

1 [Authorizing Execution of a Memorandum of Understanding Relating to Infrastructure
2 Financing District No. 2]

3 **Resolution approving a Memorandum of Understanding relating to Sub-Project**
4 **Area G-1 (Pier 70 - Historic Core) of City and County of San Francisco**
5 **Infrastructure Financing District No. 2 (Port of San Francisco); and approving**
6 **other matters in connection therewith.**

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8 WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San
9 Francisco Charter Section 4.114 and B3.581 empower the City and County of San
10 Francisco (City), acting through the Port Commission to use, conduct, operate,
11 maintain, manage, regulate and control the lands within Port Commission jurisdiction;
12 and

13 WHEREAS, Under Government Code Sections 53395 et seq. (IFD Law), the
14 Board of Supervisors is authorized to establish an infrastructure financing district and to
15 act as the legislative body for an infrastructure financing district, including the formation
16 of “waterfront districts” under Section 53395.8 of the IFD Law and the approval of
17 “Pier 70 enhanced financing plans” and the formation of subareas within a Pier 70
18 waterfront district pursuant to Section 53395.81 of the IFD Law; and

19 WHEREAS, By Resolution No. 123-13, which the Board of Supervisors adopted
20 on April 23, 2013, and the Mayor approved on April 30, 2013, the City adopted
21 “Guidelines for the Establishment and Use of Infrastructure Financing Districts on
22 Project Areas on Land under Jurisdiction of the San Francisco Port Commission” (Port
23 IFD Guidelines) relating to the formation of infrastructure financing districts by the City
24 on waterfront property under the jurisdiction of the Port Commission; and

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1 WHEREAS, By Resolution No. 110-12, which the Board of Supervisors adopted
2 on March 27, 2012 and the Mayor approved on April 5, 2012 (Original Resolution of
3 Intention to Establish IFD), the City declared its intention to establish a waterfront district
4 to be known as “City and County of San Francisco Infrastructure Financing District No.
5 2 (Port of San Francisco)” (IFD), and designated initial proposed project areas within the
6 IFD; and

7 WHEREAS, By Resolution No. 227-12, which the Board of Supervisors adopted
8 on June 12, 2012 and the Mayor approved on June 20, 2012 (First Amending
9 Resolution), the City amended the Original Resolution of Intention to Establish IFD to
10 propose, among other things, an amended list of Project Areas; and

11 WHEREAS, By Resolution No. 421-15, which the Board of Supervisors adopted
12 on November 17, 2015 and the Mayor approved on November 25, 2015 (Second
13 Amending Resolution), the City amended the Original Resolution of Intention, as
14 amended by the First Amending Resolution (the Original Resolution of Intention to
15 Establish IFD, as amended by the First Amending Resolution and Second Amending
16 Resolution: Resolution of Intention to Establish IFD), to propose Sub-Project Area G-1
17 (Pier 70 - Historic Core) within the Pier 70 district; and

18 WHEREAS, Sub-Project Area G-1 (Pier 70 - Historic Core) includes property that
19 the City, acting by and through the Port Commission, has leased to Historic Pier 70,
20 LLC (an affiliate of Orton Development, Inc.) pursuant to Lease No. L-15814, dated as
21 of July 29, 2015 (Lease), which property will be rehabilitated pursuant to a Lease
22 Disposition and Development Agreement, dated as of September 16, 2014, by and
23 between the City, acting by and through the Port Commission, and Historic Pier 70, LLC
24 (LDDA); and

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1 WHEREAS, Sub-Project Area G-1 (Pier 70 - Historic Core) is within the Eastern
2 Neighborhoods Community Plan Area, for which the Planning Commission certified the
3 Eastern Neighborhoods Rezoning and Area Plans Final EIR (EN FEIR) (Planning
4 Department Case No. 2004.0160E); and

