51,300	\$52,800	\$54,400	\$56,000	\$57,700	\$59,400	\$61,200	\$63,000	\$64,900
License, Permit, Franchise Fees	\$177,200	\$387,900	\$0	\$300	\$3,300	\$4,300	\$4,400	\$4,600	\$4,700	\$4,900	\$5,000	\$5,200	\$5,300	\$5,500
Fines, Forfeitures, Penalties	\$29,800	\$65,300	\$0	\$100	\$600	\$700	\$700	\$800	\$800	\$800	\$800	\$900	\$900	\$900
	\$0	\$0												
Total if Avg Gr Receipts < \$1 M	\$11,116,200	\$23,969,400	\$0	\$45,400	\$285,900	\$264,400	\$291,600	\$299,600	\$307,700	\$316,100	\$324,600	\$333,500	\$342,500	\$351,800
Total if Avg Gr Receipts > \$1 M	\$17,653,200	\$38,326,600	\$0	\$49,900	\$372,900	\$424,600	\$456,600	\$469,500	\$482,800	\$496,400	\$510,300	\$524,800	\$539,500	\$554,800
General Fund Expenditures ²														
Police	\$859,300	\$1,881,300	\$0	\$1,500	\$16,000	\$20,900	\$21,600	\$22,200	\$22,900	\$23,600	\$24,300	\$25,000	\$25,700	\$26,500
Fire and EMS	\$2,864,400	\$6,271,400	\$0	\$4,900	\$53,200	\$69,800	\$71,900	\$74,000	\$76,200	\$78,500	\$80,900	\$83,300	\$85,800	\$88,400
Portion of Crane Cove Park	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0												
Total General Fund Expend.	\$3,723,800	\$8,152,700	\$0	\$6,400	\$69,200	\$90,700	\$93,500	\$96,200	\$99,100	\$102,100	\$105,200	\$108,300	\$111,500	\$114,900
Net General Fund Impact														
If Average Gr Receipts < \$1 M	\$7,392,400	\$15,816,700	\$0	\$39,000	\$216,700	\$173,700	\$198,100	\$203,400	\$208,600	\$214,000	\$219,400	\$225,200	\$231,000	\$236,900
If Average Gr Receipts > \$1 M	\$13,929,400	\$30,173,900	\$0	\$43,500	\$303,700	\$333,900	\$363,100	\$373,300	\$383,700	\$394,300	\$405,100	\$416,500	\$428,000	\$439,900

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue / Expenditure	\$2015 ⁴	Total IFD Term	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39
General Fund Revenues ¹														
Property Tax Not Deposited to IFD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	\$2,775,600	\$5,835,500	\$99,900	\$101,900	\$103,900	\$106,000	\$108,100	\$110,300	\$112,500	\$114,700	\$117,000	\$119,400	\$121,700	\$124,200
Property Transfer Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax	\$2,822,800	\$6,156,700	\$89,100	\$91,700	\$94,500	\$97,300	\$100,200	\$103,200	\$106,300	\$109,500	\$112,800	\$116,200	\$119,700	\$123,300
Parking Tax	\$735,400	\$1,602,400	\$23,200	\$23,900	\$24,600	\$25,300	\$26,100	\$26,900	\$27,700	\$28,500	\$29,300	\$30,200	\$31,100	\$32,100
Payroll Tax	\$83,900	\$88,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax	\$7,901,000	\$17,343,100	\$252,400	\$259,900	\$267,700	\$275,800	\$284,000	\$292,600	\$301,300	\$310,400	\$319,700	\$329,300	\$339,200	\$349,300
Business Registration Fee	\$0	\$0												
If Gr Receipts < \$1 M	\$2,387,000	\$5,225,400	\$75,900	\$78,100	\$80,500	\$82,900	\$85,400	\$87,900	\$90,600	\$93,300	\$96,100	\$99,000	\$101,900	\$105,000
If Gr Receipts > \$1 M	\$1,023,000	\$2,239,500	\$32,500	\$33,500	\$34,500	\$35,500	\$36,600	\$37,700	\$38,800	\$40,000	\$41,200	\$42,400	\$43,700	\$45,000
Utility Users Tax	\$2,104,500	\$4,607,600	\$66,900	\$68,900	\$71,000	\$73,100	\$75,300	\$77,500	\$79,900	\$82,300	\$84,700	\$87,300	\$89,900	\$92,600
License, Permit, Franchise Fees	\$177,200	\$387,900	\$5,600	\$5,800	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,600	\$7,800
Fines, Forfeitures, Penalties	\$29,800	\$65,300	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
	\$0	\$0												
Total If Avg Gr Receipts < \$1 M	\$11,116,200	\$23,969,400	\$361,500	\$371,300	\$381,500	\$391,800	\$402,500	\$413,400	\$424,800	\$436,400	\$448,200	\$460,600	\$473,200	\$486,300
Total If Avg Gr Receipts > \$1 M	\$17,653,200	\$38,326,600	\$570,500	\$586,600	\$603,200	\$620,200	\$637,700	\$655,800	\$674,300	\$693,500	\$713,000	\$733,300	\$754,200	\$775,600
General Fund Expenditures ²														
Police	\$859,300	\$1,881,300	\$27,300	\$28,100	\$29,000	\$29,800	\$30,700	\$31,700	\$32,600	\$33,600	\$34,600	\$35,600	\$36,700	\$37,800
Fire and EMS	\$2,864,400	\$6,271,400	\$91,000	\$93,800	\$96,600	\$99,500	\$102,500	\$105,500	\$108,700	\$112,000	\$115,300	\$118,800	\$122,400	\$126,000
Portion of Crane Cove Park	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0												
Total General Fund Expend.	\$3,723,800	\$8,152,700	\$118,300	\$121,900	\$125,600	\$129,300	\$133,200	\$137,200	\$141,300	\$145,600	\$149,900	\$154,400	\$159,100	\$163,800
Net General Fund Impact														
If Average Gr Receipts < \$1 M	\$7,392,400	\$15,816,700	\$243,200	\$249,400	\$255,900	\$262,500	\$269,300	\$276,200	\$283,500	\$290,800	\$298,300	\$306,200	\$314,100	\$322,500
If Average Gr Receipts > \$1 M	\$13,929,400	\$30,173,900	\$452,200	\$464,700	\$477,600	\$490,900	\$504,500	\$518,600	\$533,000	\$547,900	\$563,100	\$578,900	\$595,100	\$611,800

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue / Expenditure	\$2015 ⁴	Total IFD Term	FY 39/40	FY 40/41	FY 41/42	FY 42/43	FY 43/44	FY 44/45	FY 45/46	FY 46/47	FY 47/48	FY 48/49	FY 49/50	FY 50/51
General Fund Revenues ¹														
Property Tax Not Deposited to IFD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	\$2,775,600	\$5,835,500	\$126,700	\$129,200	\$131,800	\$134,400	\$137,100	\$139,800	\$142,600	\$145,500	\$148,400	\$151,400	\$154,400	\$157,500
Property Transfer Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax	\$2,822,800	\$6,156,700	\$127,000	\$130,800	\$134,700	\$138,800	\$142,900	\$147,200	\$151,600	\$156,200	\$160,900	\$165,700	\$170,700	\$175,800
Parking Tax	\$735,400	\$1,602,400	\$33,000	\$34,000	\$35,000	\$36,100	\$37,200	\$38,300	\$39,400	\$40,600	\$41,800	\$43,100	\$44,400	\$45,700
Payroll Tax	\$83,900	\$88,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax	\$7,901,000	\$17,343,100	\$359,800	\$370,600	\$381,700	\$393,200	\$405,000	\$417,100	\$429,600	\$442,500	\$455,800	\$469,500	\$483,600	\$498,100
Business Registration Fee	\$0	\$0												
If Gr Receipts < \$1 M	\$2,387,000	\$5,225,400	\$108,100	\$111,400	\$114,700	\$118,200	\$121,700	\$125,400	\$129,100	\$133,000	\$137,000	\$141,100	\$145,300	\$149,700
If Gr Receipts > \$1 M	\$1,023,000	\$2,239,500	\$46,300	\$47,700	\$49,200	\$50,600	\$52,200	\$53,700	\$55,300	\$57,000	\$58,700	\$60,500	\$62,300	\$64,200
Utility Users Tax	\$2,104,500	\$4,607,600	\$95,400	\$98,200	\$101,200	\$104,200	\$107,300	\$110,600	\$113,900	\$117,300	\$120,800	\$124,400	\$128,200	\$132,000
License, Permit, Franchise Fees	\$177,200	\$387,900	\$8,000	\$8,300	\$8,500	\$8,800	\$9,000	\$9,300	\$9,600	\$9,900	\$10,200	\$10,500	\$10,800	\$11,100
Fines, Forfeitures, Penalties	\$29,800	\$65,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900
	\$0	\$0												
Total If Avg Gr Receipts < \$1 M	\$11,116,200	\$23,969,400	\$499,600	\$513,300	\$527,300	\$542,000	\$556,700	\$572,200	\$587,800	\$604,200	\$620,800	\$638,000	\$655,600	\$673,700
Total If Avg Gr Receipts > \$1 M	\$17,653,200	\$38,326,600	\$797,600	\$820,200	\$843,500	\$867,600	\$892,200	\$917,600	\$943,600	\$970,700	\$998,300	\$1,026,900	\$1,056,200	\$1,086,300
General Fund Expenditures ²														
Police	\$859,300	\$1,881,300	\$38,900	\$40,100	\$41,300	\$42,600	\$43,800	\$45,100	\$46,500	\$47,900	\$49,300	\$50,800	\$52,300	\$53,900
Fire and EMS	\$2,864,400	\$6,271,400	\$129,800	\$133,700	\$137,700	\$141,800	\$146,100	\$150,500	\$155,000	\$159,600	\$164,400	\$169,400	\$174,400	\$179,700
Portion of Crane Cove Park	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0												
Total General Fund Expend.	\$3,723,800	\$8,152,700	\$168,700	\$173,800	\$179,000	\$184,400	\$189,900	\$195,600	\$201,500	\$207,500	\$213,700	\$220,200	\$226,700	\$233,600
Net General Fund Impact														
If Average Gr Receipts < \$1 M	\$7,392,400	\$15,816,700	\$330,900	\$339,500	\$348,300	\$357,600	\$366,800	\$376,600	\$386,300	\$396,700	\$407,100	\$417,800	\$428,900	\$440,100
If Average Gr Receipts > \$1 M	\$13,929,400	\$30,173,900	\$628,900	\$646,400	\$664,500	\$683,200	\$702,300	\$722,000	\$742,100	\$763,200	\$784,600	\$806,700	\$829,500	\$852,700

