

File No. 200366

Committee Item No. 3

Board Item No. 9

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight
Board of Supervisors Meeting:

Date: April 16, 2020

Date: April 28, 2020

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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OTHER

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PORT Presentation to GAO – April 16, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Pier 70 DDA – LARGE FILE, linked on the LRC</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Pier 70 Master Lease – LARGE FILE, linked on the LRC</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Pier 70 Infrastructure Financing Plan</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Mission Rock DDA – LARGE FILE, linked on the LRC</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Mission Rock Master Lease – LARGE FILE, linked on the LRC</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Mayor’s Letter – April 7, 2020</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |

Prepared by: John Carroll

Date: April 10, 2020

Prepared by: John Carroll

Date: April 21, 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 //

23

24

25

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

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

4

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

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Item 3: Mission Rock and Pier 70
Moving Possessory Interest onto
Secured Tax Roll

Government Audit and Oversight
Committee

April 16, 2020
Port of San Francisco



Presentation Overview

- Mission Rock & Pier 70 Projects
- Projects Public Financing Structure
- Assessment of possessory interest taxes on secured rather than unsecured roll
- Requested Action
- Next Steps



Mission Rock and Pier 70 *Project Location*



Mission Rock Overview

At completion:

- 28 acres, 2.7 – 2.8M GSF
- 1,200 units of housing
- 1.0 – 1.4M GSF office
- 240K GSF retail/PDR
- 8 acres of parks and open space

Public Benefits:

- 40 percent on-site affordable housing
- First Source, Prevailing Wage, LBE, Local Hire, and Workforce Training Program
- TDM program
- Rehabilitation of Historic Pier 48
- Sea level rise protections and ongoing revenue stream
- On-site childcare





Pier 70 Project Overview

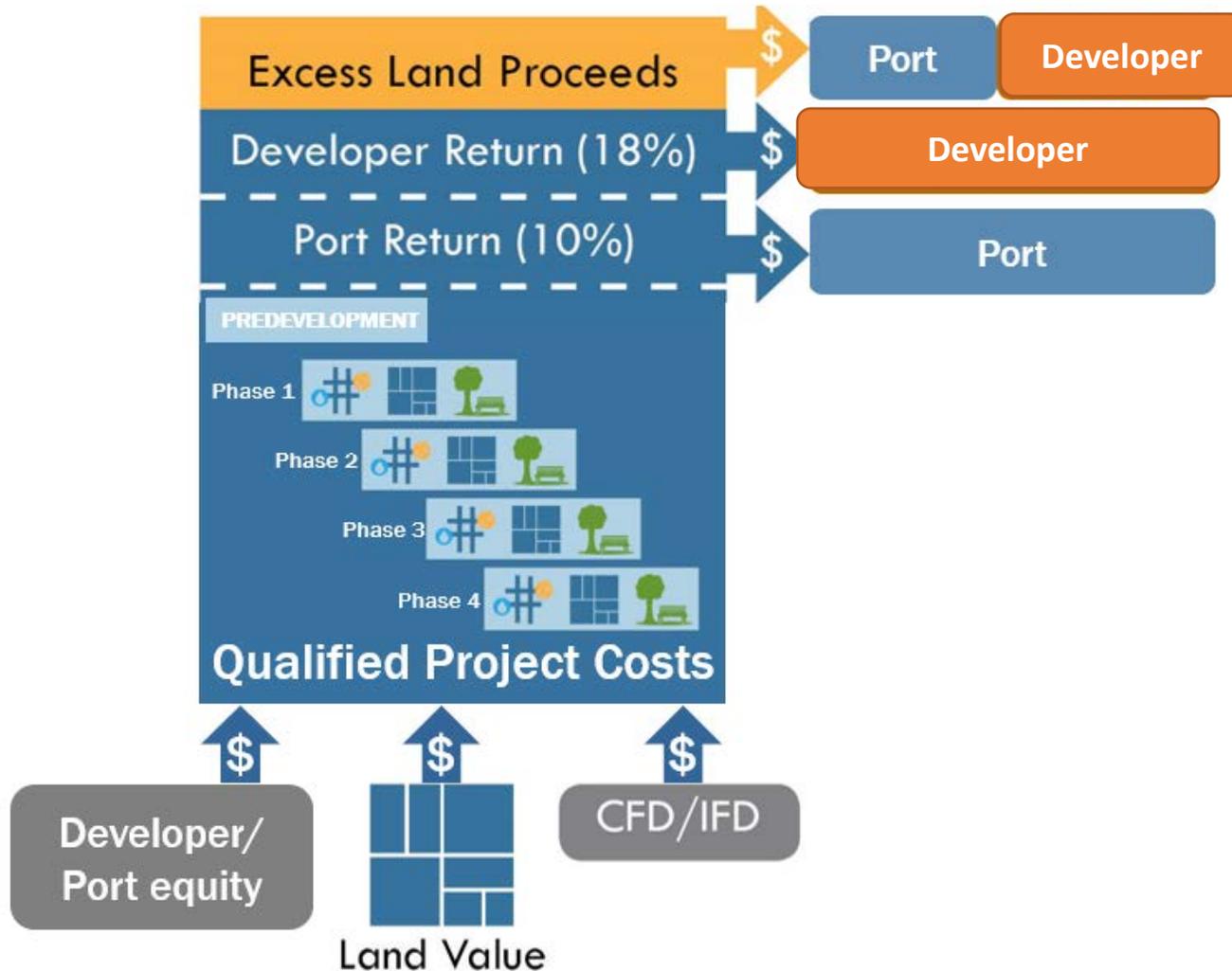
Overview

- Entitled Fall 2017
- 35 acres
- 1,645-3,025 residential units
- 1.1-1.75 million gsf commercial
- 9 acres open space

Public Benefits

- 30% onsite affordability
- First Source, Prevailing Wage, LBE
- TDM Program
- Historic Rehabilitation
- Sea Level Rise Protections
- Ongoing Sea Level Rise Revenue Stream
- 90,000 SF Arts Facility
- On-site Child Care

Project Funding Structure



Use of CFD/IFD bond proceeds means:

- less use of expensive Developer Capital and
- Preservation of Port's land value for other projects and other uses.

Terminology

- **Possessory Interest Tax** – property tax on the value of a lease, use, or other private possession of publicly-owned property
- **Ad Valorem Tax** – a tax applied on the assessed value of a property; property taxes are a common form of ad valorem taxes
- **Secured Roll** - includes taxes on real property (land and structures), fixtures, and business property
- **Unsecured Roll** – includes property in which the real property is insufficient to secure payment of taxes



Assess Projects Leases on the Secured Roll

Function

- Typically, possessory interests are assessed on the unsecured roll
- Assess property taxes within the IFD and CFD special taxes on the secured roll
- Secured roll has priority lien

Benefits

- Bonds secured by taxes on the secured roll receive better interest rates
- For large issuances such as Pier 70 and Mission Rock, lower interest rates generate \$10s of millions of additional bond proceeds
- More bonds increase project funding and Port land value

Action today

- Request positive recommendation of the Resolution to Levy Ad Valorem and Special Taxes – Possessory Interests – on the Secured Roll for the Pier 70 and Mission Rock IFD and Special Tax Districts





QUESTIONS?

**Appendix G-2 Sub-Project Areas G-2, G-3, and G-4
(Pier 70 - 28-Acre Site)**

This Appendix supplements and amends the main body of the Infrastructure Financing Plan (the “IFP”) for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) (“IFD”) as it relates to Sub-Project Areas G-2, G-3, and G-4 (collectively, the “Sub-Project Areas”, each a “Sub-Project Area”). This Appendix includes the separate Infrastructure Financing Plan for each of Sub-Project Area G-2, G-3, and G-4. In the event of any inconsistency between the main body of the IFP and this Appendix, the provisions of this Appendix shall govern with respect to Sub-Project Areas G-2, G-3, and G-4.

Background: Sub-Project Areas G-2, G-3, and G-4 collectively include a largely unimproved 28-acre area in the southeast corner of Pier 70 known as the “**28-Acre Site**”. In the general election held in the City and County of San Francisco (the “**City**”) on November 4, 2014, an initiative entitled, the “Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation Initiative” (“**Proposition F**”), was approved by the voters in the City. Pursuant to Proposition F, the voters in the City approved a policy of the City, that the City encourage the timely development of the 28-Acre Site with a development project that includes market-rate and affordable residential uses, commercial-office, retail, light industrial-arts use, parking, and infrastructure development including street improvements, and public open space.

The City, acting by and through the Port Commission (the “**Port**”), and Forest City Development California, Inc., or an affiliate thereof (“**Forest City**”) anticipate entering into a Disposition and Development Agreement (the “**DDA**”), including a Financing Plan, which will govern the disposition and development of the 28-Acre Site and provide for the financing of certain capital facilities and public services related to the proposed project.

Forest City currently plans to develop the 28-Acre Site in three phases. Each Sub-Project Area corresponds to one of the phases as shown below to provide for a separate 45-year tax increment allocation period for each phase.

Sub-Project Area G-2:	Phase I
Sub-Project Area G-3:	Phase II
Sub-Project Area G-4:	Phase III

Port as agent of the IFD with respect to Sub-Project Areas G-2, G-3 and G-4: The Board of Supervisors has appointed the City, acting by and through Port, as the agent of the IFD to implement this Appendix.

Boundaries and legal descriptions of Sub-Project Areas G-2, G-3 and G-4: The boundaries of Sub-Project Areas G-2, G-3, and G-4, are described in the maps attached to this Appendix as Attachment 1. The legal descriptions of Sub-Project Areas G-2, G-3, and G-4 are also attached to this Appendix as Attachment 1.

The Sub-Project Areas do not initially correspond to the boundaries of assessor parcels. Tax increment will not be allocated to the IFD from a Sub-Project Area until assessor parcels corresponding to the boundaries of the Sub-Project Area have been created.

Enhanced Financing Plan: Each of Sub-Project Areas G-2, G-3, and G-4 is a “Pier 70 district,” as defined in Section 53395.8(c)(11) of the IFD Law, and this Appendix includes a “Pier 70 enhanced financing plan” for each of the Sub-Project Areas as defined in Section

53395.8(c)(12) of the IFD Law. Other initially-capitalized terms used, but not defined in this Appendix, have the meanings ascribed to them in the IFD Law or the IFP.

A. Base Year; Commencement of Tax Increment Allocation

The “**Base Year**” for each of Sub-Project Areas G-2, G-3, and G-4 is the fiscal year in which the assessed value of taxable property in such Sub-Project Area was last equalized prior to the effective date of the ordinance adopted to create Sub-Project Areas G-2, G-3, and G-4 or a subsequent fiscal year. The Base Year for each of Sub-Project Areas G-2, G-3, and G-4 is FY 2015-2016.

Tax increment may begin to be allocated to the IFD from each of Sub-Project Areas G-2, G-3, and G-4 beginning in the fiscal year following the Base Year, provided that no tax increment will be allocated to the IFD from a Sub-Project Area until the amount of increment that will be allocated in the fiscal year is equal to at least \$100,000.

B. Allocation of Tax Increment

1. The annual allocation of tax increment generated in each of Sub-Project Areas G-2, G-3, and G-4 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 respective special fund established for such Sub-Project Area.
2. The Board of Supervisors will appropriate 100 percent of the “Allocated Tax Increment” (as defined below) for allocation to the IFD until the IFD repays all debt (as defined in the IFD Law), including all ERAF-secured debt, payable from Allocated Tax Increment to fund the capital facilities authorized by Section 53395.8(d) and listed in Table 1 of this Appendix (the “**Facilities**”). The financing of the Facilities satisfies Section 53395.8(g)(3)(C)(ii) of the IFD Law, as described more completely in Section G. below.
3. In order for the Facilities to be developed concurrently with the Pier 70 waterfront buildings, and because there will be some lag time between the construction of the Facilities and availability of Allocated Tax Increment, multiple sources of funding will be needed to pay for the Facilities, and such sources, to the extent repaid by the IFD with Allocated Tax Increment from Sub-Project Areas G-2, G-3 or G-4, will constitute debt/ERAF-secured debt of such Sub-Project Area:
 - funds (“**Developer Capital**”) to be advanced by Forest City (the “**Developer**”);
 - funds to be advanced by the Port as either direct Port capital or advances of land proceeds; and
 - proceeds from bonds that would be issued by the IFD and/or a community facilities district (“**CFD**”) that would be established by the City to include all or a portion of the property in Sub-Project Areas G-2, G-3, and G-4.

In addition, the Port, as the agent of the IFD, will use Allocated Tax Increment to pay directly for Facilities costs. The financial obligation of the IFD to fund Facilities costs with Allocated Tax Increment from each of Sub-Project Areas G-2, G-3 and G-4 is a debt/ERAF-secured debt for each of the Sub-Project Areas and will be reflected in the annual Statement of Indebtedness required by the IFD Law.

4. Notwithstanding the foregoing, 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 Areas G-2, G-3, and G-4 to the IFD to the extent that the City Share of Tax Increment is necessary to repay bonds, notes or related agreements (including Project Payment Obligations and Pledge Agreements under the DDA) 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, notes, 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 Areas G-2, G-3, and G-4 to the IFD to pay for debt that is not described in the preceding clause (A), including the financial obligation to fund Facilities costs from annual deposits of Allocated Tax Increment.

Under the IFD Law, the amount of City Share of Tax Increment allocated to the IFD from Sub-Project Areas G-2, G-3, and G-4 will determine the amount of ERAF Tax Increment allocated to the IFD. For example, if 100% of the City Share of Tax increment is allocated to the IFD, then 100% of the ERAF Tax Increment will be allocated to the IFD, and, if only 75% of the City Share of Tax increment is allocated to the IFD, then 75% of the ERAF Tax Increment will be allocated to the IFD.