5 WHEREAS, The Planning Department reviewed the Crane Cove Park project
6 (Crane Cove Project) and the project described in the LDDA (Historic Core Project) and
7 determined that a community plan exemption (CPE) under CEQA Guidelines Section
8 15183 would be appropriate because the Historic Core Project and the Crane Cove
9 Project are within the scope of the EN FEIR and would not have any additional or
10 significant adverse effects that were not examined in the EN FEIR, nor has any new or
11 additional information come to light that will alter the conclusions of the EN FEIR. Thus,
12 the Historic Core Project and the Crane Cove Project will not have any new effects on
13 the environment that were not previously identified, nor will any environmental impacts
14 be substantially greater than described in the EN FEIR. No mitigation measures
15 previously found infeasible have been determined to be feasible, nor have any new
16 mitigation measures or alternatives been identified but rejected by Port; and

17 WHEREAS, Based on those findings, the Planning Department prepared a CPE
18 for the proposed Historic Core Project (Historic Core CPE), which exemption was
19 approved on May 7, 2014 (Planning Department Case No. 2013.1168E) and the Crane
20 Cove Project on October 5, 2015 (Planning Department Case No. 2015-001314ENV)
21 (Crane Cove CPE), copies of which are on file at File No. 151117 and also available
22 online through the Planning Department's web page; and

23 WHEREAS, The Board of Supervisors has reviewed the EN FEIR (a copy of
24 which is on file at File No. 081133 and also available online through the Planning
25 Department's web page), the Historic Core CPE and the Crane Cove CPE; and

1 WHEREAS, All applicable mitigation measures from the EN FEIR have been
2 incorporated into the Historic Core CPE and Crane Cove CPE, or have been required
3 as conditions of approval through the Port Commission’s adoption of the Mitigation
4 Monitoring and Reporting Program (MMRP) attached to Port Commission
5 Resolutions 14-33 and 15-38 and the Board of Supervisors adoption of the Historic
6 Core Project MMRP attached to Resolution No. 273-14 in File No. 140729 on July 22,
7 2014; and

8 WHEREAS, Pursuant to the Resolution of Intention to Establish IFD, the Board of
9 Supervisors directed the Executive Director of the Port (Executive Director) to prepare
10 an infrastructure financing plan for the IFD (Infrastructure Financing Plan) and Sub-
11 Project Area G-1 consistent with the requirements of the IFD Law; and

12 WHEREAS, As required by the IFD Law, the Executive Director:

13 (A) Prepared the Infrastructure Financing Plan for the IFD as a whole,
14 describing the procedures by which property tax increment from project areas in the IFD
15 will be allocated to specific public facilities, which creates a government funding
16 mechanism that does not commit to any specific project that may result in a potentially
17 significant physical impact on the environment and therefore is exempt from CEQA;
18 and,

19 (B) Prepared Appendix G-1 to the Infrastructure Financing Plan, proposing an
20 allocation of property tax increment from proposed Sub-Project Area G-1 (Pier 70 -
21 Historic Core) to finance the public facilities described in Appendix G-1 to the
22 Infrastructure Financing Plan, which development and public facilities have been
23 analyzed under CEQA in the EN FEIR, Historic Core CPE, and Crane Cove CPE; and,
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1 (C) Sent the Infrastructure Financing Plan, including Appendix G-1, along with
2 the EN FEIR, Historic Core CPE, and Crane Cove CPE, to the City's Planning
3 Department and the Board of Supervisors; and

4 WHEREAS, The Clerk of the Board of Supervisors made the Infrastructure
5 Financing Plan, including Appendix G-1, available for public inspection; and

6 WHEREAS, On January 26, 2016, following publication of notice consistent with
7 the requirements of the IFD Law, the Board of Supervisors held a public hearing relating
8 to the proposed Infrastructure Financing Plan, including Appendix G-1; and

9 WHEREAS, Upon the completion of the public hearing, the Board of Supervisors
10 introduced under even date herewith Ordinance No. ____ entitled "Ordinance
11 establishing an Infrastructure Financing District (including Sub-Project Area G-1 (Pier 70
12 - Historic Core) and adopting an Infrastructure Financing Plan (including Appendix G-1)
13 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San
14 Francisco); approving a Tax Administration Agreement; affirming the Planning
15 Department's determination under the California Environmental Quality Act; and
16 approving other matters in connection therewith," pursuant to which the Board of
17 Supervisors declared the IFD described in the Infrastructure Financing Plan, including
18 Sub-Project Area G-1 (Pier 70 - Historic Core), to be fully formed and established with
19 full force and effect of law, approved the Infrastructure Financing Plan, including
20 Appendix G-1, subject to amendment as permitted by the IFD Law, and established the
21 base year for Sub-Project Area G-1 as set forth in the Infrastructure Financing Plan; and