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue / Expenditure	\$2015 ⁴	Total IFD Term	FY 51/52	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61	FY 61/62
General Fund Revenues ¹													
Property Tax Not Deposited to IFD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	\$2,775,600	\$5,835,500	\$160,600	\$163,800	\$167,100	\$170,500	\$173,900	\$177,400	\$180,900	\$184,500	\$188,200	\$192,000	\$195,800
Property Transfer Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax	\$2,822,800	\$6,156,700	\$181,000	\$186,500	\$192,100	\$197,800	\$203,800	\$209,900	\$216,200	\$222,700	\$229,300	\$236,200	\$243,300
Parking Tax	\$735,400	\$1,602,400	\$47,100	\$48,500	\$49,900	\$51,400	\$53,000	\$54,600	\$56,200	\$57,900	\$59,600	\$61,400	\$63,300
Payroll Tax	\$83,900	\$88,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax	\$7,901,000	\$17,343,100	\$513,000	\$528,400	\$544,300	\$560,600	\$577,400	\$594,700	\$612,600	\$630,900	\$649,900	\$669,400	\$689,400
Business Registration Fee	\$0	\$0											
If Gr Receipts < \$1 M	\$2,387,000	\$5,225,400	\$154,200	\$158,800	\$163,600	\$168,500	\$173,500	\$178,700	\$184,100	\$189,600	\$195,300	\$201,200	\$207,200
If Gr Receipts > \$1 M	\$1,023,000	\$2,239,500	\$66,100	\$68,100	\$70,100	\$72,200	\$74,400	\$76,600	\$78,900	\$81,300	\$83,700	\$86,200	\$88,800
Utility Users Tax	\$2,104,500	\$4,607,600	\$136,000	\$140,000	\$144,200	\$148,600	\$153,000	\$157,600	\$162,400	\$167,200	\$172,200	\$177,400	\$182,700
License, Permit, Franchise Fees	\$177,200	\$387,900	\$11,400	\$11,800	\$12,100	\$12,500	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,400
Fines, Forfeitures, Penalties	\$29,800	\$65,300	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600
	\$0	\$0											
Total If Avg Gr Receipts < \$1 M	\$11,116,200	\$23,969,400	\$692,200	\$711,400	\$731,000	\$751,400	\$772,300	\$793,700	\$815,800	\$838,400	\$861,500	\$885,600	\$910,300
Total If Avg Gr Receipts > \$1 M	\$17,653,200	\$38,326,600	\$1,117,100	\$1,149,100	\$1,181,800	\$1,215,700	\$1,250,600	\$1,286,300	\$1,323,200	\$1,361,000	\$1,399,800	\$1,440,000	\$1,481,300
General Fund Expenditures ²													
Police	\$859,300	\$1,881,300	\$55,500	\$57,200	\$58,900	\$60,700	\$62,500	\$64,400	\$66,300	\$68,300	\$70,300	\$72,400	\$74,600
Fire and EMS	\$2,864,400	\$6,271,400	\$185,100	\$190,600	\$196,300	\$202,200	\$208,300	\$214,600	\$221,000	\$227,600	\$234,400	\$241,500	\$248,700
Portion of Crane Cove Park	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0											
Total General Fund Expend.	\$3,723,800	\$8,152,700	\$240,600	\$247,800	\$255,200	\$262,900	\$270,800	\$279,000	\$287,300	\$295,900	\$304,700	\$313,900	\$323,300
Net General Fund Impact													
If Average Gr Receipts < \$1 M	\$7,392,400	\$15,816,700	\$451,600	\$463,600	\$475,800	\$488,500	\$501,500	\$514,700	\$528,500	\$542,500	\$556,800	\$571,700	\$587,000
If Average Gr Receipts > \$1 M	\$13,929,400	\$30,173,900	\$876,500	\$901,300	\$926,600	\$952,800	\$979,800	\$1,007,300	\$1,035,900	\$1,065,100	\$1,095,100	\$1,126,100	\$1,158,000

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 2
Development Program and Employment Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

Source: 20th Street Historic Bldgs Proforma 03/27/15 (Orton Development Inc.)

Project Program	Land Use	Building Size		Taxable Net SF		% Occupancy ¹				Occupied Net Square Feet			
		Gross SF	Net SF	%	SF	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Building 101	Office / Light Industrial	61,311	58,245	100.0%	58,245	0%	25%	70%	95%	0	14,561	40,772	55,333
Building 102	Restaurant	11,266	10,703	100.0%	10,703	0%	25%	95%	95%	0	2,676	10,168	10,168
Building 104	Office - Non Profit	45,759	43,471	100.0%	43,471	0%	0%	75%	95%	0	0	32,603	41,297
Building 113	Healthcare - Non Profit	77,530	60,743	100.0%	60,743	0%	0%	75%	95%	0	0	45,557	57,706
Building 114	Light Industrial	16,088	15,444	100.0%	15,444	0%	0%	75%	95%	0	0	11,583	14,672
Building 115	Light Industrial	13,078	12,555	100.0%	12,555	0%	0%	75%	95%	0	0	9,416	11,927
Building 116	Light Industrial	25,270	24,259	100.0%	24,259	0%	0%	75%	95%	0	0	18,194	23,046
Building 14	Light Industrial - Non Profit	16,315	15,662	100.0%	15,662	0%	0%	75%	95%	0	0	11,747	14,879
		266,617	241,082	100.0%	241,082					0	17,237	180,040	229,028
Piazza / Parking / Site	Parking Spaces (ODI = 75; Port = 210)		285							-	75	210	0
Cumulative Employment										FY 15/16	FY 16/17	FY 17/18	FY 18/19
Employees / Jobs	2.00 per 1,000 net sf									-	34	360	458
Service Population	0.33 per employee									-	11	120	153

¹ Based on ODI proforma; KMA adjusted to match construction completion to fiscal years.