5. For purposes of this Appendix, capitalized terms that are not otherwise defined are defined as follows:

“**Gross Tax Increment**” is, for each of Sub-Project Areas G-2, G-3, and G-4, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within such Sub-Project Area;

“**Incremental Assessed Property Value**” is, in any year, for each of Sub-Project Areas G-2, G-3, and G-4, the difference between the assessed value of the property within such Sub-Project Area for that fiscal year and the assessed value of the property within such Sub-Project Area in the Base Year, to the extent that the difference is a positive number;

“**ERAF Tax Increment**” is 25.330110% of Gross Tax Increment. This “ERAF share” (as defined in Section 53395.8(c)(8) of the IFD Law) is available to be allocated to the IFD because each of Sub-Project Areas G-2 , G-3, and G-4 is a Pier 70 district.

“**City Share of Tax Increment**” is 64.588206% of Gross Tax Increment;

“**Allocated Tax increment**” is, for each of Sub-Project Areas G-2, G-3, and G-4, the sum of ERAF Tax Increment and City Share of Tax Increment.

“**CFD Bonds**” are the bonds issued by a CFD that are secured by the facilities special taxes levied by the CFD and payable from Allocated Tax Increment. Bonds issued by the CFD that are secured by other special taxes will not be paid for by any Allocated Tax Increment.

C. Maximum Portion of Tax Increment Revenue of San Francisco and Affected Taxing Agencies to be Committed to Sub-Project Areas G-2, G-3, and G-4

100% of the City Share of Tax Increment and 100% of the ERAF Tax Increment shall be allocated to the IFD from each of Sub-Project Areas G-2, G-3, and G-4:

- City Share of Tax Increment: 64.588206% of every dollar of Gross Tax Increment, which is 100% of the City Share of Tax Increment;
- ERAF Tax Increment: 25.330110% of every dollar of Gross Tax Increment, which is 100% of the ERAF Tax Increment.

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 a Sub-Project Area must be equal to the portion of the incremental tax revenue of the ERAF share proposed to be committed to the Sub-Project Area. The portion of the City Share of Tax Increment and the ERAF Tax Increment are equal at 100% of the respective amounts.

None of the incremental tax revenue of the local educational agencies in the boundaries of the Sub-Project Areas will be allocated to the IFD.

D. Projection of Tax Increment Revenue to Sub-Project Areas G-2, G-3, and G-4

The financing section for a Sub-Project Area must include a projection of the amount of tax increment expected to be allocated to the IFD from the Sub-Project Area assuming an allocation period for such Sub-Project Area of 45 fiscal years after the fiscal year in which the City projects that the IFD will have received \$100,000 of tax increment from such Sub-Project Area under the IFD Law.

The projection of Allocated Tax Increment from Sub-Project Area G-2 to be allocated to the IFD is attached as Rider #1 to this Appendix. The projection of Allocated Tax Increment from Sub-Project Area G-3 to be allocated to the IFD is attached as Rider #2 to this Appendix. The projection of Allocated Tax Increment from Sub-Project Area G-4 to be allocated to the IFD is attached as Rider #3 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 IFP, subject to amendment of the IFP.

The initial tax increment limit for each Sub-Project Area is listed below. These limits reflect the projected total Allocated Tax Increment plus a contingency factor of approximately 88%-92% to account for variables such as higher assessed values of taxable property due to resales.

- The tax increment limit, including the limit on ERAF Tax Increment, for Sub-Project Area G-2 is initially established at \$1,040,000,000.
- The tax increment limit, including the limit on ERAF Tax Increment, for Sub-Project Area G-3 is initially established at \$770,500,000.

- The tax increment limit, including the limit on ERAF Tax Increment, for Sub-Project Area G-4 is initially established at \$1,190,000,000.

F. Pier 70 ERAF Allocation Limit

In accordance with Section 53395.8(g)(3)(D)(ii)(II) of the IFD Law, each of Sub-Project Areas G-2, G-3, and G-4 is subject to a limitation on the number of dollars of the ERAF share to be divided and allocated to the IFD from such Sub-Project Area pursuant to this Appendix, which has been established in consultation with the county tax collector 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 initial limits on the ERAF Tax Increment to be divided and allocated to the IFD from each Sub-Project Area are listed below. These limits reflect the projected ERAF Tax Increment allocation to each Sub-Project Area plus a contingency factor of approximately 88%-92%.

- The limit on the ERAF Tax Increment to be divided and allocated to the IFD from Sub- Project Area G-2 is initially established at \$293,000,000.
- The limit on the ERAF Tax Increment to be divided and allocated to the IFD from Sub- Project Area G-3 is initially established at \$217,000,000.
- The limit on the ERAF Tax Increment to be divided and allocated to the IFD from Sub- Project Area G-4 is initially established at \$335,000,000.

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 IFD Law allows the Set-Aside Requirement applicable to Project Area G (Pier 70) to be met on a Project Area G (Pier 70)-wide basis rather than on a Sub-Project Area basis. Pursuant to Appendix G-1, 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. As such, the Port, at its discretion, may wish to spend less than 20% of Allocated Tax Increment from Sub-Project Areas G-2, G-3, or G-4 on Authorized Set-Aside Uses.

On a cumulative basis, it is estimated that approximately 43% of the Allocated Tax Increment to the IFD from Sub-Project Area G-2, 44% of the Allocated Tax Increment to the IFD from Sub-Project Area G-3, and 36% of the Allocated Tax Increment to the IFD from Sub-Project Area G-4 will be used for Authorized Set-Aside Uses.

H. Time Limits

The financing section must include the following time limits for each Sub-Project Area:

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

2. A time limit on the IFD's authority to repay indebtedness with incremental tax revenues received in the Sub-Project Area under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues from the Sub-Project Area under the IFD Law; and
3. A time limit on the issuance of new ERAF-secured debt (as defined in Section 53395.8(c)(7) of the IFD law) 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 subject to a Pier 70 enhanced financing plan first issues debt.

For Sub-Project Area G-2, the following are the applicable time limits:

- Date on which the effectiveness of the infrastructure financing plan with respect to Sub-Project Area G-2 and all tax increment allocations to Sub-Project Area G-2 will end: ***the final day of the 45th fiscal year after the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-2 under the IFD Law.***
- Date after which the IFD may no longer repay indebtedness with incremental tax revenues received under the IFD Law from Sub-Project Area G-2: ***the final day of the 45th fiscal year after the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub- Project Area G-2 under the IFD Law.***
- Date after which the IFD may not issue new ERAF-secured debt with respect to Sub-Project Area G-2: ***the final day of the 20th fiscal year after the fiscal year in which the IFD first issued debt secured by Allocated Tax Increment from Sub-Project Area G-2.*** 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.

For Sub-Project Area G-3, the following are the applicable time limits:

- Date on which the effectiveness of the infrastructure financing plan with respect to Sub-Project Area G-3 and all tax increment allocations to Sub-Project Area G-3 will end: ***the final day of the 45th fiscal year after the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-3 under the IFD Law.***
- Date after which the IFD may no longer repay indebtedness with incremental tax revenues received under the IFD Law from Sub-Project Area G-3: ***the final day of the 45th fiscal year after the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub- Project Area G-3 under the IFD Law.***
- Date after which the IFD may not issue new ERAF-secured debt with respect to Sub-Project Area G-3: ***the final day of the 20th fiscal year after the fiscal year in which the IFD first issued debt secured by Allocated Tax Increment from Sub-Project Area G-3.*** 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.

For Sub-Project Area G-4, the following are the applicable time limits:

- Date on which the effectiveness of the infrastructure financing plan with respect to Sub-Project Area G-4 and all tax increment allocations to Sub-Project Area G-4 will end: ***the final day of the 45th fiscal year after the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-4 under the IFD Law.***
- Date after which the IFD may no longer repay indebtedness with incremental tax revenues received under the IFD Law from Sub-Project Area G-4: ***the final day of the 45th fiscal year after the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-4 under the IFD Law.***
- Date after which the IFD may not issue new ERAF-secured debt with respect to Sub-Project Area G-4: ***the final day of the 20th fiscal year after the fiscal year in which the IFD first issued debt secured by Allocated Tax Increment from Sub-Project Area G-4.*** 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.

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

I. Description of Public Improvements and Facilities

The IFD Law requires an infrastructure financing plan to contain the following information with respect to each of Sub-Project Areas G-2, G-3, and G-4.

1. Public facilities to be provided by the private sector.

Under the requirements of the proposed Pier 70 Special Use District and Design for Development guidelines, vertical developers will be responsible for developing certain privately owned, public open spaces. These costs will not be repaid to vertical developers from Allocated Tax Increment generated in Sub-Project Areas G-2, G-3, and G-4.

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

CFD special taxes are planned to be levied and collected from Pier 70 waterfront lessees and property owners to fund the planning, design, and construction of shoreline protection facilities.

3. Public facilities to be financed with assistance from Sub-Project Areas G-2, G-3, and G-4.

The Facilities that will be funded with Allocated Tax Increment from the Sub-Project Areas are listed in Table 1. The costs of the Facilities are summarized below in Exhibit G-2a. All of the Facilities are located in the boundaries of the IFD.

Exhibit G-2a

Facilities Costs to be Funded by IFD	Target Completion Timing	Estimated Cost (2017 \$)
Sub-Project Area G-2		
Direct Construction Costs	2018 - 2021	\$84,729,000
Construction Contingency	2018 - 2021	\$12,658,000
Design Contingency	2018 - 2021	\$4,219,000
Indirect Costs	2018 - 2021	\$37,509,000
Indirect Cost Contingency	2018 - 2021	\$2,185,000
Subtotal - Sub-Project Area G-2		\$141,300,000
Sub-Project Area G-3		
Direct Construction Costs	2022 - 2024	\$40,811,000
Construction Contingency	2022 - 2024	\$6,126,000
Design Contingency	2022 - 2024	\$2,042,000
Indirect Costs	2022 - 2024	\$22,655,000
Indirect Cost Contingency	2022 - 2024	\$1,338,000
Subtotal - Sub-Project Area G-3		\$72,972,000
Sub-Project Area G-4		
Direct Construction Costs	2025 - 2028	\$20,393,000
Construction Contingency	2025 - 2028	\$3,106,000
Design Contingency	2025 - 2028	\$1,035,000
Indirect Costs	2025 - 2028	\$20,668,000
Indirect Cost Contingency	2025 - 2028	\$1,061,000
Subtotal - Sub-Project Area G-4		\$46,263,000
Pier 70 Wide (Subject to Port Commission and Board of Supervisors Approval)		
Irish Hill Park	2019 - 2030	\$10,000,000
Building 106 Rehabilitation	2019 - 2040	\$30,000,000
Building 111 Rehabilitation	2019 - 2040	\$20,000,000
Shipyard Electrical Service	2019 - 2030	\$3,000,000
Crane Cove Park	2019 - 2040	\$30,000,000
Shipyard Improvements	2019 - 2040	\$20,000,000
Site Interpretation and Public Realm Improvements	2019 - 2040	\$500,000
Subtotal - Pier 70 Wide		\$113,500,000
Total Estimated Costs		\$374,035,000

In addition to the costs listed above, Allocated Tax Increment may also fund the Historic Building Feasibility Gap pursuant to the Financing Plan in relation to the rehabilitation of historic Buildings 12 and 21 within the 28-Acre Site.

Pursuant to Attachment 2: “Guidelines for Establishment and Use of an Infrastructure Financing District (IFD) with Project Areas on Land under the Jurisdiction of the San Francisco Port Commission”, which were adopted by the Board of Supervisors pursuant to Resolution No. 123-13 on April 23, 2013, excess tax increment not required to fund public facilities in project areas will be allocated to either (a) the City’s General Fund, (b) funding improvements to the City’s seawall, or (c) protecting the City against sea level rise, as allowed by State law. Accordingly, the Port plans to allocate any excess tax increment not required to fund the public facilities listed in Table 1 and Exhibit G-2a to protecting the City against sea level rise.

4. Public facilities to be provided jointly by the private sector and governmental entities

Rehabilitation of historic resources will be undertaken in many cases by private entities, including Developer, often using tax increment from Sub-Project Areas G-2, G-3, and G-4. Examples include Building 12, Building 21, the frame of Building 15, Building 108, and resources listed under Pier 70 Wide Facilities in Table 1 and under Pier 70 Wide in Exhibit G-2a above.

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 Areas G-2, G-3, and G-4, and any other legally available sources of funds.

The financing plan is presented in Table 2 of this Appendix. As summarized in Exhibit G-2b below, it is anticipated that the Facilities will be financed with a combination of Allocated Tax Increment from Sub-Project Areas G-2, G-3, and G-4 used on a pay-go basis, proceeds of bonds issued by the IFD and a CFD, special taxes levied on property within an overlapping CFD, capital to be advanced by the Developer (to be repaid by the IFD with Allocated Tax Increment from Sub-Project Areas G-2, G-3, and G-4), and advances of land proceeds (to be repaid by the IFD with Allocated Tax Increment from Sub-Project Areas G-2, G-3, and G-4). The Allocated Tax Increment from Sub-Project Areas G-2, G-3, and G-4 may be used to finance any of the Facilities regardless of the geographic location of the Facilities within the IFD and regardless of which Sub-Project Area generated the Allocated Tax Increment.

