



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

May 13, 2013

Honorable Mayor Edwin M. Lee
1 Carlton B. Goodlett Place
City Hall, Room 200
San Francisco, CA 94102

SUBJECT: Jurisdictional Transfer of Pier 27 from Port to Real Estate

Dear Mayor Lee:

This letter relates to the request from the City Controller and the Port Executive Director for introduction of legislation to the Board of Supervisors to approve two jurisdictional transfers of Pier 27 for certificate of participation financing for the construction of cruise terminal improvements at Pier 27.

In my opinion, the requested jurisdictional transfer to the Real Estate Division for the duration of the lease/lease-back term required to effectuate the financing is necessary to obtain the advantages of the financing, and further, no further advantage would be derived by retaining jurisdiction in the Real Estate Division after the financing has been fully repaid. Given the proposed lease/lease-back structure of the financing, and the Port's retention of responsibility to maintain and operate Pier 27 during the term of the lease/lease-back transaction, I further recommend that each of the jurisdictional transfers be made without any consideration for the transfers.

Respectfully,

A handwritten signature in blue ink, appearing to read "John Updike".

John Updike
Director of Real Estate