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

Global Escalation Assumptions

Assessed Value Annual Growth	2%
Other Revenues Annual Growth	3%

2015 City/County Service Population Estimate for Averages

Resident Population ¹	845,602
Employment Base ²	613,200
Service Population ³	1,050,002

City and County General Fund

Possessory Interest Tax ⁴ 0% share remaining after IFD

Property Tax in Lieu of VLF ⁵

Property Tax Based Revenue 2004-05 ⁶	\$109,881,177
2004-05 City of San Francisco Gross Assessed Value ⁶	\$103,076,295,556
Property Tax in Lieu of VLF per \$1,000 in AV Growth	\$1.07

Property Transfer Tax

Year of Sale ⁷	9
Sale Value in Year of Sale ⁷	\$87,000,000
Tax Rate per \$500 of value ⁸	\$12.50

Sales Tax

Sales Tax Rate ⁹	1.00%
Employee Spending	
Potential Non-Restaurant Weekly Spending ¹⁰	\$45.52
Weeks at Work per Year ¹¹	50
Potential Annual Non-Restaurant Spending	\$2,276
San Francisco Capture ¹¹	100%
Potential Annual Non-Restaurant Spending per Employee	\$2,276
Potential Restaurant Weekly Spending ¹⁰	\$26.29
Weeks at Work per Year ¹¹	50
Potential Annual Restaurant Spending	\$1,315
San Francisco Capture ¹¹	100.00%
Employee Spending at Project Restaurant ¹¹	80%
Potential Annual Non-Project Rest. Spending per Employee	\$263
Taxable Sales by Project Restaurant	
Rentable Square Feet	10,703
Sales per Rentable SF ¹¹	\$500

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

City and County General Fund (continued)

Parking Tax

Revenue per Space per Month ⁷	\$100
Parking Occupancy Rate ⁷	95%
San Francisco Parking Tax Rate ¹²	25%
Parking Tax Revenue Allocation to General Fund ¹³	20%

Payroll Expense and Gross Receipts Tax ¹⁴

Eligibility

Project Rentable Square Feet ¹⁵	241,082
Project Occupied Rentable Square Feet at 5% Vacancy	229,028
Average Number of Employees per Business ¹⁶	6
Employees per 1,000 Square Feet	2
Square Foot per Business	3,000
Occupied Businesses in Project	76
Estimated Total Project Payroll at 95% Occupancy ¹⁷	\$31,406,000
Estimated Total Project Payroll at 100% Occupancy ¹⁸	\$33,058,947
Payroll > \$260,000 per Business for Payroll Tax ¹⁹	\$411,382 (eligible)
Estimated Total Project Gross Receipts at 95% Occupancy ¹⁷	\$71,789,000
Estimated Total Project Gross Receipts at 100% Occupancy ¹⁸	\$75,567,368
Gross Receipts > \$1,000,000 per Gross Receipts Tax ²⁰	\$940,353 (not eligible)

Payroll Expense Tax

Exemptions and Adjustment for San Francisco-based Payroll ²¹	75%
2015 Rate ¹⁹	1.125%
2016 Rate ¹⁹	0.750%
2017 Rate ¹⁹	0.375%
2018 Rate ¹⁹	0.000%

Gross Receipts Tax

Exemptions and Adjustment for San Francisco-based Receipts ²¹	75%
Retail, Wholesale, and Services Rate for \$1 to \$2.5 M ²⁰	0.100%
Manufacturing / Transportation / Warehousing, Information,	0.205%
Biotech, Clean Tech, Food Services Rate for \$1 to \$2.5 M ²⁰	
Private Education / Health, Admin., Misc. Rate for \$1 to \$2.5 M ²⁰	0.550%
Finance, Insurance, Profssnl, Scientific, Tech Rate for \$1 to \$2.5 M ²⁰	<u>0.460%</u>
Estimated Average for Pier 70 Businesses	0.329%
2015 Phase-In ²⁰	25%
2016 Phase-In ²⁰	50%
2017 Phase-In ²⁰	75%
2018 Phase-In ²⁰	100%

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

City and County General Fund (continued)

Business Registration Fee

Rate per business earning from \$750,000 to \$1 M ²²	\$700
Rate per business earning from \$1 M to \$2.5 M ²²	\$300

Other General Fund Revenues ²³

	Amount FY	Avg.	Average Basis
	2015/16	Factor	
Utility Users Tax ²⁴			
Water Users Tax	\$3,740,000	\$6.10	per employee
Gas Electric Steam Users Tax	\$40,620,000	\$66.24	per employee
Telephone Users Tax	\$49,190,000	\$46.85	per service populatio
Access Line Tax	\$45,594,000	\$43.42	per service populatio
Licenses, Permits, and Franchise Fees	\$27,162,891	\$25.87	per service populatio
Fines, Forfeitures	\$4,577,144	\$4.36	per service populatio

Other City and County Funds

Sales Tax ²⁵

Public Safety Sales Tax	0.50%
SF County Transportation Authority	0.50%
SF County Public Finance Authority	0.25%

Parking Tax

SF County Municipal Transportation Agency ¹³	80%
---	-----

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

Notes:

- ¹ State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2015.
- ² California Department of Transportation San Francisco County Economic Forecast.
- ³ Resident population plus one-third the San Francisco employment base.
- ⁴ 100% of General Fund property tax will be deposited into the IFD to pay
- ⁵ Per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
- ⁶ Values for City and County of San Francisco. California State Controller's Office.
- ⁷ 20th Street Historic Bldgs Proforma 3/27/15(Orton Development Inc.).
- ⁸ San Francisco Business and Tax Regulations Code, Article 12-C: Real Property Transfer Tax. Rate for buildings valued above \$10 M.
- ⁹ San Francisco Business and Tax Regulations Code, Article 12-D: Uniform Local Sales and Use Tax.
- ¹⁰ Based on employee food and goods and services spending in the vicinity of the office, as reported in the ICSC report, "Office-Worker Retail Spending in a Digital Age" (2012), for urban workers.
- ¹¹ KMA assumption.
- ¹² San Francisco Business and Tax Regulations Code, Article 9: Tax on Occupancy of Parking Space in Parking Stations. Per the City and County of San Francisco Controller's Office, since the 25% parking tax is usually already included in the posted parking rate, this results in 20 percent of the patron's total parking charges being attributed to the parking tax. However, Orton pro forma assumes 25% tax on top of a \$100 per month parking fee.
- ¹³ Proposition A, passed in November 2007, specified that beginning in FY 2008-09, the Parking Tax be allocated between the General Fund (20%) and MTA (80%). City and County of San Francisco Controller's Office.
- ¹⁴ Starting in 2014, the payroll expense tax will be phased out and replaced with the gross receipts tax.
- ¹⁵ Table 2.
- ¹⁶ Based on information for the American Industrial Center, a comparable existing business facility.
- ¹⁷ Table 7.
- ¹⁸ Adjustment to 100% occupancy for payroll and gross receipts calculations, Table 4b.
- ¹⁹ San Francisco Business and Tax Regulations Code, Article 12-A: Payroll Expense Tax Ordinance.
- ²⁰ San Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax Ordinance.
- ²¹ The Payroll Expense and Gross Receipts Tax ordinances apply only to business activities performed in San Francisco. In addition, for a limited number of years the ordinances exclude certain bio-tech and clean-tech activities, as well as certain stock-based compensation. The adjustment factor is applied to the estimates to take into account these provisions.
- ²² San Francisco Business and Tax Regulations Code Article 12: Business Registration Fee.
- ²³ These factors are based on the methodology used in the Infrastructure Financing Plan, Infrastructure Financing District No. 1 (Rincon Hill Area) updated with data from the Adopted 2015/16 budget.
- ²⁴ Per San Francisco Business and Tax Regulations Code Article 10: Utility Users Tax, non-residential users pay telephone, water, gas, electric, and steam users utility taxes; residential and non-residential users pay cellular telephone and access line taxes. It has been assumed for purposes of these estimates that most residential users use cellular rather than land-line telephone service.
- ²⁵ Per the report Pier 70 Waterfront Site and Illinois Street Parcel Development Projects: Findings of Fiscal Responsibility and Feasibility, by Economic Planning Systems in May 2013, and Board of Equalization.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue Source	Measure ¹	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39
AV on Tax Roll (\$1,000s) ²		\$93,686	\$95,560	\$97,471	\$99,420	\$101,409	\$103,437	\$105,506	\$107,616	\$109,768	\$111,963	\$114,203	\$116,487
Non-AV Revenue Escalation ¹	3.0%	142.6%	146.9%	151.3%	155.8%	160.5%	165.3%	170.2%	175.4%	180.6%	186.0%	191.6%	197.4%
Employees ³		458	458	458	458	458	458	458	458	458	458	458	458
Restaurant SF ³		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Parking Spaces ³		285	285	285	285	285	285	285	285	285	285	285	285
Leasable SF ³		229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028
Service Population ³		153	153	153	153	153	153	153	153	153	153	153	153
Possessory Interest Tax Not Deposited into IFD ²		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	\$1.07 /\$1,000 AV	\$99,871	\$101,868	\$103,906	\$105,984	\$108,103	\$110,266	\$112,471	\$114,720	\$117,015	\$119,355	\$121,742	\$124,177
Property Transfer Tax	\$12.50 /\$500 AV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax													
Employee Non- Restaurant	1.00% \$2,276/empl	\$14,862	\$15,308	\$15,767	\$16,240	\$16,728	\$17,229	\$17,746	\$18,279	\$18,827	\$19,392	\$19,974	\$20,573
Employee Restaurant	1.00% \$263/empl	\$1,717	\$1,768	\$1,821	\$1,876	\$1,932	\$1,990	\$2,050	\$2,111	\$2,175	\$2,240	\$2,307	\$2,376
Project Restaurant	1.00% \$500 psf	<u>\$72,485</u>	<u>\$74,659</u>	<u>\$76,899</u>	<u>\$79,206</u>	<u>\$81,582</u>	<u>\$84,030</u>	<u>\$86,550</u>	<u>\$89,147</u>	<u>\$91,821</u>	<u>\$94,576</u>	<u>\$97,413</u>	<u>\$100,336</u>
		\$89,064	\$91,736	\$94,488	\$97,322	\$100,242	\$103,249	\$106,347	\$109,537	\$112,823	\$116,208	\$119,694	\$123,285
Parking Tax													
Total Revenues	\$100/sp 95% occ	<u>\$463,230</u>	<u>\$477,127</u>	<u>\$491,440</u>	<u>\$506,184</u>	<u>\$521,369</u>	<u>\$537,010</u>	<u>\$553,121</u>	<u>\$569,714</u>	<u>\$586,806</u>	<u>\$604,410</u>	<u>\$622,542</u>	<u>\$641,218</u>
General Fund Taxes	25% 20% to GF	\$23,161	\$23,856	\$24,572	\$25,309	\$26,068	\$26,851	\$27,656	\$28,486	\$29,340	\$30,220	\$31,127	\$32,061
Payroll Tax ⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax ⁴		\$252,366	\$259,937	\$267,736	\$275,768	\$284,041	\$292,562	\$301,339	\$310,379	\$319,690	\$329,281	\$339,159	\$349,334
Business Registration Fee													
Businesses	3,000 sf per bus.	76	76	76	76	76	76	76	76	76	76	76	76
If Gross Receipts \$0.75 to \$1 M	\$700 per business	\$75,850	\$78,126	\$80,470	\$82,884	\$85,370	\$87,931	\$90,569	\$93,287	\$96,085	\$98,968	\$101,937	\$104,995
If Gross Receipts \$1 to \$2.5 M	\$300 per business	\$32,507	\$33,483	\$34,487	\$35,522	\$36,587	\$37,685	\$38,815	\$39,980	\$41,179	\$42,415	\$43,687	\$44,998
Utility Users Tax													
Water Users Tax	\$6.10 per empl	\$3,983	\$4,102	\$4,225	\$4,352	\$4,483	\$4,617	\$4,756	\$4,898	\$5,045	\$5,197	\$5,352	\$5,513
Gas Electric Steam Users Tax	\$66.24 per empl	\$43,256	\$44,554	\$45,891	\$47,267	\$48,685	\$50,146	\$51,650	\$53,200	\$54,796	\$56,440	\$58,133	\$59,877
Telephone Users Tax	\$46.85 per svc popn	\$10,197	\$10,503	\$10,818	\$11,143	\$11,477	\$11,821	\$12,176	\$12,541	\$12,917	\$13,305	\$13,704	\$14,115
Access Line Tax	\$43.42 per svc popn	<u>\$9,452</u>	<u>\$9,735</u>	<u>\$10,027</u>	<u>\$10,328</u>	<u>\$10,638</u>	<u>\$10,957</u>	<u>\$11,286</u>	<u>\$11,624</u>	<u>\$11,973</u>	<u>\$12,332</u>	<u>\$12,702</u>	<u>\$13,083</u>
		\$66,888	\$68,895	\$70,961	\$73,090	\$75,283	\$77,541	\$79,868	\$82,264	\$84,732	\$87,274	\$89,892	\$92,588
License, Permit, Franchise Fees	\$25.87 per svc popn	\$5,631	\$5,800	\$5,974	\$6,153	\$6,338	\$6,528	\$6,724	\$6,925	\$7,133	\$7,347	\$7,567	\$7,794
Fines, Forfeitures, Penalties	\$4.36 per svc popn	\$949	\$977	\$1,007	\$1,037	\$1,068	\$1,100	\$1,133	\$1,167	\$1,202	\$1,238	\$1,275	\$1,313
Total General Fund Revenue if Avg. Gross Receipts < \$1 M		\$361,414	\$371,258	\$381,377	\$391,779	\$402,473	\$413,466	\$424,767	\$436,385	\$448,330	\$460,609	\$473,234	\$486,214
Total General Fund Revenue if Avg. Gross Receipts > \$1 M		\$570,437	\$586,552	\$603,130	\$620,185	\$637,730	\$655,781	\$674,352	\$693,458	\$713,114	\$733,338	\$754,144	\$775,551