This Appendix hereby authorizes the IFD to issue IFD bonds; however, 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 applying Allocated Tax Increment to pay CFD Bonds, the use and priority of the Allocated Tax Increment shall be as set forth in the Financing Plan, any indenture for IFD bonds or CFD Bonds, and any Pledge Agreement under the DDA. The type of bond to be issued will be determined based on market conditions approaching the time of issuance. Additionally, the Port may potentially advance capital to finance facilities (to be repaid by the IFD with Allocated Tax Increment from the Sub-Project Areas) as well. However, other than advances of land proceeds, the amounts listed below do not assume any advances of Port capital. Table 2 and Exhibit G-2b address the portion of the Facilities to be financed by tax increment and do not address any other sources of funding that may be applied to the Facilities.

The amounts shown in Table 2 and Exhibit G-2b include ERAF Tax Increment and City Share of Tax Increment that will be allocated to the IFD from the Sub-Project Areas to pay for Facilities on a pay-go basis pursuant to Government Code Section 53395.2. As described elsewhere in this Appendix, for each Sub-Project Area, the obligation of the IFD to use Allocated Tax Increment from the Sub-Project Area to pay for the Facilities under this Appendix constitutes a debt and an ERAF-secured debt and shall be payable from Allocated Tax Increment from the Sub-Project Area through the period ending on the final day of the 45th fiscal year after the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from the Sub-Project Area.

Exhibit G-2b

Anticipated Sources and Uses of Funds		
	2017/18 Dollars	Nominal Dollars
Anticipated Sources of Funds		
Annual Tax Increment	\$596,720,000	\$1,578,818,000
Bond Proceeds	\$137,429,000	\$169,593,000
Developer Capital	\$133,832,000	\$150,273,000
Advances of Land Proceeds	\$164,931,000	\$192,200,000
Total Sources	\$1,032,912,000	\$2,090,884,000
Anticipated Uses of Funds		
Bond Debt Service	\$253,893,000	\$522,328,000
Interest on Advanced Funds	\$22,975,000	\$27,042,000
Repay Developer Capital	\$121,166,000	\$150,274,000
Repay Advances of Land Proceeds	\$101,663,000	\$192,200,000
Pier 70 Sub-Project Areas G-2, G-3, and G-4 Facilities	\$287,909,000	\$329,382,000
Pier 70 Wide Facilities	\$53,041,000	\$140,339,000
Sea Level Rise Protection	\$130,379,000	\$498,964,000
ERAF	\$61,886,000	\$230,355,000
Total Uses	\$1,032,912,000	\$2,090,884,000

This Appendix does not project the anticipated costs of administering the IFD, but the Port, as agent of the IFD, expects to pay the costs of administering the IFD with Allocated Tax Increment from the Sub-Project Areas.

Assessed values and property tax amounts are projected in Table 3 of this Appendix. Developer capital, advances of land proceeds, and bonds issuances to be repaid by the IFD are projected in Table 4 of this Appendix.

K. Accounting Procedures

The IFD will maintain accounting procedures for Sub-Project Areas G-2, G-3, and G-4 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 Areas G-2, G-3, and G-4 while these Sub-Project Areas are being developed and after they are 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 Areas G-2, G-3, and G-4.

1. Costs to the City's General Fund for providing facilities and services to Sub-Project Areas G-2, G-3, and G-4 while they are being developed and after Sub-Project Areas G-2, G-3, and G-4 are developed.

Estimates of costs to the City's General Fund for providing facilities and services to Sub-Project Areas G-2, G-3, and G-4, while they are being developed and after they are developed are detailed in Attachment 3: "Fiscal and Economic Impact Analysis Update – Pier 70 Mixed Use Development Project" and summarized in the following Exhibit G-2c and Exhibit G-2d, which are sourced from Attachment 3. As shown, the annual cost to the City's General Fund to provide services to the three Sub-Project Areas is estimated to be approximately \$1.8 million in 2017 dollars. Service costs during the construction period are estimated to range from \$1.0 million to \$1.8 million in 2017 dollars. General Fund costs are comprised of costs to provide police, fire, and emergency medical services to the project. The cost of maintaining and operating Pier 70 waterfront parks, open spaces, and roads will not be funded by the General Fund. These costs will be funded by a CFD services 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 Areas G-2, G-3, and G-4.

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 Areas G-2, G-3, and G-4 are detailed in Attachment 3: "Fiscal and Economic Impact Analysis Update – Pier 70 Mixed Use Development Project" and summarized in the following Exhibit G-2d. As shown, upon stabilization, the project is anticipated to generate annually \$9.8 million of net revenue to the City's General Fund.

As shown in Exhibit G-2d, it is estimated that the Pier 70 development will annually generate a net fiscal surplus to the City's General Fund of \$8.0 million per year expressed in 2017 dollars.

Exhibit G-2c: Annual Service Costs During Development (2017 \$)

Area/Service	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
IFD											
Pier 70 28-acre Waterfront Site											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(33,364)	(117,608)	(200,072)	(228,817)	(228,817)	(377,175)	(466,786)	(532,781)	(699,767)	(744,419)	(849,000)
Fire/EMS	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>
Total, Pier 70	(886,364)	(970,608)	(1,053,072)	(1,081,817)	(1,081,817)	(1,230,175)	(1,319,786)	(1,385,781)	(1,552,767)	(1,597,419)	(1,702,000)
20th/Illinois											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Fire/EMS	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>
Total, 20th/Illinois	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)
TOTAL IFD	(990,364)	(1,074,608)	(1,157,072)	(1,185,817)	(1,185,817)	(1,334,175)	(1,423,786)	(1,489,781)	(1,656,767)	(1,701,419)	(1,806,000)
IRFD											
Hoedown Yard											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Fire/EMS	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>
Total, 20th/Illinois	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL IRFD	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL, SERVICE COSTS	(1,128,364)	(1,212,608)	(1,295,072)	(1,323,817)	(1,323,817)	(1,472,175)	(1,561,786)	(1,627,781)	(1,794,767)	(1,839,419)	(1,944,000)

8/31/17

Exhibit G-2d: Estimated Annual Net General Revenues and Expenditures (2017 \$)

Item	IFD				
	Pier 70 28-acre Waterfront Site	20th/Illinois St.	IFD Annual Total	IRFD Hoedown Yard	SUD Annual Total
Annual General Revenue					
Property Tax in Lieu of VLF	\$1,729,000	\$225,000	1,954,000	\$310,000	2,264,000
Property Transfer Tax	2,231,000	\$204,000	2,435,000	\$0	2,435,000
Sales Tax	772,000	\$96,000	868,000	\$129,000	997,000
Parking Tax (City 20% share)	0	\$0	0	\$0	0
Gross Receipts Tax	<u>7,007,000</u>	<u>\$2,000</u>	<u>7,009,000</u>	<u>\$44,000</u>	<u>7,053,000</u>
Subtotal, General Revenue	\$11,739,000	\$527,000	\$12,266,000	\$483,000	\$12,749,000
(less) 20% Charter Mandated Baseline	<u>(\$2,347,800)</u>	<u>(\$105,400)</u>	<u>(\$2,453,200)</u>	<u>(\$96,600)</u>	<u>(\$2,549,800)</u>
Net to General Fund	\$9,391,200	\$421,600	\$9,812,800	\$386,400	\$10,199,200
Public Services Expenditures					
Parks and Open Space			<i>Funded by Project Assessments</i>		
Roads			<i>Funded by Project Assessments</i>		
Police	(849,000)	(52,000)	(901,000)	(69,000)	(969,000)
Fire/EMS (net of fees and charges)	<u>(853,000)</u>	<u>(52,000)</u>	<u>(905,000)</u>	<u>(69,000)</u>	<u>(974,000)</u>
Subtotal, Services	(\$1,702,000)	(\$104,000)	(\$1,806,000)	(\$138,000)	(\$1,943,000)
NET General Revenues	\$7,689,200	\$317,600	\$8,006,800	\$248,400	\$8,256,200
Annual Other Dedicated and Restricted Revenue					
Public Safety Sales Tax	\$386,000	\$48,000	434,000	\$65,000	499,000
SF Cnty Transportation Auth'y Sales Tax	<u>\$386,000</u>	<u>\$48,000</u>	<u>434,000</u>	<u>\$65,000</u>	<u>499,000</u>
Subtotal	\$772,000	\$96,000	\$868,000	\$130,000	\$998,000
Possessory Interest/Property Taxes (1)	\$17,328,000	\$2,253,000	\$19,581,000	\$3,111,000	\$22,692,000
TOTAL, Net General + Other Revenues	\$25,789,200	\$2,666,600	\$28,455,800	\$3,489,400	\$31,946,200

(1) Until project infrastructure costs are fully paid, the full \$0.65 per property tax dollar generated from the site will be utilized to fund bond debt service and on a pay-go basis fund infrastructure costs through an IFD/IRFD approved by the Board of Supervisors. The \$0.65 represents the General Fund and dedicated funds share; total IFD revenues available for infrastructure will also include the State's share that currently is distributed to ERAF. The IRFD (Hoedown Yard parcels) will only receive the General Fund share to pay for Project costs.

8/31/17

**Appendix G-2
Rider #1
PROJECTION OF ALLOCATED TAX INCREMENT, SUB-PROJECT AREA G-2 (PIER 70 –
WATERFRONT)**

FY 2015/16	Base Year - \$0
FY 2023/24 ¹	\$2,283,000
FY 2024/25	\$4,323,000
FY 2025/26	\$7,975,000
FY 2026/27	\$8,134,000
FY 2027/28	\$8,297,000
FY 2028/29	\$8,463,000
FY 2029/30	\$8,632,000
FY 2030/31	\$8,805,000
FY 2031/32	\$8,981,000
FY 2032/33	\$9,160,000
FY 2033/34	\$9,344,000
FY 2034/35	\$9,531,000
FY 2035/36	\$9,721,000
FY 2036/37	\$9,916,000
FY 2037/38	\$10,114,000
FY 2038/39	\$10,316,000
FY 2039/40	\$10,522,000
FY 2040/41	\$10,733,000
FY 2041/42	\$10,948,000
FY 2042/43	\$11,167,000
FY 2043/44	\$11,390,000
FY 2044/45	\$11,618,000
FY 2045/46	\$11,850,000
FY 2046/47	\$12,087,000
FY 2047/48	\$12,329,000

¹ For purposes of illustration only. The actual commencement date for Allocated Tax Increment in Sub-Project Area G-2 will be the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-2 under the IFD Law.

**Appendix G-2
Rider #1 Continued**

FY 2048/49	\$12,575,000
FY 2049/50	\$12,827,000
FY 2050/51	\$13,083,000
FY 2051/52	\$13,345,000
FY 2052/53	\$13,612,000
FY 2053/54	\$13,884,000
FY 2054/55	\$14,162,000
FY 2055/56	\$14,445,000
FY 2056/57	\$14,734,000
FY 2057/58	\$15,029,000
FY 2058/59	\$15,329,000
FY 2059/60	\$15,636,000
FY 2060/61	\$15,949,000
FY 2061/62	\$16,268,000
FY 2062/63	\$16,593,000
FY 2063/64	\$16,925,000
FY 2064/65	\$17,263,000
FY 2065/66	\$17,608,000
FY 2066/67	\$17,961,000
FY 2067/68	\$18,320,000
Cumulative Total, Rounded	\$542,187,000

**Appendix G-2
Rider #2
PROJECTION OF ALLOCATED TAX INCREMENT, SUB-PROJECT AREA G-3 (PIER 70 –
WATERFRONT)**

FY 2015/16	Base Year - \$0
FY 2028/29 ²	\$5,715,000
FY 2029/30	\$5,829,000
FY 2030/31	\$5,946,000
FY 2031/32	\$6,064,000
FY 2032/33	\$6,186,000
FY 2033/34	\$6,309,000
FY 2034/35	\$6,436,000
FY 2035/36	\$6,564,000
FY 2036/37	\$6,696,000
FY 2037/38	\$6,830,000
FY 2038/39	\$6,966,000
FY 2039/40	\$7,106,000
FY 2040/41	\$7,248,000
FY 2041/42	\$7,393,000
FY 2042/43	\$7,540,000
FY 2043/44	\$7,691,000
FY 2044/45	\$7,845,000
FY 2045/46	\$8,002,000
FY 2046/47	\$8,162,000
FY 2047/48	\$8,325,000
FY 2048/49	\$8,492,000
FY 2049/50	\$8,662,000
FY 2050/51	\$8,835,000
FY 2051/52	\$9,011,000
FY 2052/53	\$9,192,000

² For purposes of illustration only. The actual commencement date for Allocated Tax Increment in Sub-Project Area G-3 will be the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-3 under the IFD Law.

**Appendix G-2
Rider #2 Continued**

FY 2053/54	\$9,376,000
FY 2054/55	\$9,563,000
FY 2055/56	\$9,754,000
FY 2056/57	\$9,949,000
FY 2057/58	\$10,148,000
FY 2058/59	\$10,351,000
FY 2059/60	\$10,558,000
FY 2060/61	\$10,770,000
FY 2061/62	\$10,985,000
FY 2062/63	\$11,205,000
FY 2063/64	\$11,429,000
FY 2064/65	\$11,657,000
FY 2065/66	\$11,890,000
FY 2066/67	\$12,128,000
FY 2067/68	\$12,371,000
FY 2068/69	\$12,618,000
FY 2069/70	\$12,871,000
FY 2070/71	\$13,128,000
FY 2071/72	\$13,391,000
FY 2072/73	\$13,658,000
Cumulative Total, Rounded	\$410,845,000

**Appendix G-2
Rider #3
PROJECTION OF ALLOCATED TAX INCREMENT, SUB-PROJECT AREA G-4 (PIER 70 –
WATERFRONT)**

FY 2015/16	Base Year - \$0
FY 2029/30 ³	\$802,000
FY 2030/31	\$1,003,000
FY 2031/32	\$9,291,000
FY 2032/33	\$9,477,000
FY 2033/34	\$9,666,000
FY 2034/35	\$9,860,000
FY 2035/36	\$10,057,000
FY 2036/37	\$10,258,000
FY 2037/38	\$10,463,000
FY 2038/39	\$10,673,000
FY 2039/40	\$10,886,000
FY 2040/41	\$11,104,000
FY 2041/42	\$11,326,000
FY 2042/43	\$11,552,000
FY 2043/44	\$11,783,000
FY 2044/45	\$12,019,000
FY 2045/46	\$12,259,000
FY 2046/47	\$12,505,000
FY 2047/48	\$12,755,000
FY 2048/49	\$13,010,000
FY 2049/50	\$13,270,000
FY 2050/51	\$13,535,000
FY 2051/52	\$13,806,000
FY 2052/53	\$14,082,000
FY 2053/54	\$14,364,000

³ For purposes of illustration only. The actual commencement date for Allocated Tax Increment in Sub-Project Area G-4 will be the fiscal year in which the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-4 under the IFD Law.