22 WHEREAS, The Board adopted Ordinance No. ____ on ____, 2016, and the Mayor
23 signed the same on ____2016; and

24 WHEREAS, The LDDA also provides for formation by the City of (i) a community
25 facilities district (Facilities CFD) under the Mello-Roos Community Facilities Act of 1982

1 (California Government Code §§ 53311 - 53368), the San Francisco Special Tax
2 Financing Law (Admin. Code ch. 43, art. X) or similar law (collectively, the “CFD Law”)
3 to finance certain public infrastructure described in the LDDA and (ii) a community
4 facilities district (Services CFD) under the CFD Law to finance certain ongoing
5 maintenance costs; and

6 WHEREAS, San Francisco Charter Section B7.320 authorizes the Mayor to
7 submit to the Board of Supervisors for approval a memorandum of understanding
8 between the Port Commission and another department or departments of the City,
9 approved by the Port Commission by resolution, that requires the department(s) to
10 expend funds or to transfer funds to the Port Commission; and

11 WHEREAS, On November 10, 2015, by Resolution No. 15-43, the Port
12 Commission approved a Memorandum of Understanding (MOU-16022) by and among
13 the Controller (Controller), the Treasurer and Tax Collector (Treasurer-Tax Collector),
14 and the Port Commission (Memorandum of Understanding), pursuant to which the
15 Controller, the Treasurer-Tax Collector and the Port Commission would agree to
16 implement Appendix G-1, the Facilities CFD and the Services CFD; now, therefore, be it

17 RESOLVED, By the Board of Supervisors as follows:

18 Section 1. Recitals. All of the recitals herein are true and correct.

19 Section 2. File Documents. The documents presented to the Board of
20 Supervisors and on file with the Clerk of the Board or her designee (collectively, the
21 “Clerk”) are contained in File No. 151117.

22 Section 3. Approval of Memorandum of Understanding. The Memorandum of
23 Understanding among the Port Commission, the Treasurer-Tax Collector and the
24 Controller, as presented to the Board of Supervisors, substantially in the form on file
25 with the Clerk, is hereby approved.

1 Section 4. Authority to Execute and Modify. The Controller and the Treasurer-
2 Tax Collector are hereby authorized and directed to execute the Memorandum of
3 Understanding with such changes, additions and modifications as the Controller or
4 Treasurer-Tax Collector may make or approve in accordance with Section 6 of this
5 Resolution.

6 Section 5. General Authority. The Mayor, the City Attorney, the Controller, the
7 Treasurer-Tax Collector, the Clerk and other officers of the City and their duly
8 authorized deputies, designees and agents are hereby authorized and directed, jointly
9 and severally, to take such actions and to execute and deliver such certificates,
10 agreements, requests or other documents as they may deem necessary or desirable to
11 accomplish the purposes of this Resolution.

12 Section 6. Modifications, Changes and Additions. Each of the Controller and
13 the Treasurer-Tax Collector, upon consultation with the City Attorney, is hereby
14 authorized and directed to make such modifications, changes and additions to the
15 Memorandum of Understanding as may be necessary or desirable and in the interests
16 of the City, and which changes do not materially increase the obligation of the City or
17 reduce its rights thereunder, and the approval by each of the Controller and the
18 Treasurer-Tax Collector of such modifications, changes and additions shall be
19 conclusively evidenced by the execution and delivery of the Memorandum of
20 Understanding or amendments to the Memorandum of Understanding by the Controller
21 and the Treasurer-Tax Collector, with the final executed version of the Memorandum of
22 Understanding being provided within 30 days to the Clerk of the Board for inclusion into
23 the file for this Resolution.

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1 Section 7. Ratification of Prior Actions. All actions authorized and approved by
2 this Resolution and consistent with the documents provided herein but taken prior to the
3 date hereof are hereby ratified, approved and confirmed by the Board of Supervisors.

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