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue Source	Measure ¹	FY 39/40	FY 40/41	FY 41/42	FY 42/43	FY 43/44	FY 44/45	FY 45/46	FY 46/47	FY 47/48	FY 48/49	FY 49/50	FY 50/51
AV on Tax Roll (\$1,000s) ²		\$118,816	\$121,193	\$123,617	\$126,089	\$128,611	\$131,183	\$133,807	\$136,483	\$139,212	\$141,997	\$144,837	\$147,733
Non-AV Revenue Escalation ¹	3.0%	203.3%	209.4%	215.7%	222.1%	228.8%	235.7%	242.7%	250.0%	257.5%	265.2%	273.2%	281.4%
Employees ³		458	458	458	458	458	458	458	458	458	458	458	458
Restaurant SF ³		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Parking Spaces ³		285	285	285	285	285	285	285	285	285	285	285	285
Leasable SF ³		229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028
Service Population ³		153	153	153	153	153	153	153	153	153	153	153	153
Possessory Interest Tax Not Deposited into IFD ²		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	\$1.07 /\$1,000 AV	\$126,660	\$129,194	\$131,778	\$134,413	\$137,101	\$139,843	\$142,640	\$145,493	\$148,403	\$151,371	\$154,398	\$157,486
Property Transfer Tax	\$12.50 /\$500 AV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax													
Employee Non- Restaurant	1.00% \$2,276/empl	\$21,190	\$21,826	\$22,480	\$23,155	\$23,850	\$24,565	\$25,302	\$26,061	\$26,843	\$27,648	\$28,478	\$29,332
Employee Restaurant	1.00% \$263/empl	\$2,448	\$2,521	\$2,597	\$2,675	\$2,755	\$2,837	\$2,923	\$3,010	\$3,101	\$3,194	\$3,289	\$3,388
Project Restaurant	1.00% \$500 psf	<u>\$103,346</u>	<u>\$106,446</u>	<u>\$109,639</u>	<u>\$112,929</u>	<u>\$116,317</u>	<u>\$119,806</u>	<u>\$123,400</u>	<u>\$127,102</u>	<u>\$130,915</u>	<u>\$134,843</u>	<u>\$138,888</u>	<u>\$143,055</u>
		\$126,983	\$130,793	\$134,717	\$138,758	\$142,921	\$147,209	\$151,625	\$156,174	\$160,859	\$165,685	\$170,655	\$175,775
Parking Tax													
Total Revenues	\$100/sp 95% occ	<u>\$660,455</u>	<u>\$680,268</u>	<u>\$700,677</u>	<u>\$721,697</u>	<u>\$743,348</u>	<u>\$765,648</u>	<u>\$788,618</u>	<u>\$812,276</u>	<u>\$836,644</u>	<u>\$861,744</u>	<u>\$887,596</u>	<u>\$914,224</u>
General Fund Taxes	25% 20% to GF	\$33,023	\$34,013	\$35,034	\$36,085	\$37,167	\$38,282	\$39,431	\$40,614	\$41,832	\$43,087	\$44,380	\$45,711
Payroll Tax ⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax ⁴		\$359,814	\$370,609	\$381,727	\$393,179	\$404,974	\$417,123	\$429,637	\$442,526	\$455,802	\$469,476	\$483,560	\$498,067
Business Registration Fee													
Businesses	3,000 sf per bus.	76	76	76	76	76	76	76	76	76	76	76	76
If Gross Receipts \$0.75 to \$1 M	\$700 per business	\$108,145	\$111,389	\$114,731	\$118,173	\$121,718	\$125,369	\$129,130	\$133,004	\$136,994	\$141,104	\$145,337	\$149,697
If Gross Receipts \$1 to \$2.5 M	\$300 per business	\$46,348	\$47,738	\$49,170	\$50,645	\$52,165	\$53,730	\$55,342	\$57,002	\$58,712	\$60,473	\$62,287	\$64,156
Utility Users Tax													
Water Users Tax	\$6.10 per empl	\$5,678	\$5,849	\$6,024	\$6,205	\$6,391	\$6,583	\$6,780	\$6,984	\$7,193	\$7,409	\$7,631	\$7,860
Gas Electric Steam Users Tax	\$66.24 per empl	\$61,673	\$63,523	\$65,429	\$67,392	\$69,414	\$71,496	\$73,641	\$75,850	\$78,126	\$80,470	\$82,884	\$85,370
Telephone Users Tax	\$46.85 per svc popn	\$14,539	\$14,975	\$15,424	\$15,887	\$16,363	\$16,854	\$17,360	\$17,881	\$18,417	\$18,970	\$19,539	\$20,125
Access Line Tax	\$43.42 per svc popn	<u>\$13,476</u>	<u>\$13,880</u>	<u>\$14,296</u>	<u>\$14,725</u>	<u>\$15,167</u>	<u>\$15,622</u>	<u>\$16,091</u>	<u>\$16,574</u>	<u>\$17,071</u>	<u>\$17,583</u>	<u>\$18,110</u>	<u>\$18,654</u>
		\$95,366	\$98,227	\$101,174	\$104,209	\$107,335	\$110,555	\$113,872	\$117,288	\$120,807	\$124,431	\$128,164	\$132,009
License, Permit, Franchise Fees	\$25.87 per svc popn	\$8,028	\$8,269	\$8,517	\$8,773	\$9,036	\$9,307	\$9,586	\$9,874	\$10,170	\$10,475	\$10,789	\$11,113
Fines, Forfeitures, Penalties	\$4.36 per svc popn	\$1,353	\$1,393	\$1,435	\$1,478	\$1,523	\$1,568	\$1,615	\$1,664	\$1,714	\$1,765	\$1,818	\$1,873
Total General Fund Revenue if Avg. Gross Receipts < \$1 M		\$499,558	\$513,279	\$527,385	\$541,889	\$556,801	\$572,134	\$587,900	\$604,111	\$620,779	\$637,918	\$655,542	\$673,664
Total General Fund Revenue if Avg. Gross Receipts > \$1 M		\$797,576	\$820,236	\$843,552	\$867,540	\$892,222	\$917,618	\$943,748	\$970,634	\$998,298	\$1,026,763	\$1,056,052	\$1,086,190