**Appendix G-2
Rider #3 Continued**

FY 2054/55	\$14,651,000
FY 2055/56	\$14,944,000
FY 2056/57	\$15,243,000
FY 2057/58	\$15,548,000
FY 2058/59	\$15,859,000
FY 2059/60	\$16,176,000
FY 2060/61	\$16,500,000
FY 2061/62	\$16,829,000
FY 2062/63	\$17,166,000
FY 2063/64	\$17,509,000
FY 2064/65	\$17,860,000
FY 2065/66	\$18,217,000
FY 2066/67	\$18,581,000
FY 2067/68	\$18,953,000
FY 2068/69	\$19,332,000
FY 2069/70	\$19,718,000
FY 2070/71	\$20,113,000
FY 2071/72	\$20,515,000
FY 2072/73	\$20,925,000
FY 2073/74	\$21,344,000
Cumulative Total, Rounded	\$625,789,000

Table 1
Appendix G-2
Improvements to be Funded by IFD
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Type of Improvement	Location of Improvement	Target Completion Timing	Estimated Cost (2017 \$)
Sub-Project Area G-2 (Phase I) Facilities			
Demolition and Abatement	Existing buildings 15, 16, 19, 25, 32, 66 and at-/below-grade site demolition	2018 - 2021	\$5,437,000
Auxiliary Water Supply System	Routing through ROW, see Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$3,295,000
Low Pressure Water	Routing through ROW, see Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$3,509,000
Reclaimed Water	Routing through ROW, see Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$2,355,000
Combined Sanitary Sewer	Routing through ROW, see Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$12,009,000
Joint Trench	Routing through ROW, see Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$3,872,000
Earthwork, Soil Disposal, and Retaining Walls	See Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$8,873,000
Roadways	See Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$9,143,000
Streetscape	See Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$4,548,000
Parks & Open Space	See Attachment 4: Phase 1 Submittal Exhibits	2018 - 2021	\$20,424,000
Historical Building Rehabilitation	Existing buildings 15 and 108	2018 - 2021	\$9,480,000
Developer's Other Costs	NA [1]	2018 - 2021	\$1,784,000
Construction Contingency	NA [1]	2018 - 2021	\$12,658,000
Design Contingency	NA [1]	2018 - 2021	\$4,219,000
Indirect Costs	NA [1]	2018 - 2021	\$37,509,000
Indirect Cost Contingency	NA [1]	2018 - 2021	\$2,185,000
Subtotal - Sub-Project Area G-2 (Phase I)			\$141,300,000

[1] The amounts in these line items are costs of the improvements listed above.

Table 1
Appendix G-2
Improvements to be Funded by IFD
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Type of Improvement	Location of Improvement	Target Completion Timing	Estimated Cost (2017 \$)
Sub-Project Area G-3 (Phase II) Facilities			
Demolition and Abatement	Existing building 11 and at-/below-grade site demolition	2022 - 2024	\$2,746,000
Auxiliary Water Supply System	Routing through ROW, see Attachment 4: Phasing Plan	2022 - 2024	\$209,000
Low Pressure Water	Routing through ROW, see Attachment 4: Phasing Plan	2022 - 2024	\$1,100,000
Reclaimed Water	Routing through ROW, see Attachment 4: Phasing Plan	2022 - 2024	\$669,000
Combined Sanitary Sewer	Routing through ROW, see Attachment 4: Phasing Plan	2022 - 2024	\$5,536,000
Joint Trench	Routing through ROW, see Attachment 4: Phasing Plan	2022 - 2024	\$1,377,000
Earthwork, Soil Disposal, and Retaining Walls	See Attachment 4: Phasing Plan	2022 - 2024	\$3,091,000
Roadways	See Attachment 4: Phasing Plan	2022 - 2024	\$2,742,000
Streetscape	See Attachment 4: Phasing Plan	2022 - 2024	\$1,552,000
Parks & Open Space	See Attachment 4: Phasing Plan	2022 - 2024	\$20,875,000
Developer's Other Costs	NA [1]	2022 - 2024	\$914,000
Construction Contingency	NA [1]	2022 - 2024	\$6,126,000
Design Contingency	NA [1]	2022 - 2024	\$2,042,000
Indirect Costs	NA [1]	2022 - 2024	\$22,655,000
Indirect Cost Contingency	NA [1]	2022 - 2024	\$1,338,000
Subtotal - Sub-Project Area G-3 (Phase II)			\$72,972,000

[1] The amounts in these line items are costs of the improvements listed above.

Table 1
Appendix G-2
Improvements to be Funded by IFD
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Type of Improvement	Location of Improvement	Target Completion Timing	Estimated Cost (2017 \$)
Sub-Project Area G-4 (Phase III) Facilities			
Demolition and Abatement	At-/below-grade site demolition	2025 - 2028	\$1,194,000
Auxiliary Water Supply System	Routing through ROW, see Attachment 4: Phasing Plan	2025 - 2028	\$80,000
Low Pressure Water	Routing through ROW, see Attachment 4: Phasing Plan	2025 - 2028	\$746,000
Reclaimed Water	Routing through ROW, see Attachment 4: Phasing Plan	2025 - 2028	\$410,000
Combined Sanitary Sewer	Routing through ROW, see Attachment 4: Phasing Plan	2025 - 2028	\$1,755,000
Joint Trench	Routing through ROW, see Attachment 4: Phasing Plan	2025 - 2028	\$889,000
Earthwork, Soil Disposal, and Retaining Walls	See Attachment 4: Phasing Plan	2025 - 2028	\$4,348,000
Roadways	See Attachment 4: Phasing Plan	2025 - 2028	\$1,371,000
Streetscape	See Attachment 4: Phasing Plan	2025 - 2028	\$1,126,000
Parks & Open Space	See Attachment 4: Phasing Plan	2025 - 2028	\$7,962,000
Developer's Other Costs	NA [1]	2025 - 2028	\$512,000
Construction Contingency	NA [1]	2025 - 2028	\$3,106,000
Design Contingency	NA [1]	2025 - 2028	\$1,035,000
Indirect Costs	NA [1]	2025 - 2028	\$20,668,000
Indirect Cost Contingency	NA [1]	2025 - 2028	\$1,061,000
Subtotal - Sub-Project Area G-4 (Phase III)			\$46,263,000

[1] The amounts in these line items are costs of the improvements listed above.

Table 1
Appendix G-2
Improvements to be Funded by IFD
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Type of Improvement	Location of Improvement	Target Completion Timing	Estimated Cost (2017 \$)
Pier 70 Wide Facilities (Subject to Port Commission and Board of Supervisors Approval)			
Irish Hill Park including Landscaping, Site Furnishings, Public Art, Recreation Equipment, Playground Equipment, and Stormwater Management	Assessor's Block 4120/Lot 002 and potentially portions of Assessor's Block 4110/Lot 008A	2019 - 2030	\$10,000,000
Building 106 Rehabilitation	Assessor's Block 4052/Lot 001	2019 - 2040	\$30,000,000
Building 111 Rehabilitation	Assessor's Block 4052/Lot 001	2019 - 2040	\$20,000,000
Shipyards Electrical Service including Electrical Power Separation	Assessor's Block 4110/001, Assessor's Block 4046/Lot 001 and/or Assessor's Block 4052/Lot 001	2019 - 2030	\$3,000,000
Crane Cove Park including Expanded Park to East, Buildings 109 and 110 Rehabilitation, Site Furnishings, and Park Upgrades	Assessor's Block 4046/Lot 001	2019 - 2040	\$30,000,000
Shipyards Improvements including Historic Resource Rehabilitation, Facilities Disposal (Cranes and Drydocks), Pile and Fill Removal, and Stormwater Management	Assessor's Block 4046/Lot 001, Assessor's Block 4052/Lot 001 and adjacent offshore areas	2019 - 2040	\$20,000,000
Pier 70 Wide Site Interpretation and Public Realm Improvements	Assessor's Block 4110/001, Assessor's Block 4046/Lot 001, Assessor's Block 4052/Lot 001, Assessor's Block 4120/Lot 002 and Assessor's Block 4110/Lot 008A	2019 - 2040	\$500,000
Subtotal - Pier 70 Wide Facilities			\$113,500,000
Total Estimated Costs			\$374,030,000

Table 2
Appendix G-2
Sources and Uses of Funds Infrastructure Financing Plan
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

		Total 2017/18 Dollars	Total Nominal Dollars	Base Year FY 15/16	Year 1 FY 16/17	Year 2 FY 17/18	Year 3 FY 18/19	Year 4 FY 19/20	Year 5 FY 20/21	Year 6 FY 21/22	Year 7 FY 22/23
Available Property /Possessory Interest Tax Increment Revenue to IFD											
General Fund	100%	\$428,626,670	\$1,134,072,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ERAF	100%	\$168,092,823	\$444,744,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total		\$596,719,493	\$1,578,817,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IFD Sources of Funds											
Annual Tax Increment		\$596,719,493	\$1,578,817,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Proceeds		\$137,428,825	\$169,592,682	\$0	\$0	\$0	\$0	\$16,958,583	\$13,803,768	\$0	\$17,276,277
Developer Capital		\$133,832,094	\$150,273,590	\$16,901,636	\$10,218,627	\$6,014,454	\$0	\$3,697,526	\$38,321,013	\$23,836,436	\$12,761,518
Advances of Land Proceeds		\$164,931,373	\$192,200,418	\$0	\$0	\$0	\$18,655,418	\$37,405,648	\$19,988,040	\$11,906,197	\$0
Total Sources of Funds		\$1,032,911,784	\$2,090,884,490	\$16,901,636	\$10,218,627	\$6,014,454	\$18,655,418	\$58,061,758	\$72,112,821	\$35,742,633	\$30,037,795
IFD Uses of Funds											
Bond Debt Service		\$253,892,744	\$522,328,387	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Advanced Funds		\$22,974,947	\$27,041,858	\$0	\$0	\$0	\$4,873,665	\$1,724,148	\$1,206,524	\$0	\$5,949,685
Repay Developer Capital		\$121,166,407	\$150,273,590	\$0	\$0	\$0	\$0	\$10,360,771	\$12,597,244	\$0	\$11,326,592
Repay Advances of Land Proceeds		\$101,662,800	\$192,200,418	\$0	\$0	\$0	\$0	\$4,873,665	\$0	\$0	\$0
Pier 70 Sub-Project Areas G-2- G-4 Facilities		\$287,908,679	\$329,382,160	\$16,901,636	\$10,218,627	\$6,014,454	\$13,781,753	\$41,103,174	\$58,309,053	\$35,742,633	\$12,761,518
Pier 70 Wide Facilities		\$53,041,434	\$140,338,906	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sea Level Rise Protection		\$130,378,925	\$498,964,093	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ERAF		\$61,885,847	\$230,355,078	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds		\$1,032,911,784	\$2,090,884,490	\$16,901,636	\$10,218,627	\$6,014,454	\$18,655,418	\$58,061,758	\$72,112,821	\$35,742,633	\$30,037,795
Net IFD Fund Balance		\$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%	0%	0%	0%

Table 2
Appendix G-2
Sources and Uses of Funds Infrastructure Financing Plan
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
		FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33
Available Property /Possessory Interest Tax Increment Revenue to IFD											
General Fund	100%	\$1,640,100	\$3,105,500	\$5,728,300	\$5,842,800	\$5,959,700	\$10,183,800	\$10,963,900	\$11,315,800	\$17,480,900	\$17,830,600
ERAF	100%	\$643,200	\$1,217,900	\$2,246,400	\$2,291,400	\$2,337,200	\$3,993,700	\$4,299,600	\$4,437,600	\$6,855,400	\$6,992,600
Annual Total		\$2,283,300	\$4,323,400	\$7,974,700	\$8,134,200	\$8,296,900	\$14,177,500	\$15,263,500	\$15,753,400	\$24,336,300	\$24,823,200
IFD Sources of Funds											
Annual Tax Increment		\$2,283,300	\$4,323,400	\$7,974,700	\$8,134,200	\$8,296,900	\$14,177,500	\$15,263,500	\$15,753,400	\$24,336,300	\$24,823,200
Bond Proceeds		\$29,498,163	\$20,263,603	\$0	\$36,735,051	\$11,111,695	\$0	\$0	\$23,945,542	\$0	\$0
Developer Capital		\$11,789,879	\$2,685,478	\$7,866,007	\$0	\$0	\$16,181,016	\$0	\$0	\$0	\$0
Advances of Land Proceeds		\$31,358,486	\$28,315,966	\$0	\$14,294,272	\$26,629,322	\$3,647,068	\$0	\$0	\$0	\$0
Total Sources of Funds		\$74,929,828	\$55,588,446	\$15,840,707	\$59,163,523	\$46,037,916	\$34,005,585	\$15,263,500	\$39,698,942	\$24,336,300	\$24,823,200
IFD Uses of Funds											
Bond Debt Service		\$1,600,268	\$2,895,924	\$5,337,115	\$5,384,639	\$5,433,113	\$9,270,235	\$9,897,086	\$10,135,220	\$15,791,311	\$15,982,973
Interest on Advanced Funds		\$2,952,868	\$1,736,726	\$856,074	\$5,573,678	\$908,566	\$0	\$734,870	\$525,054	\$0	\$0
Repay Developer Capital		\$27,025,375	\$19,570,066	\$1,072,667	\$33,545,146	\$19,833,115	\$0	\$3,274,746	\$11,667,868	\$0	\$0
Repay Advances of Land Proceeds		\$0	\$0	\$0	\$0	\$357,239	\$3,647,068	\$0	\$15,970,530	\$6,381,834	\$6,633,634
Pier 70 Sub-Project Areas G-2- G-4 Facilities		\$43,148,365	\$31,001,443	\$7,866,007	\$13,937,032	\$18,768,379	\$19,828,085	\$0	\$0	\$0	\$0
Pier 70 Wide Facilities		\$202,952	\$384,287	\$708,845	\$723,028	\$737,505	\$1,260,197	\$1,356,797	\$1,400,269	\$2,163,155	\$2,206,593
Sea Level Rise Protection		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ERAF		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds		\$74,929,828	\$55,588,446	\$15,840,707	\$59,163,523	\$46,037,916	\$34,005,585	\$15,263,500	\$39,698,942	\$24,336,300	\$24,823,200
Net IFD Fund Balance		\$0									