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue Source	Measure ¹	FY 51/52	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61	FY 61/62
AV on Tax Roll (\$1,000s) ²		\$150,688	\$153,702	\$156,776	\$159,911	\$163,109	\$166,372	\$169,699	\$173,093	\$176,555	\$180,086	\$183,688
Non-AV Revenue Escalation ¹	3.0%	289.8%	298.5%	307.5%	316.7%	326.2%	336.0%	346.1%	356.5%	367.1%	378.2%	389.5%
Employees ³		458	458	458	458	458	458	458	458	458	458	458
Restaurant SF ³		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Parking Spaces ³		285	285	285	285	285	285	285	285	285	285	285
Leasable SF ³		229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028
Service Population ³		153	153	153	153	153	153	153	153	153	153	153
Possessory Interest Tax Not Deposited into IFD ²		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	\$1.07 /\$1,000 AV	\$160,636	\$163,849	\$167,126	\$170,468	\$173,878	\$177,355	\$180,902	\$184,520	\$188,211	\$191,975	\$195,814
Property Transfer Tax	\$12.50 /\$500 AV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax												
Employee Non- Restaurant	1.00% \$2,276/empl	\$30,212	\$31,118	\$32,052	\$33,013	\$34,004	\$35,024	\$36,075	\$37,157	\$38,272	\$39,420	\$40,602
Employee Restaurant	1.00% \$263/empl	\$3,490	\$3,594	\$3,702	\$3,813	\$3,928	\$4,046	\$4,167	\$4,292	\$4,421	\$4,553	\$4,690
Project Restaurant	1.00% \$500 psf	<u>\$147,346</u>	<u>\$151,767</u>	<u>\$156,320</u>	<u>\$161,009</u>	<u>\$165,840</u>	<u>\$170,815</u>	<u>\$175,939</u>	<u>\$181,217</u>	<u>\$186,654</u>	<u>\$192,253</u>	<u>\$198,021</u>
		\$181,048	\$186,479	\$192,074	\$197,836	\$203,771	\$209,884	\$216,181	\$222,666	\$229,346	\$236,227	\$243,313
Parking Tax												
Total Revenues	\$100/sp 95% occ	<u>\$941,651</u>	<u>\$969,900</u>	<u>\$998,997</u>	<u>\$1,028,967</u>	<u>\$1,059,836</u>	<u>\$1,091,631</u>	<u>\$1,124,380</u>	<u>\$1,158,111</u>	<u>\$1,192,855</u>	<u>\$1,228,640</u>	<u>\$1,265,500</u>
General Fund Taxes	25% 20% to GF	\$47,083	\$48,495	\$49,950	\$51,448	\$52,992	\$54,582	\$56,219	\$57,906	\$59,643	\$61,432	\$63,275
Payroll Tax ⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax ⁴		\$513,009	\$528,399	\$544,251	\$560,579	\$577,396	\$594,718	\$612,560	\$630,936	\$649,865	\$669,360	\$689,441
Business Registration Fee												
Businesses	3,000 sf per bus.	76	76	76	76	76	76	76	76	76	76	76
If Gross Receipts \$0.75 to \$1 M	\$700 per business	\$154,188	\$158,814	\$163,578	\$168,486	\$173,540	\$178,747	\$184,109	\$189,632	\$195,321	\$201,181	\$207,216
If Gross Receipts \$1 to \$2.5 M	\$300 per business	\$66,081	\$68,063	\$70,105	\$72,208	\$74,374	\$76,606	\$78,904	\$81,271	\$83,709	\$86,220	\$88,807
Utility Users Tax												
Water Users Tax	\$6.10 per empl	\$8,096	\$8,339	\$8,589	\$8,847	\$9,112	\$9,386	\$9,667	\$9,957	\$10,256	\$10,564	\$10,880
Gas Electric Steam Users Tax	\$66.24 per empl	\$87,931	\$90,569	\$93,286	\$96,085	\$98,967	\$101,936	\$104,995	\$108,144	\$111,389	\$114,730	\$118,172
Telephone Users Tax	\$46.85 per svc popn	\$20,729	\$21,351	\$21,991	\$22,651	\$23,330	\$24,030	\$24,751	\$25,494	\$26,258	\$27,046	\$27,858
Access Line Tax	\$43.42 per svc popn	<u>\$19,213</u>	<u>\$19,790</u>	<u>\$20,383</u>	<u>\$20,995</u>	<u>\$21,625</u>	<u>\$22,273</u>	<u>\$22,942</u>	<u>\$23,630</u>	<u>\$24,339</u>	<u>\$25,069</u>	<u>\$25,821</u>
		\$135,969	\$140,048	\$144,250	\$148,577	\$153,035	\$157,626	\$162,354	\$167,225	\$172,242	\$177,409	\$182,731
License, Permit, Franchise Fees	\$25.87 per svc popn	\$11,446	\$11,790	\$12,144	\$12,508	\$12,883	\$13,270	\$13,668	\$14,078	\$14,500	\$14,935	\$15,383
Fines, Forfeitures, Penalties	\$4.36 per svc popn	\$1,929	\$1,987	\$2,046	\$2,108	\$2,171	\$2,236	\$2,303	\$2,372	\$2,443	\$2,517	\$2,592
Total General Fund Revenue if Avg. Gross Receipts < \$1 M		\$692,299	\$711,462	\$731,167	\$751,431	\$772,270	\$793,699	\$815,736	\$838,399	\$861,706	\$885,675	\$910,326
Total General Fund Revenue if Avg. Gross Receipts > \$1 M		\$1,117,201	\$1,149,111	\$1,181,945	\$1,215,732	\$1,250,500	\$1,286,276	\$1,323,091	\$1,360,974	\$1,399,958	\$1,440,075	\$1,481,358

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Payroll / Gross Receipts Tax Calculation			FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Occupancy ¹																		
Building 101			0%	25%	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 102			0%	25%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 104			0%	0%	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 113			0%	0%	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 114			0%	0%	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 115			0%	0%	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 116			0%	0%	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 14			0%	0%	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Occupied Square Feet in Taxable Businesses	<i>taxable sf</i> ²																	
Building 101	58,245		0	14,561	43,684	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333
Building 102	10,703		0	2,676	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Building 104	43,471		0	0	32,603	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297
Building 113	60,743		0	0	45,557	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706
Building 114	15,444		0	0	11,583	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672
Building 115	12,555		0	0	9,416	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927
Building 116	24,259		0	0	18,194	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046
Building 14	15,662		0	0	11,747	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879
	241,082		0	17,237	182,952	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028
Taxable Occupied sf % of Total	241,082 total sf		0.0%	7.1%	75.9%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Payroll Tax																		
Taxable Payroll (\$1,000s) ³	\$33,059	3.0% escln	\$0	\$2,435	\$26,616	\$34,318	\$35,348	\$36,408	\$37,500	\$38,625	\$39,784	\$40,978	\$42,207	\$43,473	\$44,777	\$46,121	\$47,504	\$48,930
Taxable SF Payroll (\$1,000s) ³		75%	\$0	\$1,826	\$19,962	\$25,739	\$26,511	\$27,306	\$28,125	\$28,969	\$29,838	\$30,733	\$31,655	\$32,605	\$33,583	\$34,591	\$35,628	\$36,697
Payroll Tax Rate			1.125%	0.750%	0.375%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total Tax			\$0	\$13,694	\$74,856	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax																		
Taxable Gr. Receipts (\$1,000s) ³	\$75,567	3.0% escln	\$0	\$5,565	\$60,839	\$78,446	\$80,799	\$83,223	\$85,720	\$88,291	\$90,940	\$93,668	\$96,478	\$99,373	\$102,354	\$105,425	\$108,587	\$111,845
Taxable SF Gr. Receipts (\$1,000s) ³		75%	\$0	\$4,174	\$45,629	\$58,834	\$60,599	\$62,417	\$64,290	\$66,219	\$68,205	\$70,251	\$72,359	\$74,530	\$76,765	\$79,068	\$81,440	\$83,884
Gross Receipts Phase-In Rate ³			25%	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Tax ³		0.329%	\$0	\$6,861	\$112,504	\$193,418	\$199,220	\$205,197	\$211,353	\$217,694	\$224,224	\$230,951	\$237,880	\$245,016	\$252,366	\$259,937	\$267,736	\$275,768

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Payroll / Gross Receipts Tax Calculation			FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40	FY 40/41	FY 41/42	FY 42/43	FY 43/44	FY 44/45	FY 45/46	FY 46/47
Occupancy ¹																		
Building 101			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 102			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 104			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 113			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 114			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 115			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 116			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 14			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Occupied Square Feet in Taxable Businesses	<i>taxable sf</i> ²																	
Building 101	58,245		55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333
Building 102	10,703		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Building 104	43,471		41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297
Building 113	60,743		57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706
Building 114	15,444		14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672
Building 115	12,555		11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927
Building 116	24,259		23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046
Building 14	15,662		14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879
	241,082		229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028
Taxable Occupied sf % of Total	241,082 total sf		95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Payroll Tax																		
Taxable Payroll (\$1,000s) ³	\$33,059	3.0% escln	\$50,397	\$51,909	\$53,467	\$55,071	\$56,723	\$58,424	\$60,177	\$61,982	\$63,842	\$65,757	\$67,730	\$69,762	\$71,855	\$74,010	\$76,231	\$78,518
Taxable SF Payroll (\$1,000s) ³		75%	\$37,798	\$38,932	\$40,100	\$41,303	\$42,542	\$43,818	\$45,133	\$46,487	\$47,881	\$49,318	\$50,797	\$52,321	\$53,891	\$55,508	\$57,173	\$58,888
Payroll Tax Rate			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total Tax			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax																		
Taxable Gr. Receipts (\$1,000s) ³	\$75,567	3.0% escln	\$115,200	\$118,656	\$122,216	\$125,882	\$129,659	\$133,549	\$137,555	\$141,682	\$145,932	\$150,310	\$154,820	\$159,464	\$164,248	\$169,175	\$174,251	\$179,478
Taxable SF Gr. Receipts (\$1,000s) ³		75%	\$86,400	\$88,992	\$91,662	\$94,412	\$97,244	\$100,162	\$103,166	\$106,261	\$109,449	\$112,733	\$116,115	\$119,598	\$123,186	\$126,882	\$130,688	\$134,609
Gross Receipts Phase-In Rate ³			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Tax ³		0.329%	\$284,041	\$292,562	\$301,339	\$310,379	\$319,690	\$329,281	\$339,159	\$349,334	\$359,814	\$370,609	\$381,727	\$393,179	\$404,974	\$417,123	\$429,637	\$442,526

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Payroll / Gross Receipts Tax Calculation			FY 47/48	FY 48/49	FY 49/50	FY 50/51	FY 51/52	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61
Occupancy ¹																
Building 101			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 102			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 104			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 113			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 114			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 115			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 116			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building 14			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Occupied Square Feet in Taxable Businesses	<i>taxable sf</i> ²															
Building 101	58,245		55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333	55,333
Building 102	10,703		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Building 104	43,471		41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297	41,297
Building 113	60,743		57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706	57,706
Building 114	15,444		14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672	14,672
Building 115	12,555		11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927	11,927
Building 116	24,259		23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046
Building 14	15,662		14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879	14,879
	241,082		229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028	229,028
Taxable Occupied sf % of Total	241,082 total sf		95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Payroll Tax																
Taxable Payroll (\$1,000s) ³	\$33,059	3.0% escln	\$80,873	\$83,299	\$85,798	\$88,372	\$91,023	\$93,754	\$96,567	\$99,464	\$102,448	\$105,521	\$108,687	\$111,947	\$115,306	\$118,765
Taxable SF Payroll (\$1,000s) ³		75%	\$60,655	\$62,474	\$64,349	\$66,279	\$68,267	\$70,316	\$72,425	\$74,598	\$76,836	\$79,141	\$81,515	\$83,960	\$86,479	\$89,074
Payroll Tax Rate			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total Tax			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax																
Taxable Gr. Receipts (\$1,000s) ³	\$75,567	3.0% escln	\$184,863	\$190,408	\$196,121	\$202,004	\$208,065	\$214,306	\$220,736	\$227,358	\$234,178	\$241,204	\$248,440	\$255,893	\$263,570	\$271,477
Taxable SF Gr. Receipts (\$1,000s) ³		75%	\$138,647	\$142,806	\$147,091	\$151,503	\$156,048	\$160,730	\$165,552	\$170,518	\$175,634	\$180,903	\$186,330	\$191,920	\$197,677	\$203,608
Gross Receipts Phase-In Rate ³			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Tax ³		0.329%	\$455,802	\$469,476	\$483,560	\$498,067	\$513,009	\$528,399	\$544,251	\$560,579	\$577,396	\$594,718	\$612,560	\$630,936	\$649,865	\$669,360

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue Source	Measure ¹	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Revenue Escalation ¹	3.0%	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%	119.4%	123.0%	126.7%	130.5%	134.4%	138.4%
Employees ²		0	34	360	458	458	458	458	458	458	458	458	458
Restaurant SF ²		0	2,676	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Parking Spaces ²		0	75	285	285	285	285	285	285	285	285	285	285

Sales Tax													
Taxable Spending (\$1,000s)													
Employee Non- Rest.	\$2,276 per empl	\$0	\$80	\$869	\$1,139	\$1,173	\$1,208	\$1,245	\$1,282	\$1,320	\$1,360	\$1,401	\$1,443
Employee Restaurant	\$263 per empl	\$0	\$9	\$100	\$132	\$136	\$140	\$144	\$148	\$153	\$157	\$162	\$167
Project Restaurant	\$500 per sf	<u>\$0</u>	<u>\$1,378</u>	<u>\$5,394</u>	<u>\$5,555</u>	<u>\$5,722</u>	<u>\$5,894</u>	<u>\$6,070</u>	<u>\$6,253</u>	<u>\$6,440</u>	<u>\$6,633</u>	<u>\$6,832</u>	<u>\$7,037</u>
		\$0	\$1,467	\$6,363	\$6,826	\$7,031	\$7,242	\$7,459	\$7,683	\$7,913	\$8,151	\$8,395	\$8,647
Public Safety Sales Tax	0.50%	\$0	\$7,335	\$31,816	\$34,130	\$35,154	\$36,208	\$37,295	\$38,414	\$39,566	\$40,753	\$41,975	\$43,235
SF County Transportation	0.50%	\$0	\$7,335	\$31,816	\$34,130	\$35,154	\$36,208	\$37,295	\$38,414	\$39,566	\$40,753	\$41,975	\$43,235
SF County Public Finance	0.25%	\$0	\$3,667	\$15,908	\$17,065	\$17,577	\$18,104	\$18,647	\$19,207	\$19,783	\$20,376	\$20,988	\$21,617
MTA Parking Tax													
Total Revenues	\$100/sp 95% occ	<u>\$0</u>	<u>\$88,065</u>	<u>\$344,686</u>	<u>\$355,027</u>	<u>\$365,678</u>	<u>\$376,648</u>	<u>\$387,948</u>	<u>\$399,586</u>	<u>\$411,574</u>	<u>\$423,921</u>	<u>\$436,638</u>	<u>\$449,738</u>
MTA Taxes	25% 80% MTA	\$0	\$17,613	\$68,937	\$71,005	\$73,136	\$75,330	\$77,590	\$79,917	\$82,315	\$84,784	\$87,328	\$89,948