Table 2
Appendix G-2
Sources and Uses of Funds Infrastructure Financing Plan
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

		Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27
		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
Available Property /Possessory Interest Tax Increment Revenue to IFD											
General Fund	100%	\$18,187,100	\$18,550,900	\$18,921,900	\$19,300,300	\$19,686,300	\$20,080,000	\$20,481,600	\$20,891,300	\$21,309,200	\$21,735,400
ERAF	100%	\$7,132,400	\$7,275,000	\$7,420,600	\$7,569,000	\$7,720,300	\$7,874,700	\$8,032,200	\$8,192,900	\$8,356,700	\$8,523,900
Annual Total		\$25,319,500	\$25,825,900	\$26,342,500	\$26,869,300	\$27,406,600	\$27,954,700	\$28,513,800	\$29,084,200	\$29,665,900	\$30,259,300
IFD Sources of Funds											
Annual Tax Increment		\$25,319,500	\$25,825,900	\$26,342,500	\$26,869,300	\$27,406,600	\$27,954,700	\$28,513,800	\$29,084,200	\$29,665,900	\$30,259,300
Bond Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advances of Land Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds		\$25,319,500	\$25,825,900	\$26,342,500	\$26,869,300	\$27,406,600	\$27,954,700	\$28,513,800	\$29,084,200	\$29,665,900	\$30,259,300
IFD Uses of Funds											
Bond Debt Service		\$16,178,469	\$16,377,874	\$16,581,267	\$16,788,728	\$17,000,339	\$17,216,182	\$17,436,341	\$17,660,904	\$17,889,958	\$18,123,593
Interest on Advanced Funds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Advances of Land Proceeds		\$6,890,471	\$7,152,445	\$7,419,658	\$7,692,215	\$7,970,223	\$8,253,792	\$8,543,032	\$8,838,056	\$9,138,982	\$9,445,925
Pier 70 Sub-Project Areas G-2- G-4 Facilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pier 70 Wide Facilities		\$2,250,560	\$2,295,582	\$2,341,575	\$2,388,357	\$2,436,038	\$2,484,727	\$2,534,427	\$2,585,240	\$2,636,961	\$2,689,782
Sea Level Rise Protection		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ERAF		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds		\$25,319,500	\$25,825,900	\$26,342,500	\$26,869,300	\$27,406,600	\$27,954,700	\$28,513,800	\$29,084,200	\$29,665,900	\$30,259,300
Net IFD Fund Balance		\$0									
Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits		93%	80%	69%	61%	55%	49%	45%	41%	38%	35%

Table 2
Appendix G-2
Sources and Uses of Funds Infrastructure Financing Plan
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

		Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37
		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	FY 52/53
Available Property /Possessory Interest Tax Increment Revenue to IFD											
General Fund	100%	\$22,170,000	\$22,613,400	\$23,065,700	\$23,527,100	\$23,997,600	\$24,477,600	\$24,967,100	\$25,466,500	\$25,975,800	\$26,495,300
ERAF	100%	\$8,694,400	\$8,868,200	\$9,045,600	\$9,226,500	\$9,411,000	\$9,599,300	\$9,791,300	\$9,987,000	\$10,186,800	\$10,390,600
Annual Total		\$30,864,400	\$31,481,600	\$32,111,300	\$32,753,600	\$33,408,600	\$34,076,900	\$34,758,400	\$35,453,500	\$36,162,600	\$36,885,900
IFD Sources of Funds											
Annual Tax Increment		\$30,864,400	\$31,481,600	\$32,111,300	\$32,753,600	\$33,408,600	\$34,076,900	\$34,758,400	\$35,453,500	\$36,162,600	\$36,885,900
Bond Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advances of Land Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds		\$30,864,400	\$31,481,600	\$32,111,300	\$32,753,600	\$33,408,600	\$34,076,900	\$34,758,400	\$35,453,500	\$36,162,600	\$36,885,900
IFD Uses of Funds											
Bond Debt Service		\$18,361,901	\$18,604,975	\$18,852,910	\$19,105,804	\$19,363,756	\$19,626,867	\$19,895,240	\$20,168,981	\$20,448,197	\$18,477,228
Interest on Advanced Funds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Advances of Land Proceeds		\$9,304,429	\$9,368,666	\$9,091,626	\$9,379,569	\$9,673,270	\$9,177,484	\$9,365,819	\$7,630,787	\$0	\$0
Pier 70 Sub-Project Areas G-2- G-4 Facilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pier 70 Wide Facilities		\$2,743,491	\$2,798,273	\$2,854,307	\$2,911,467	\$2,969,624	\$3,029,145	\$3,089,690	\$3,151,415	\$3,214,474	\$3,278,811
Sea Level Rise Protection		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,301	\$8,688,976	\$10,517,098
ERAF		\$454,579	\$709,686	\$1,312,457	\$1,356,760	\$1,401,950	\$2,243,405	\$2,407,651	\$2,502,015	\$3,810,954	\$4,612,762
Total Uses of Funds		\$30,864,400	\$31,481,600	\$32,111,300	\$32,753,600	\$33,408,600	\$34,076,900	\$34,758,400	\$35,453,500	\$36,162,600	\$36,885,900
Net IFD Fund Balance		\$0									
Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits		33%	30%	28%	27%	25%	24%	22%	21%	22%	22%

Table 2
Appendix G-2
Sources and Uses of Funds Infrastructure Financing Plan
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

		Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47
		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	FY 62/63
Available Property /Possessory Interest Tax Increment Revenue to IFD											
General Fund	100%	\$27,025,200	\$27,565,700	\$28,117,000	\$28,679,300	\$29,253,000	\$29,838,000	\$30,434,800	\$31,043,400	\$31,664,300	\$32,297,700
ERAF	100%	\$10,598,300	\$10,810,300	\$11,026,500	\$11,247,100	\$11,472,000	\$11,701,400	\$11,935,400	\$12,174,100	\$12,417,700	\$12,666,000
Annual Total		\$37,623,500	\$38,376,000	\$39,143,500	\$39,926,400	\$40,725,000	\$41,539,400	\$42,370,200	\$43,217,500	\$44,082,000	\$44,963,700
IFD Sources of Funds											
Annual Tax Increment		\$37,623,500	\$38,376,000	\$39,143,500	\$39,926,400	\$40,725,000	\$41,539,400	\$42,370,200	\$43,217,500	\$44,082,000	\$44,963,700
Bond Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advances of Land Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds		\$37,623,500	\$38,376,000	\$39,143,500	\$39,926,400	\$40,725,000	\$41,539,400	\$42,370,200	\$43,217,500	\$44,082,000	\$44,963,700
IFD Uses of Funds											
Bond Debt Service		\$15,286,214	\$15,499,779	\$14,356,963	\$9,776,675	\$8,999,753	\$8,085,548	\$2,218,029	\$2,218,029	\$0	\$0
Interest on Advanced Funds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Advances of Land Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pier 70 Sub-Project Areas G-2- G-4 Facilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pier 70 Wide Facilities		\$3,344,269	\$3,411,185	\$3,479,388	\$3,549,006	\$3,620,058	\$3,692,359	\$3,766,219	\$3,841,439	\$3,918,418	\$3,996,846
Sea Level Rise Protection		\$13,202,463	\$13,530,574	\$14,811,067	\$18,490,743	\$19,536,533	\$20,687,867	\$25,292,674	\$25,829,364	\$27,918,588	\$28,476,959
ERAF		\$5,790,554	\$5,934,462	\$6,496,082	\$8,109,975	\$8,568,655	\$9,073,626	\$11,093,278	\$11,328,668	\$12,244,995	\$12,489,894
Total Uses of Funds		\$37,623,500	\$38,376,000	\$39,143,500	\$39,926,400	\$40,725,000	\$41,539,400	\$42,370,200	\$43,217,500	\$44,082,000	\$44,963,700
Net IFD Fund Balance		\$0									
Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits		23%	23%	24%	25%	26%	27%	28%	29%	31%	32%

Table 2
Appendix G-2
Sources and Uses of Funds Infrastructure Financing Plan
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

		Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55	Year 56	Year 57
		FY 63/64	FY 64/65	FY 65/66	FY 66/67	FY 67/68	FY 68/69	FY 69/70	FY 70/71	FY 71/72	FY 72/73
Available Property /Possessory Interest Tax Increment Revenue to IFD											
General Fund	100%	\$32,943,500	\$33,602,400	\$34,274,500	\$34,959,900	\$35,659,200	\$22,949,900	\$23,408,900	\$23,877,000	\$24,354,600	\$24,841,700
ERAF	100%	\$12,919,300	\$13,177,800	\$13,441,300	\$13,710,100	\$13,984,300	\$9,000,200	\$9,180,200	\$9,363,800	\$9,551,100	\$9,742,100
Annual Total		\$45,862,800	\$46,780,200	\$47,715,800	\$48,670,000	\$49,643,500	\$31,950,100	\$32,589,100	\$33,240,800	\$33,905,700	\$34,583,800
IFD Sources of Funds											
Annual Tax Increment		\$45,862,800	\$46,780,200	\$47,715,800	\$48,670,000	\$49,643,500	\$31,950,100	\$32,589,100	\$33,240,800	\$33,905,700	\$34,583,800
Bond Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advances of Land Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds		\$45,862,800	\$46,780,200	\$47,715,800	\$48,670,000	\$49,643,500	\$31,950,100	\$32,589,100	\$33,240,800	\$33,905,700	\$34,583,800
IFD Uses of Funds											
Bond Debt Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Advanced Funds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Developer Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repay Advances of Land Proceeds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pier 70 Sub-Project Areas G-2- G-4 Facilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pier 70 Wide Facilities		\$4,076,609	\$4,158,285	\$4,241,447	\$4,326,160	\$4,412,783	\$2,840,043	\$2,896,842	\$2,954,696	\$3,013,874	\$3,074,138
Sea Level Rise Protection		\$29,046,499	\$29,627,429	\$30,219,977	\$30,824,377	\$31,440,864	\$20,235,040	\$20,639,741	\$21,052,535	\$21,473,586	\$21,903,058
ERAF		\$12,739,692	\$12,994,486	\$13,254,376	\$13,519,463	\$13,789,853	\$8,875,017	\$9,052,518	\$9,233,568	\$9,418,240	\$9,606,604
Total Uses of Funds		\$45,862,800	\$46,780,200	\$47,715,800	\$48,670,000	\$49,643,500	\$31,950,100	\$32,589,100	\$33,240,800	\$33,905,700	\$34,583,800
Net IFD Fund Balance		\$0									
Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits		33%	34%	35%	36%	37%	38%	39%	39%	40%	40%

Table 2
Appendix G-2
Sources and Uses of Funds Infrastructure Financing Plan
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

	<u>Year 58</u> <u>FY 73/74</u>	
Available Property /Possessory Interest Tax Increment Revenue to IFD		
General Fund	100%	\$15,331,400
ERAF	100%	<u>\$6,012,500</u>
Annual Total		\$21,343,900
 IFD Sources of Funds		
Annual Tax Increment		\$21,343,900
Bond Proceeds		\$0
Developer Capital		\$0
Advances of Land Proceeds		<u>\$0</u>
Total Sources of Funds		\$21,343,900
 IFD Uses of Funds		
Bond Debt Service		\$0
Interest on Advanced Funds		\$0
Repay Developer Capital		\$0
Repay Advances of Land Proceeds		\$0
Pier 70 Sub-Project Areas G-2- G-4 Facilities		\$0
Pier 70 Wide Facilities		\$1,897,268
Sea Level Rise Protection		\$13,517,781
ERAF		<u>\$5,928,851</u>
Total Uses of Funds		\$21,343,900
 Net IFD Fund Balance		 \$0
 Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits	 41%	

Table 3
Appendix G-2
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Property Tax Projection		2017/18 NPV	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33
Sub-Project Area G-2												
Incremental AV on Tax Roll (\$1,000s)			\$253,926	\$480,805	\$886,866	\$904,604	\$922,698	\$941,148	\$959,976	\$979,170	\$998,766	\$1,018,739
Property Tax Increment at 1%	1.0%	\$253,111,499	\$2,539,257	\$4,808,052	\$8,868,661	\$9,046,041	\$9,226,980	\$9,411,477	\$9,599,755	\$9,791,704	\$9,987,656	\$10,187,389
Property Tax Distributed to IFD												
General Fund	64.59%	\$163,484,690	\$1,640,100	\$3,105,500	\$5,728,300	\$5,842,800	\$5,959,700	\$6,078,900	\$6,200,500	\$6,324,500	\$6,451,000	\$6,580,000
ERAF	25.33%	\$64,113,170	\$643,200	\$1,217,900	\$2,246,400	\$2,291,400	\$2,337,200	\$2,383,900	\$2,431,600	\$2,480,200	\$2,529,900	\$2,580,500
Total	89.92%	\$227,597,860	\$2,283,300	\$4,323,400	\$7,974,700	\$8,134,200	\$8,296,900	\$8,462,800	\$8,632,100	\$8,804,700	\$8,980,900	\$9,160,500
Sub-Project Area G-3												
Incremental AV on Tax Roll (\$1,000s)			\$0	\$0	\$0	\$0	\$0	\$635,532	\$648,243	\$661,199	\$674,422	\$687,923
Property Tax Increment at 1%	1.0%	\$168,036,743	\$0	\$0	\$0	\$0	\$0	\$6,355,316	\$6,482,429	\$6,611,988	\$6,744,217	\$6,879,226
Property Tax Distributed to IFD												
General Fund	64.59%	\$108,534,940	\$0	\$0	\$0	\$0	\$0	\$4,104,900	\$4,187,000	\$4,270,700	\$4,356,100	\$4,443,300
ERAF	25.33%	\$42,563,700	\$0	\$0	\$0	\$0	\$0	\$1,609,800	\$1,642,000	\$1,674,800	\$1,708,300	\$1,742,500
Total	89.92%	\$151,098,640	\$0	\$0	\$0	\$0	\$0	\$5,714,700	\$5,829,000	\$5,945,500	\$6,064,400	\$6,185,800
Sub-Project Area G-4												
Incremental AV on Tax Roll (\$1,000s)			\$0	\$0	\$0	\$0	\$0	\$0	\$89,235	\$111,566	\$1,033,252	\$1,053,926
Property Tax Increment at 1%	1.0%	\$242,463,293	\$0	\$0	\$0	\$0	\$0	\$0	\$892,349	\$1,115,658	\$10,332,518	\$10,539,257
Property Tax Distributed to IFD												
General Fund	64.59%	\$156,607,040	\$0	\$0	\$0	\$0	\$0	\$0	\$576,400	\$720,600	\$6,673,800	\$6,807,300
ERAF	25.33%	\$61,415,954	\$0	\$0	\$0	\$0	\$0	\$0	\$226,000	\$282,600	\$2,617,200	\$2,669,600
Total	89.92%	\$218,022,994	\$0	\$0	\$0	\$0	\$0	\$0	\$802,400	\$1,003,200	\$9,291,000	\$9,476,900
Total General Fund		\$428,626,670	\$1,640,100	\$3,105,500	\$5,728,300	\$5,842,800	\$5,959,700	\$10,183,800	\$10,963,900	\$11,315,800	\$17,480,900	\$17,830,600
Total ERAF		\$168,092,823	\$643,200	\$1,217,900	\$2,246,400	\$2,291,400	\$2,337,200	\$3,993,700	\$4,299,600	\$4,437,600	\$6,855,400	\$6,992,600
Total Property Tax Distributed to IFD		\$596,719,493	\$2,283,300	\$4,323,400	\$7,974,700	\$8,134,200	\$8,296,900	\$14,177,500	\$15,263,500	\$15,753,400	\$24,336,300	\$24,823,200

Table 3
Appendix G-2
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Property Tax Projection		2017/18 NPV	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
Sub-Project Area G-2												
Incremental AV on Tax Roll (\$1,000s)			\$1,039,113	\$1,059,887	\$1,081,083	\$1,102,714	\$1,124,755	\$1,147,253	\$1,170,196	\$1,193,605	\$1,217,482	\$1,241,837
Property Tax Increment at 1%	1.0%	\$253,111,499	\$10,391,125	\$10,598,866	\$10,810,832	\$11,027,135	\$11,247,553	\$11,472,531	\$11,701,957	\$11,936,054	\$12,174,822	\$12,418,372
Property Tax Distributed to IFD												
General Fund	64.59%	\$163,484,690	\$6,711,600	\$6,845,800	\$6,982,700	\$7,122,400	\$7,264,800	\$7,410,100	\$7,558,300	\$7,709,500	\$7,863,700	\$8,021,000
ERAF	25.33%	\$64,113,170	\$2,632,100	\$2,684,700	\$2,738,400	\$2,793,200	\$2,849,000	\$2,906,000	\$2,964,100	\$3,023,400	\$3,083,900	\$3,145,600
Total	89.92%	\$227,597,860	\$9,343,700	\$9,530,500	\$9,721,100	\$9,915,600	\$10,113,800	\$10,316,100	\$10,522,400	\$10,732,900	\$10,947,600	\$11,166,600
Sub-Project Area G-3												
Incremental AV on Tax Roll (\$1,000s)			\$701,668	\$715,714	\$730,027	\$744,617	\$759,520	\$774,700	\$790,202	\$806,005	\$822,120	\$838,568
Property Tax Increment at 1%	1.0%	\$168,036,743	\$7,016,681	\$7,157,140	\$7,300,267	\$7,446,174	\$7,595,196	\$7,746,997	\$7,902,024	\$8,060,053	\$8,221,197	\$8,385,676
Property Tax Distributed to IFD												
General Fund	64.59%	\$108,534,940	\$4,532,100	\$4,622,800	\$4,715,200	\$4,809,500	\$4,905,700	\$5,003,800	\$5,103,900	\$5,206,000	\$5,310,100	\$5,416,300
ERAF	25.33%	\$42,563,700	\$1,777,300	\$1,812,900	\$1,849,200	\$1,886,100	\$1,923,900	\$1,962,300	\$2,001,600	\$2,041,600	\$2,082,400	\$2,124,100
Total	89.92%	\$151,098,640	\$6,309,400	\$6,435,700	\$6,564,400	\$6,695,600	\$6,829,600	\$6,966,100	\$7,105,500	\$7,247,600	\$7,392,500	\$7,540,400
Sub-Project Area G-4												
Incremental AV on Tax Roll (\$1,000s)			\$1,075,000	\$1,096,497	\$1,118,439	\$1,140,803	\$1,163,612	\$1,186,888	\$1,210,621	\$1,234,842	\$1,259,542	\$1,284,731
Property Tax Increment at 1%	1.0%	\$242,463,293	\$10,750,000	\$10,964,969	\$11,184,386	\$11,408,029	\$11,636,121	\$11,868,883	\$12,106,206	\$12,348,421	\$12,595,418	\$12,847,309
Property Tax Distributed to IFD												
General Fund	64.59%	\$156,607,040	\$6,943,400	\$7,082,300	\$7,224,000	\$7,368,400	\$7,515,800	\$7,666,100	\$7,819,400	\$7,975,800	\$8,135,400	\$8,298,100
ERAF	25.33%	\$61,415,954	\$2,723,000	\$2,777,400	\$2,833,000	\$2,889,700	\$2,947,400	\$3,006,400	\$3,066,500	\$3,127,900	\$3,190,400	\$3,254,200
Total	89.92%	\$218,022,994	\$9,666,400	\$9,859,700	\$10,057,000	\$10,258,100	\$10,463,200	\$10,672,500	\$10,885,900	\$11,103,700	\$11,325,800	\$11,552,300
Total General Fund		\$428,626,670	\$18,187,100	\$18,550,900	\$18,921,900	\$19,300,300	\$19,686,300	\$20,080,000	\$20,481,600	\$20,891,300	\$21,309,200	\$21,735,400
Total ERAF		\$168,092,823	\$7,132,400	\$7,275,000	\$7,420,600	\$7,569,000	\$7,720,300	\$7,874,700	\$8,032,200	\$8,192,900	\$8,356,700	\$8,523,900
Total Property Tax Distributed to IFD		\$596,719,493	\$25,319,500	\$25,825,900	\$26,342,500	\$26,869,300	\$27,406,600	\$27,954,700	\$28,513,800	\$29,084,200	\$29,665,900	\$30,259,300

Table 3
Appendix G-2
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Property Tax Projection		2017/18 NPV	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	FY 52/53
Sub-Project Area G-2												
Incremental AV on Tax Roll (\$1,000s)			\$1,266,670	\$1,291,993	\$1,317,838	\$1,344,195	\$1,371,074	\$1,398,499	\$1,426,479	\$1,455,004	\$1,484,097	\$1,513,779
Property Tax Increment at 1%	1.0%	\$253,111,499	\$12,666,704	\$12,919,929	\$13,178,381	\$13,441,948	\$13,710,743	\$13,984,987	\$14,264,791	\$14,550,044	\$14,840,970	\$15,137,789
Property Tax Distributed to IFD												
General Fund	64.59%	\$163,484,690	\$8,181,400	\$8,345,000	\$8,511,900	\$8,682,200	\$8,855,800	\$9,032,900	\$9,213,600	\$9,397,900	\$9,585,800	\$9,777,500
ERAF	25.33%	\$64,113,170	\$3,208,500	\$3,272,600	\$3,338,100	\$3,404,800	\$3,472,900	\$3,542,400	\$3,613,300	\$3,685,500	\$3,759,200	\$3,834,400
Total	89.92%	\$227,597,860	\$11,389,900	\$11,617,600	\$11,850,000	\$12,087,000	\$12,328,700	\$12,575,300	\$12,826,900	\$13,083,400	\$13,345,000	\$13,611,900
Sub-Project Area G-3												
Incremental AV on Tax Roll (\$1,000s)			\$855,338	\$872,442	\$889,891	\$907,696	\$925,856	\$944,373	\$963,245	\$982,518	\$1,002,169	\$1,022,220
Property Tax Increment at 1%	1.0%	\$168,036,743	\$8,553,381	\$8,724,422	\$8,898,910	\$9,076,957	\$9,258,563	\$9,443,728	\$9,632,451	\$9,825,178	\$10,021,686	\$10,222,198
Property Tax Distributed to IFD												
General Fund	64.59%	\$108,534,940	\$5,524,600	\$5,635,100	\$5,747,800	\$5,862,800	\$5,980,100	\$6,099,700	\$6,221,600	\$6,346,100	\$6,473,000	\$6,602,500
ERAF	25.33%	\$42,563,700	\$2,166,600	\$2,209,900	\$2,254,100	\$2,299,200	\$2,345,200	\$2,392,100	\$2,439,900	\$2,488,700	\$2,538,500	\$2,589,300
Total	89.92%	\$151,098,640	\$7,691,200	\$7,845,000	\$8,001,900	\$8,162,000	\$8,325,300	\$8,491,800	\$8,661,500	\$8,834,800	\$9,011,500	\$9,191,800
Sub-Project Area G-4												
Incremental AV on Tax Roll (\$1,000s)			\$1,310,420	\$1,336,633	\$1,363,367	\$1,390,636	\$1,418,439	\$1,446,819	\$1,475,756	\$1,505,260	\$1,535,376	\$1,566,081
Property Tax Increment at 1%	1.0%	\$242,463,293	\$13,104,204	\$13,366,326	\$13,633,674	\$13,906,361	\$14,184,386	\$14,468,194	\$14,757,562	\$15,052,602	\$15,353,759	\$15,660,810
Property Tax Distributed to IFD												
General Fund	64.59%	\$156,607,040	\$8,464,000	\$8,633,300	\$8,806,000	\$8,982,100	\$9,161,700	\$9,345,000	\$9,531,900	\$9,722,500	\$9,917,000	\$10,115,300
ERAF	25.33%	\$61,415,954	\$3,319,300	\$3,385,700	\$3,453,400	\$3,522,500	\$3,592,900	\$3,664,800	\$3,738,100	\$3,812,800	\$3,889,100	\$3,966,900
Total	89.92%	\$218,022,994	\$11,783,300	\$12,019,000	\$12,259,400	\$12,504,600	\$12,754,600	\$13,009,800	\$13,270,000	\$13,535,300	\$13,806,100	\$14,082,200
Total General Fund		\$428,626,670	\$22,170,000	\$22,613,400	\$23,065,700	\$23,527,100	\$23,997,600	\$24,477,600	\$24,967,100	\$25,466,500	\$25,975,800	\$26,495,300
Total ERAF		\$168,092,823	\$8,694,400	\$8,868,200	\$9,045,600	\$9,226,500	\$9,411,000	\$9,599,300	\$9,791,300	\$9,987,000	\$10,186,800	\$10,390,600
Total Property Tax Distributed to IFD		\$596,719,493	\$30,864,400	\$31,481,600	\$32,111,300	\$32,753,600	\$33,408,600	\$34,076,900	\$34,758,400	\$35,453,500	\$36,162,600	\$36,885,900