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue Source	Measure ¹	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39
Revenue Escalation ¹	3.0%	142.6%	146.9%	151.3%	155.8%	160.5%	165.3%	170.2%	175.4%	180.6%	186.0%	191.6%	197.4%
Employees ²		458	458	458	458	458	458	458	458	458	458	458	458
Restaurant SF ²		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Parking Spaces ²		285	285	285	285	285	285	285	285	285	285	285	285

Sales Tax													
Taxable Spending (\$1,000s)													
Employee Non- Rest.	\$2,276 per empl	\$1,486	\$1,531	\$1,577	\$1,624	\$1,673	\$1,723	\$1,775	\$1,828	\$1,883	\$1,939	\$1,997	\$2,057
Employee Restaurant	\$263 per empl	\$172	\$177	\$182	\$188	\$193	\$199	\$205	\$211	\$217	\$224	\$231	\$238
Project Restaurant	\$500 per sf	<u>\$7,248</u>	<u>\$7,466</u>	<u>\$7,690</u>	<u>\$7,921</u>	<u>\$8,158</u>	<u>\$8,403</u>	<u>\$8,655</u>	<u>\$8,915</u>	<u>\$9,182</u>	<u>\$9,458</u>	<u>\$9,741</u>	<u>\$10,034</u>
		\$8,906	\$9,174	\$9,449	\$9,732	\$10,024	\$10,325	\$10,635	\$10,954	\$11,282	\$11,621	\$11,969	\$12,328
Public Safety Sales Tax	0.50%	\$44,532	\$45,868	\$47,244	\$48,661	\$50,121	\$51,625	\$53,173	\$54,768	\$56,412	\$58,104	\$59,847	\$61,642
SF County Transportation	0.50%	\$44,532	\$45,868	\$47,244	\$48,661	\$50,121	\$51,625	\$53,173	\$54,768	\$56,412	\$58,104	\$59,847	\$61,642
SF County Public Finance	0.25%	\$22,266	\$22,934	\$23,622	\$24,331	\$25,060	\$25,812	\$26,587	\$27,384	\$28,206	\$29,052	\$29,924	\$30,821
MTA Parking Tax													
Total Revenues	\$100/sp 95% occ	<u>\$463,230</u>	<u>\$477,127</u>	<u>\$491,440</u>	<u>\$506,184</u>	<u>\$521,369</u>	<u>\$537,010</u>	<u>\$553,121</u>	<u>\$569,714</u>	<u>\$586,806</u>	<u>\$604,410</u>	<u>\$622,542</u>	<u>\$641,218</u>
MTA Taxes	25% 80% MTA	\$92,646	\$95,425	\$98,288	\$101,237	\$104,274	\$107,402	\$110,624	\$113,943	\$117,361	\$120,882	\$124,508	\$128,244

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue Source	Measure ¹	FY 39/40	FY 40/41	FY 41/42	FY 42/43	FY 43/44	FY 44/45	FY 45/46	FY 46/47	FY 47/48	FY 48/49	FY 49/50	FY 50/51
Revenue Escalation ¹	3.0%	203.3%	209.4%	215.7%	222.1%	228.8%	235.7%	242.7%	250.0%	257.5%	265.2%	273.2%	281.4%
Employees ²		458	458	458	458	458	458	458	458	458	458	458	458
Restaurant SF ²		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Parking Spaces ²		285	285	285	285	285	285	285	285	285	285	285	285

Sales Tax													
Taxable Spending (\$1,000s)													
Employee Non- Rest.	\$2,276 per empl	\$2,119	\$2,183	\$2,248	\$2,315	\$2,385	\$2,457	\$2,530	\$2,606	\$2,684	\$2,765	\$2,848	\$2,933
Employee Restaurant	\$263 per empl	\$245	\$252	\$260	\$267	\$275	\$284	\$292	\$301	\$310	\$319	\$329	\$339
Project Restaurant	\$500 per sf	<u>\$10,335</u>	<u>\$10,645</u>	<u>\$10,964</u>	<u>\$11,293</u>	<u>\$11,632</u>	<u>\$11,981</u>	<u>\$12,340</u>	<u>\$12,710</u>	<u>\$13,092</u>	<u>\$13,484</u>	<u>\$13,889</u>	<u>\$14,305</u>
		\$12,698	\$13,079	\$13,472	\$13,876	\$14,292	\$14,721	\$15,162	\$15,617	\$16,086	\$16,568	\$17,066	\$17,577
Public Safety Sales Tax	0.50%	\$63,492	\$65,396	\$67,358	\$69,379	\$71,460	\$73,604	\$75,812	\$78,087	\$80,429	\$82,842	\$85,328	\$87,887
SF County Transportation	0.50%	\$63,492	\$65,396	\$67,358	\$69,379	\$71,460	\$73,604	\$75,812	\$78,087	\$80,429	\$82,842	\$85,328	\$87,887
SF County Public Finance	0.25%	\$31,746	\$32,698	\$33,679	\$34,690	\$35,730	\$36,802	\$37,906	\$39,043	\$40,215	\$41,421	\$42,664	\$43,944
MTA Parking Tax													
Total Revenues	\$100/sp 95% occ	<u>\$660,455</u>	<u>\$680,268</u>	<u>\$700,677</u>	<u>\$721,697</u>	<u>\$743,348</u>	<u>\$765,648</u>	<u>\$788,618</u>	<u>\$812,276</u>	<u>\$836,644</u>	<u>\$861,744</u>	<u>\$887,596</u>	<u>\$914,224</u>
MTA Taxes	25% 80% MTA	\$132,091	\$136,054	\$140,135	\$144,339	\$148,670	\$153,130	\$157,724	\$162,455	\$167,329	\$172,349	\$177,519	\$182,845

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Revenue Source	Measure ¹	FY 51/52	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61
Revenue Escalation ¹	3.0%	289.8%	298.5%	307.5%	316.7%	326.2%	336.0%	346.1%	356.5%	367.1%	378.2%
Employees ²		458	458	458	458	458	458	458	458	458	458
Restaurant SF ²		10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168	10,168
Parking Spaces ²		285	285	285	285	285	285	285	285	285	285

Sales Tax

Taxable Spending (\$1,000s)

Employee Non- Rest.	\$2,276 per empl	\$3,021	\$3,112	\$3,205	\$3,301	\$3,400	\$3,502	\$3,607	\$3,716	\$3,827	\$3,942
Employee Restaurant	\$263 per empl	\$349	\$359	\$370	\$381	\$393	\$405	\$417	\$429	\$442	\$455
Project Restaurant	\$500 per sf	<u>\$14,735</u>	<u>\$15,177</u>	<u>\$15,632</u>	<u>\$16,101</u>	<u>\$16,584</u>	<u>\$17,081</u>	<u>\$17,594</u>	<u>\$18,122</u>	<u>\$18,665</u>	<u>\$19,225</u>
		\$18,105	\$18,648	\$19,207	\$19,784	\$20,377	\$20,988	\$21,618	\$22,267	\$22,935	\$23,623
Public Safety Sales Tax	0.50%	\$90,524	\$93,240	\$96,037	\$98,918	\$101,886	\$104,942	\$108,090	\$111,333	\$114,673	\$118,113
SF County Transportation	0.50%	\$90,524	\$93,240	\$96,037	\$98,918	\$101,886	\$104,942	\$108,090	\$111,333	\$114,673	\$118,113
SF County Public Finance	0.25%	\$45,262	\$46,620	\$48,018	\$49,459	\$50,943	\$52,471	\$54,045	\$55,667	\$57,337	\$59,057

MTA Parking Tax

Total Revenues	\$100/sp 95% occ	<u>\$941,651</u>	<u>\$969,900</u>	<u>\$998,997</u>	<u>\$1,028,967</u>	<u>\$1,059,836</u>	<u>\$1,091,631</u>	<u>\$1,124,380</u>	<u>\$1,158,111</u>	<u>\$1,192,855</u>	<u>\$1,228,640</u>
MTA Taxes	25% 80% MTA	\$188,330	\$193,980	\$199,799	\$205,793	\$211,967	\$218,326	\$224,876	\$231,622	\$238,571	\$245,728

¹ Table 3.

² Table 2.

Table 5
Operating Expenditure Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

Global Escalation Assumption 3%

Pier 70 Waterfront Site and Illinois Street Parcel Population Factors ¹

<i>Population</i>		2,559	
<i>Employees</i>		10,585	
<i>Service Population</i>	0.33	6,087	

General Fund Expenditures

Police	\$763,848		cost of one patrol unit ¹
	6,087		service population
	\$125.48		cost per service population

Fire and EMS	\$2,546,160		share of Mission Bay Public Safety Building ¹
	6,087		service population
	\$418.27		cost per service population

Public Open Space The lessee will be responsible for maintaining the project's public plaza. It will not be an obligation of the General Fund.