Table 3
Appendix G-2
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Property Tax Projection		2017/18 NPV	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	FY 62/63
Sub-Project Area G-2												
Incremental AV on Tax Roll (\$1,000s)			\$1,544,061	\$1,574,933	\$1,606,439	\$1,638,568	\$1,671,341	\$1,704,771	\$1,738,857	\$1,773,632	\$1,809,108	\$1,845,296
Property Tax Increment at 1%	1.0%	\$253,111,499	\$15,440,614	\$15,749,333	\$16,064,391	\$16,385,676	\$16,713,412	\$17,047,709	\$17,388,568	\$17,736,321	\$18,091,081	\$18,452,958
Property Tax Distributed to IFD												
General Fund	64.59%	\$163,484,690	\$9,973,100	\$10,172,500	\$10,376,000	\$10,583,500	\$10,795,200	\$11,011,100	\$11,231,300	\$11,455,900	\$11,685,000	\$11,918,800
ERAF	25.33%	\$64,113,170	\$3,911,100	\$3,989,300	\$4,069,100	\$4,150,500	\$4,233,500	\$4,318,200	\$4,404,500	\$4,492,600	\$4,582,500	\$4,674,100
Total	89.92%	\$227,597,860	\$13,884,200	\$14,161,800	\$14,445,100	\$14,734,000	\$15,028,700	\$15,329,300	\$15,635,800	\$15,948,500	\$16,267,500	\$16,592,900
Sub-Project Area G-3												
Incremental AV on Tax Roll (\$1,000s)			\$1,042,649	\$1,063,512	\$1,084,775	\$1,106,472	\$1,128,614	\$1,151,168	\$1,174,199	\$1,197,676	\$1,221,641	\$1,246,074
Property Tax Increment at 1%	1.0%	\$168,036,743	\$10,426,490	\$10,635,120	\$10,847,754	\$11,064,724	\$11,286,143	\$11,511,677	\$11,741,993	\$11,976,757	\$12,216,415	\$12,460,743
Property Tax Distributed to IFD												
General Fund	64.59%	\$108,534,940	\$6,734,500	\$6,869,200	\$7,006,600	\$7,146,700	\$7,289,700	\$7,435,400	\$7,584,200	\$7,735,800	\$7,890,600	\$8,048,400
ERAF	25.33%	\$42,563,700	\$2,641,000	\$2,693,900	\$2,747,700	\$2,802,700	\$2,858,800	\$2,915,900	\$2,974,200	\$3,033,700	\$3,094,400	\$3,156,300
Total	89.92%	\$151,098,640	\$9,375,500	\$9,563,100	\$9,754,300	\$9,949,400	\$10,148,500	\$10,351,300	\$10,558,400	\$10,769,500	\$10,985,000	\$11,204,700
Sub-Project Area G-4												
Incremental AV on Tax Roll (\$1,000s)			\$1,597,398	\$1,629,348	\$1,661,933	\$1,695,173	\$1,729,070	\$1,763,657	\$1,798,932	\$1,834,909	\$1,871,608	\$1,909,041
Property Tax Increment at 1%	1.0%	\$242,463,293	\$15,973,977	\$16,293,483	\$16,619,328	\$16,951,735	\$17,290,703	\$17,636,566	\$17,989,324	\$18,349,088	\$18,716,081	\$19,090,414
Property Tax Distributed to IFD												
General Fund	64.59%	\$156,607,040	\$10,317,600	\$10,524,000	\$10,734,400	\$10,949,100	\$11,168,100	\$11,391,500	\$11,619,300	\$11,851,700	\$12,088,700	\$12,330,500
ERAF	25.33%	\$61,415,954	\$4,046,200	\$4,127,100	\$4,209,700	\$4,293,900	\$4,379,700	\$4,467,300	\$4,556,700	\$4,647,800	\$4,740,800	\$4,835,600
Total	89.92%	\$218,022,994	\$14,363,800	\$14,651,100	\$14,944,100	\$15,243,000	\$15,547,800	\$15,858,800	\$16,176,000	\$16,499,500	\$16,829,500	\$17,166,100
Total General Fund		\$428,626,670	\$27,025,200	\$27,565,700	\$28,117,000	\$28,679,300	\$29,253,000	\$29,838,000	\$30,434,800	\$31,043,400	\$31,664,300	\$32,297,700
Total ERAF		\$168,092,823	\$10,598,300	\$10,810,300	\$11,026,500	\$11,247,100	\$11,472,000	\$11,701,400	\$11,935,400	\$12,174,100	\$12,417,700	\$12,666,000
Total Property Tax Distributed to IFD		\$596,719,493	\$37,623,500	\$38,376,000	\$39,143,500	\$39,926,400	\$40,725,000	\$41,539,400	\$42,370,200	\$43,217,500	\$44,082,000	\$44,963,700

Table 3
Appendix G-2
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Property Tax Projection	2017/18 NPV	FY 63/64	FY 64/65	FY 65/66	FY 66/67	FY 67/68	FY 68/69	FY 69/70	FY 70/71	FY 71/72	FY 72/73
Sub-Project Area G-2											
Incremental AV on Tax Roll (\$1,000s)		\$1,882,195	\$1,919,851	\$1,958,241	\$1,997,398	\$2,037,355	\$0	\$0	\$0	\$0	\$0
Property Tax Increment at 1%	1.0%	\$253,111,499	\$18,821,953	\$19,198,510	\$19,582,407	\$19,973,977	\$20,373,554	\$0	\$0	\$0	\$0
Property Tax Distributed to IFD											
General Fund	64.59%	\$163,484,690	\$12,157,100	\$12,400,300	\$12,648,300	\$12,901,200	\$13,159,300	\$0	\$0	\$0	\$0
ERAF	25.33%	\$64,113,170	\$4,767,600	\$4,863,000	\$4,960,200	\$5,059,400	\$5,160,600	\$0	\$0	\$0	\$0
Total	89.92%	\$227,597,860	\$16,924,700	\$17,263,300	\$17,608,500	\$17,960,600	\$18,319,900	\$0	\$0	\$0	\$0
Sub-Project Area G-3											
Incremental AV on Tax Roll (\$1,000s)		\$1,270,985	\$1,296,408	\$1,322,342	\$1,348,788	\$1,375,756	\$1,403,281	\$1,431,339	\$1,459,964	\$1,489,168	\$1,518,950
Property Tax Increment at 1%	1.0%	\$168,036,743	\$12,709,853	\$12,964,079	\$13,223,421	\$13,487,878	\$13,757,562	\$14,032,807	\$14,313,390	\$14,599,644	\$14,891,681
Property Tax Distributed to IFD											
General Fund	64.59%	\$108,534,940	\$8,209,300	\$8,373,500	\$8,541,000	\$8,711,800	\$8,886,000	\$9,063,800	\$9,245,000	\$9,429,900	\$9,618,500
ERAF	25.33%	\$42,563,700	\$3,219,400	\$3,283,800	\$3,349,500	\$3,416,500	\$3,484,800	\$3,554,500	\$3,625,600	\$3,698,100	\$3,772,100
Total	89.92%	\$151,098,640	\$11,428,700	\$11,657,300	\$11,890,500	\$12,128,300	\$12,370,800	\$12,618,300	\$12,870,600	\$13,128,000	\$13,390,600
Sub-Project Area G-4											
Incremental AV on Tax Roll (\$1,000s)		\$1,947,220	\$1,986,165	\$2,025,890	\$2,066,403	\$2,107,740	\$2,149,889	\$2,192,894	\$2,236,744	\$2,281,484	\$2,327,113
Property Tax Increment at 1%	1.0%	\$242,463,293	\$19,472,198	\$19,861,655	\$20,258,897	\$20,664,035	\$21,077,402	\$21,498,888	\$21,928,937	\$22,367,438	\$22,814,835
Property Tax Distributed to IFD											
General Fund	64.59%	\$156,607,040	\$12,577,100	\$12,828,600	\$13,085,200	\$13,346,900	\$13,613,900	\$13,886,100	\$14,163,900	\$14,447,100	\$14,736,100
ERAF	25.33%	\$61,415,954	\$4,932,300	\$5,031,000	\$5,131,600	\$5,234,200	\$5,338,900	\$5,445,700	\$5,554,600	\$5,665,700	\$5,779,000
Total	89.92%	\$218,022,994	\$17,509,400	\$17,859,600	\$18,216,800	\$18,581,100	\$18,952,800	\$19,331,800	\$19,718,500	\$20,112,800	\$20,515,100
Total General Fund		\$428,626,670	\$32,943,500	\$33,602,400	\$34,274,500	\$34,959,900	\$35,659,200	\$22,949,900	\$23,408,900	\$23,877,000	\$24,354,600
Total ERAF		\$168,092,823	\$12,919,300	\$13,177,800	\$13,441,300	\$13,710,100	\$13,984,300	\$9,000,200	\$9,180,200	\$9,363,800	\$9,551,100
Total Property Tax Distributed to IFD		\$596,719,493	\$45,862,800	\$46,780,200	\$47,715,800	\$48,670,000	\$49,643,500	\$31,950,100	\$32,589,100	\$33,240,800	\$33,905,700

Table 3
Appendix G-2
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

<u>Property Tax Projection</u>		<u>2017/18 NPV</u>	<u>FY 73/74</u>
<u>Sub-Project Area G-2</u>			
Incremental AV on Tax Roll (\$1,000s)			\$0
Property Tax Increment at 1%	1.0%	\$253,111,499	\$0
Property Tax Distributed to IFD			
General Fund	64.59%	\$163,484,690	\$0
ERAF	25.33%	\$64,113,170	\$0
Total	89.92%	\$227,597,860	\$0
<u>Sub-Project Area G-3</u>			
Incremental AV on Tax Roll (\$1,000s)			\$0
Property Tax Increment at 1%	1.0%	\$168,036,743	\$0
Property Tax Distributed to IFD			
General Fund	64.59%	\$108,534,940	\$0
ERAF	25.33%	\$42,563,700	\$0
Total	89.92%	\$151,098,640	\$0
<u>Sub-Project Area G-4</u>			
Incremental AV on Tax Roll (\$1,000s)			\$2,373,654
Property Tax Increment at 1%	1.0%	\$242,463,293	\$23,736,544
Property Tax Distributed to IFD			
General Fund	64.59%	\$156,607,040	\$15,331,400
ERAF	25.33%	\$61,415,954	\$6,012,500
Total	89.92%	\$218,022,994	\$21,343,900
Total General Fund		\$428,626,670	\$15,331,400
Total ERAF		\$168,092,823	\$6,012,500
Total Property Tax Distributed to IFD		\$596,719,493	\$21,343,900

Table 4
Appendix G-2
Developer Capital and Bond Issuances to be Repaid by IFD
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Loan Terms	Estimated Interest Rate	Term	DCR	Issuance Costs /Reserves [1]			
Developer Capital	4.5%						
Advances of Land Proceeds	TBD						
IFD or CFD Bond	7.0%	30	110%-130%			13%	
	Total	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Gross Loan Amounts							
Developer Capital	\$150,273,590	\$16,901,636	\$10,218,627	\$6,014,454	\$0	\$3,697,526	\$38,321,013
Advances of Land Proceeds	\$192,200,418	\$0	\$0	\$0	\$18,655,418	\$37,405,648	\$19,988,040
IFD or CFD Bonds	\$215,987,727	\$0	\$0	\$0	\$0	\$22,372,801	\$18,210,775
Total Gross Loan Amounts	\$558,461,735	\$16,901,636	\$10,218,627	\$6,014,454	\$18,655,418	\$63,475,976	\$76,519,829
Net Loan Proceeds							
Developer Capital	\$150,273,590	\$16,901,636	\$10,218,627	\$6,014,454	\$0	\$3,697,526	\$38,321,013
Advances of Land Proceeds	\$192,200,418	\$0	\$0	\$0	\$18,655,418	\$37,405,648	\$19,988,040
IFD or CFD Bonds	\$187,909,323	\$0	\$0	\$0	\$0	\$19,464,337	\$15,843,375
Total Net Loan Proceeds	\$530,383,330	\$16,901,636	\$10,218,627	\$6,014,454	\$18,655,418	\$60,567,512	\$74,152,428

Notes:

[1] Excludes capitalized interest.

Table 4
Appendix G-2
Developer Capital, Advances of Land Proceeds, and Bond Issuances to be Repaid by IFD
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Loan Terms	Estimated Interest Rate	Term	DCR	Issuance Costs /Reserves [1]			
Developer Capital	4.5%						
Advances of Land Proceeds	TBD						
IFD or CFD Bond	7.0%	30	110%-130%		13%		
	Total	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Gross Loan Amounts							
Developer Capital	\$150,273,590	\$23,836,436	\$12,761,518	\$11,789,879	\$2,685,478	\$7,866,007	\$0
Advances of Land Proceeds	\$192,200,418	\$11,906,197	\$0	\$31,358,486	\$28,315,966	\$0	\$14,294,272
IFD or CFD Bonds	\$215,987,727	\$0	\$19,857,790	\$40,408,443	\$24,520,256	\$0	\$50,321,987
Total Gross Loan Amounts	\$558,461,735	\$35,742,633	\$32,619,308	\$83,556,808	\$55,521,699	\$7,866,007	\$64,616,259
Net Loan Proceeds							
Developer Capital	\$150,273,590	\$23,836,436	\$12,761,518	\$11,789,879	\$2,685,478	\$7,866,007	\$0
Advances of Land Proceeds	\$192,200,418	\$11,906,197	\$0	\$31,358,486	\$28,315,966	\$0	\$14,294,272
IFD or CFD Bonds	\$187,909,323	\$0	\$17,276,277	\$35,155,345	\$21,332,623	\$0	\$43,780,129
Total Net Loan Proceeds	\$530,383,330	\$35,742,633	\$30,037,795	\$78,303,710	\$52,334,066	\$7,866,007	\$58,074,401

Notes:

[1] Excludes capitalized interest.