Crane Cove Park The total annual cost to maintain the park is estimate to approximate \$400,000 per year. The park's maintenance cost will be funded through a CFD maintenance district.

Public Works - Streets and Sidewalks The project is not creating any new new public right of way improvements and therefore, it is assumed that the project is not creating any significant new new mainenance costs.

Community Health, Public Protection (non Police and Fire), Human Welfare, and Culture and Recreation Service costs are typically generated by residential uses, which are not included in the project program

¹ Economic & Planning Systems, Inc.; Findings of Fiscal Responsibility and Feasibility - Pier 70 Waterfront Site and Illinois Street Parcel Report May 21, 2013. Expense has been adjusted for inflation.

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Expenditure	Estimating Factor ¹	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
<i>Non-AV Revenue Escln. ¹</i>	3.0%	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%	119.4%	123.0%	126.7%	130.5%	134.4%	138.4%	142.6%	146.9%	151.3%	155.8%
<i>Service Population ²</i>		0	11	120	153	153	153	153	153	153	153	153	153	153	153	153	153
Police ³	\$125.48 per svc pop	\$0	\$1,465	\$15,975	\$20,933	\$21,561	\$22,208	\$22,874	\$23,561	\$24,267	\$24,995	\$25,745	\$26,518	\$27,313	\$28,132	\$28,976	\$29,846
Fire and EMS ⁴	\$418.27 per svc pop	\$0	\$4,883	\$53,249	\$69,777	\$71,871	\$74,027	\$76,248	\$78,535	\$80,891	\$83,318	\$85,817	\$88,392	\$91,044	\$93,775	\$96,588	\$99,486
Total Expenditures		\$0	\$6,347	\$69,224	\$90,711	\$93,432	\$96,235	\$99,122	\$102,096	\$105,158	\$108,313	\$111,563	\$114,909	\$118,357	\$121,907	\$125,565	\$129,332

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Expenditure	Estimating Factor ¹	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40	FY 40/41	FY 41/42	FY 42/43	FY 43/44	FY 44/45	FY 45/46	FY 46/47
<i>Non-AV Revenue Escln. ¹</i>	3.0%	160.5%	165.3%	170.2%	175.4%	180.6%	186.0%	191.6%	197.4%	203.3%	209.4%	215.7%	222.1%	228.8%	235.7%	242.7%	250.0%
<i>Service Population ²</i>		153	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153
Police ³	\$125.48 per svc pop	\$30,741	\$31,663	\$32,613	\$33,592	\$34,599	\$35,637	\$36,707	\$37,808	\$38,942	\$40,110	\$41,313	\$42,553	\$43,829	\$45,144	\$46,499	\$47,894
Fire and EMS ⁴	\$418.27 per svc pop	\$102,470	\$105,545	\$108,711	\$111,972	\$115,331	\$118,791	\$122,355	\$126,026	\$129,806	\$133,701	\$137,712	\$141,843	\$146,098	\$150,481	\$154,996	\$159,646
Total Expenditures		\$133,212	\$137,208	\$141,324	\$145,564	\$149,931	\$154,429	\$159,062	\$163,833	\$168,748	\$173,811	\$179,025	\$184,396	\$189,928	\$195,626	\$201,494	\$207,539

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Expenditure	Estimating Factor ¹	FY 47/48	FY 48/49	FY 49/50	FY 50/51	FY 51/52	FY 52/53	FY 53/54	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61	FY 61/62
<i>Non-AV Revenue Escln. ¹</i>	3.0%	257.5%	265.2%	273.2%	281.4%	289.8%	298.5%	307.5%	316.7%	326.2%	336.0%	346.1%	356.5%	367.1%	378.2%	389.5%
<i>Service Population ²</i>		153	153	153	153	153	153	153	153	153	153	153	153	153	153	153
Police ³	\$125.48 per svc pop	\$49,330	\$50,810	\$52,335	\$53,905	\$55,522	\$57,188	\$58,903	\$60,670	\$62,490	\$64,365	\$66,296	\$68,285	\$70,333	\$72,443	\$74,617
Fire and EMS ⁴	\$418.27 per svc pop	\$164,435	\$169,368	\$174,449	\$179,682	\$185,073	\$190,625	\$196,344	\$202,234	\$208,301	\$214,550	\$220,987	\$227,616	\$234,445	\$241,478	\$248,723
Total Expenditures		\$213,765	\$220,178	\$226,784	\$233,587	\$240,595	\$247,813	\$255,247	\$262,904	\$270,792	\$278,915	\$287,283	\$295,901	\$304,778	\$313,922	\$323,339

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

Table 7
Economic Benefits
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

Project Direct, Indirect, and Induced Economic Benefits for the City and County of San Francisco	Direct Impact	Indirect and Induced Multiplier ¹	Indirect and Induced Impact	Total Impact
On-Going Economic Impacts				
Employment ²	458	1.70158	321	779
Payroll ³	<i>\$68,571 avg pay</i>			
	\$31,406,000	1.60617	\$19,037,000	\$50,443,000
Output ¹	<i>\$1 M / 6.38 empl</i>			
	\$71,789,000	1.48345	\$34,706,000	\$106,495,000
Construction Period Economic Impacts				
Construction Hard Costs ⁴	\$78,960,000	1.46124	\$36,420,000	\$115,380,000
Construction Payroll ⁵	<i>40% constr. cost</i>			
	\$31,584,000	1.42574	\$13,446,000	\$45,030,000
Construction Employment				
Total person years ^{3,6}	<i>\$67,000 avg pay</i>			
	471	1.50141	236	707
Full time equivalent jobs for 3-year period ⁶	<i>3 years</i>			
	157	1.50141	79	236

¹ Minnesota IMPLAN Group model - 2012 County Level Data for San Francisco County. Average multiplier for the following industries: manufacturing; wholesaling and retail; warehousing and storage; media and software; information services; architecture, engineering, and design; computer programming and design; science, research, and development; and administrative services. On-going output estimate is based on the IMPLAN multiplier relating jobs to million dollars of output.

² Table 2.

³ Table 8.

⁴ Total hard costs per Orton Development Inc. proforma.

⁵ Estimated ratio of payroll to total construction work.

⁶ A person year of employment is equivalent to full time employment of one person for one year.

Table 8
Estimated Average Payroll per Employee
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

Potential Occupation	OES Survey Occupation ¹	Mean Annual Wage ¹
On-Going Occupied Project ²		
Engineer	Architecture and Engineering	\$106,000
Programmer	Computer and Mathematical	\$108,000
Designer	Arts, Design, Entertainment, Sports, Media	\$74,000
Builder/Manufacturer	Production	\$43,000
Warehousing/Shipping/Receiving	Transportation and Material Moving	\$43,000
Related Support/Administration	Office and Administrative Support	\$48,000
Related Support/Sales	Sales and Related	\$58,000
Average for all On-Going Occupations		<u>\$68,571</u>
Construction Period		
Construction Worker	Construction and Extraction	\$67,000

¹ California Employment Development Department Occupational Employment Statistics Survey, 1st QTR 2015.

² Based on sample list of occupations provided by Orton Development, Inc. in their Response to RFP for Pier 70: 20th Street Historic Buildings.

Table 9
Construction Period Revenues
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

Construction Period Revenues			FY 15/16	FY 16/17	FY 16/17	Total
Payroll Tax						
Taxable San Francisco Payroll	\$31,584,000 total ¹	75% SF adj. ²	\$7,896,000	\$7,896,000	\$7,896,000	\$23,688,000
Payroll Tax Rate ²			1.350%	1.125%	0.750%	
Total Payroll Tax			\$106,600	\$88,800	\$59,200	\$254,600
Gross Receipts Tax						
Taxable San Francisco Gr. Receipts	\$78,960,000 total ¹	75% SF adj. ²	\$19,740,000	\$19,740,000	\$19,740,000	\$59,220,000
Gross Receipts Phase-In Rate ²			10%	25%	50%	
Total Gross Receipts Tax ²		0.329% avg rate ²	\$6,500	\$16,200	\$32,400	\$55,100
Sales Taxes						
Material Costs	\$78,960,000 total ¹	60% materials ³				\$47,376,000
Qualified Subcontractor Amount		50% qualified ³				\$23,688,000
Base 1% Sales Tax		1.00% SF share ²				\$237,000
Public Safety Sales Tax		0.50% tax rate ²				\$118,000
SF County Transportation		0.50% tax rate ²				\$118,000
SF County Public Finance		0.25% tax rate ²				\$59,000

¹ Table 7.

² Table 3.

³ KMA assumption.

APPENDIX H FOR PROJECT AREA H

(To be Attached.)