Table 4
Appendix G-2
Developer Capital, Advances of Land Proceeds, and Bond Issuances to be Repaid by IFD
Infrastructure Financing Plan
Infrastructure Financing District No. 2
Sub-Project Areas G-2, G-3, and G-4 (Pier 70 - 28-Acre Site)
Port of San Francisco

Loan Terms	Estimated Interest Rate	Term	DCR	Issuance Costs /Reserves [1]	
Developer Capital	4.5%				
Advances of Land Proceeds	TBD				
IFD or CFD Bond	7.0%	30	110%-130%	13%	
	Total	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Gross Loan Amounts					
Developer Capital	\$150,273,590	\$0	\$16,181,016	\$0	\$0
Advances of Land Proceeds	\$192,200,418	\$26,629,322	\$3,647,068	\$0	\$0
IFD or CFD Bonds	\$215,987,727	\$12,772,063	\$0	\$0	\$27,523,611
Total Gross Loan Amounts	\$558,461,735	\$39,401,385	\$19,828,085	\$0	\$27,523,611
Net Loan Proceeds					
Developer Capital	\$150,273,590	\$0	\$16,181,016	\$0	\$0
Advances of Land Proceeds	\$192,200,418	\$26,629,322	\$3,647,068	\$0	\$0
IFD or CFD Bonds	\$187,909,323	\$11,111,695	\$0	\$0	\$23,945,542
Total Net Loan Proceeds	\$530,383,330	\$37,741,016	\$19,828,085	\$0	\$23,945,542

Notes:

[1] Excludes capitalized interest.

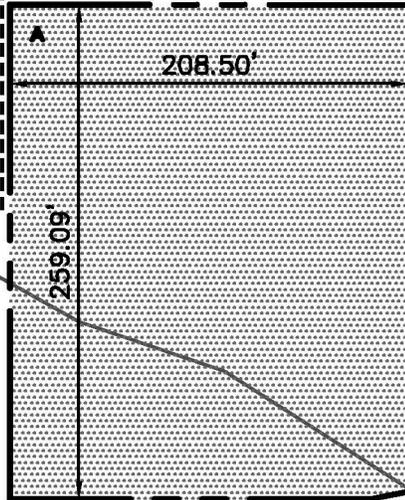
Attachment 1:

**Infrastructure Financing District Sub-Project Area Boundary Maps and Legal
Descriptions
(See Attached)**

EXISTING 20TH STREET 66' WIDE

BURTON ACT LINE / PROPOSED BOUNDARY LINE
PROPOSED 20TH STREET 57' WIDE

APN: 4111-004



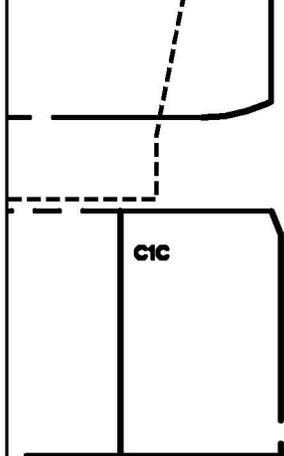
LEGEND:

- PUEBLO LINE OF 1883
- BURTON ACT LINE
- PROPOSED BOUNDARY LINE

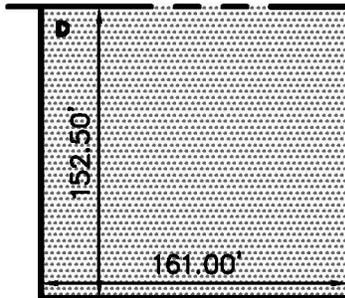
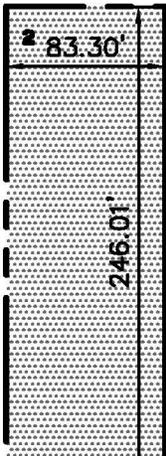
APN: 4111-003

PROPOSED

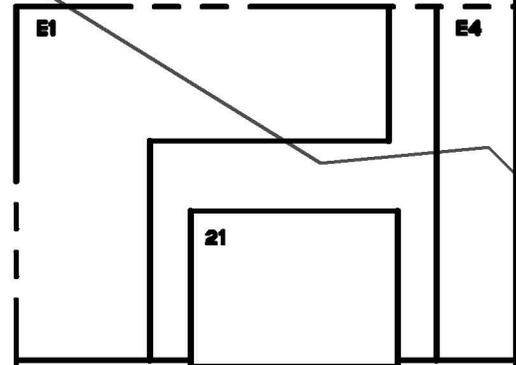
21ST STREET 49' WIDE



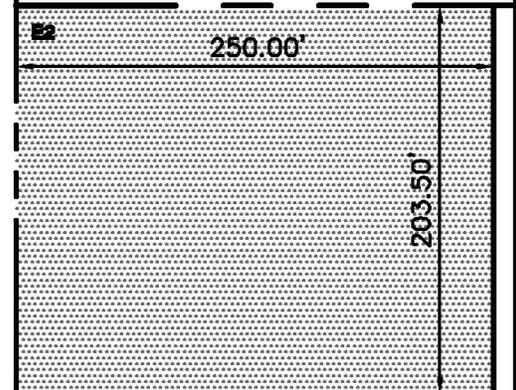
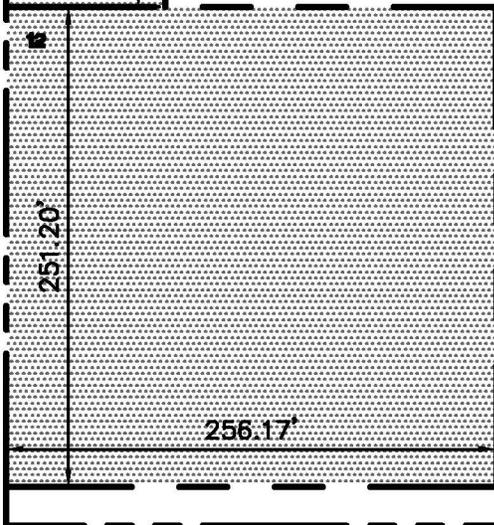
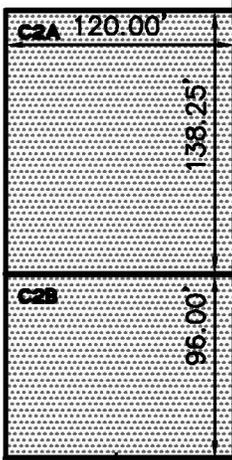
PROPOSED LOUISIANA STREET 54' WIDE



PROPOSED MARYLAND STREET 60' WIDE



APN: 4052-001



PROPOSED 22ND STREET 60' WIDE



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION



PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-2
(PIER 70 - 28-ACRE SITE)

PREPARED BY	TRM	PREPARED BY	BPB
CHECKED BY	RKB	DATE	9/1/2017
CONTRACT NO.	20170209	SCALE	1"=100'
DRAWING NO.	G-2-2	SHEET NO.	2 OF 2

LEGEND:

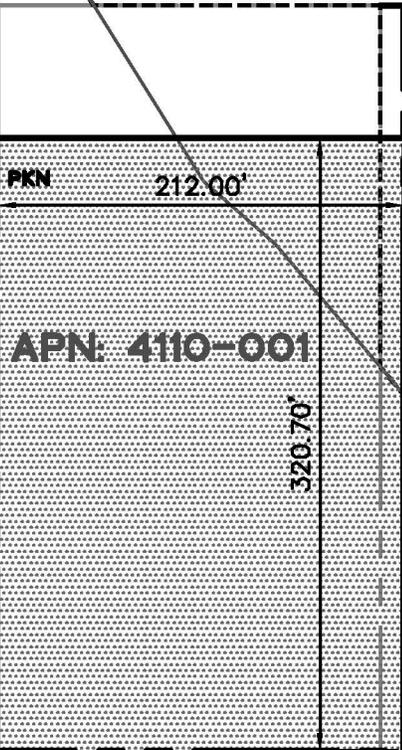
- PUEBLO LINE OF 1883
- - - - - BURTON ACT LINE
- · — · — EXISTING BOUNDARY LINE
- · — · — PROPOSED BOUNDARY LINE

BURTON ACT LINE/
PUEBLO LINE OF 1883

BURTON ACT LINE/
EXISTING BOUNDARY LINE

EXISTING 20TH STREET 66' WIDE

EXISTING ILLINOIS STREET 80' WIDE



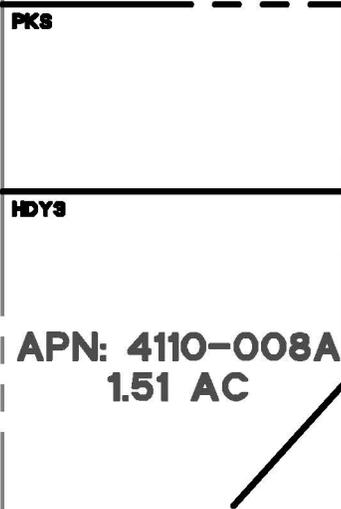
PROPOSED
MICHIGAN STREET
68' WIDE

119-116

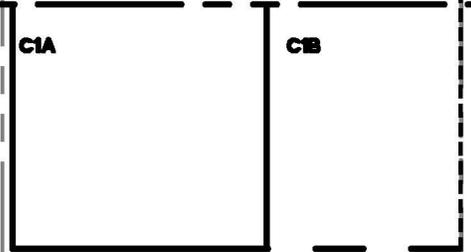
BURTON ACT LINE/
EXISTING BOUNDARY LINE

APN: 4111-004

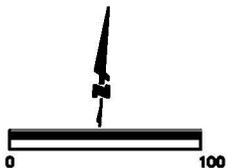
PROPOSED 21ST STREET 49' WIDE



EXISTING MICHIGAN STREET
80' WIDE



APN: 4120-002
1.49 AC



APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE FINANCING DISTRICT NO. 2 (PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-2	
PREPARED BY TRM	PREPARED BY BPB
CHECKED BY RKB	DATE 9/1/2017
CONTRACT NO. 20170209	SCALE 1"=100'
DRAWING NO. G-2-1	SHEET NO. 1 OF 2

APN: 4111-004

PROPOSED

21ST STREET 49' WIDE

C1C

C2A

EXISTING
BOUNDARY
LINE

C2B

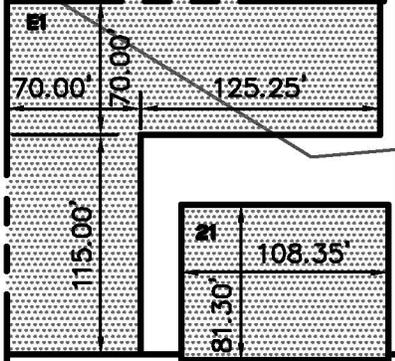
PROPOSED LOUISIANA STREET 54' WIDE

2

D

12

PROPOSED MARYLAND STREET 60' WIDE



APN: 4052-001

E2

PROPOSED 22ND STREET 60' WIDE

F/G

531.57'

154.00'

174.20'

431.57'

H1

PUEBLO LINE
OF 1883

LEGEND:

- PUEBLO LINE OF 1883
- BURTON ACT LINE
- EXISTING BOUNDARY LINE
- PROPOSED BOUNDARY LINE

BURTON ACT LINE / PROPOSED BOUNDARY LINE



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION



PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

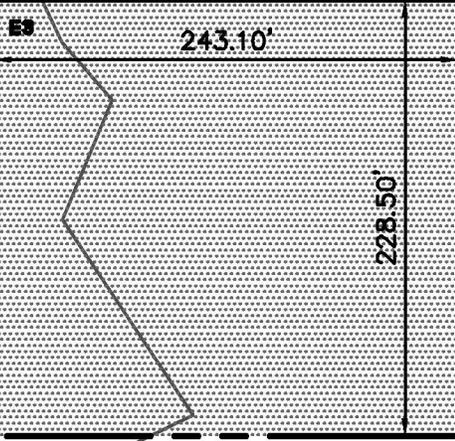
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-3
(PIER 70 - 28-ACRE SITE)

PREPARED BY	TRM	PREPARED BY	BPB
CHECKED BY	RKB	DATE	9/1/2017
CONTRACT NO.	20170209	SCALE	1"=100'
DRAWING NO.	G-3-2	SHEET NO.	2 OF 3

PROPOSED MARYLAND STREET 60' WIDE

APN: 4052-001

E1



PROPOSED 22ND STREET 60' WIDE

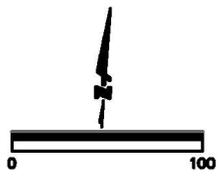
H1

H2

BURTON ACT LINE / PROPOSED BOUNDARY LINE

LEGEND:

- PUEBLO LINE OF 1883
- - - - - BURTON ACT LINE
- PROPOSED BOUNDARY LINE



APPROVED BY
 SAN FRANCISCO PORT COMMISSION
 DATE _____

 CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING



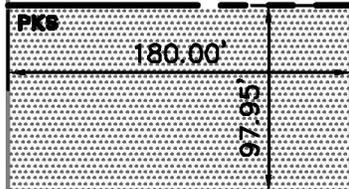
CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE FINANCING DISTRICT NO. 2 (PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-3 (PIER 70 - 28-ACRE SITE)	
PREPARED BY	TRM
CHECKED BY	RKB
CONTRACT NO.	20170209
DRAWING NO.	G-3-3
PREPARED BY	BPB
DATE	9/1/2017
SCALE	1"=100'
SHEET NO.	3 OF 3

APN: 4110-001

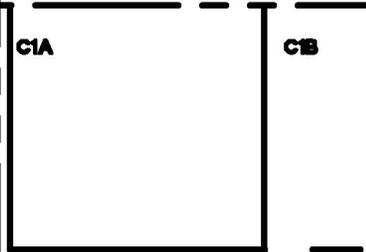
APN: 4111-004

EXISTING ILLINOIS STREET 80' WIDE

PROPOSED 21ST STREET 49' WIDE



HDY3



EXISTING MICHIGAN STREET 80' WIDE

APN: 4110-008A
1.51 AC

APN: 4120-002
1.49 AC

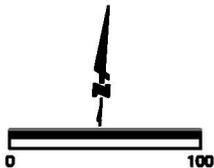
HDY2

HDY1

EXISTING 22ND STREET 66' WIDE

LEGEND:

- PUEBLO LINE OF 1883
- BURTON ACT LINE
- EXISTING BOUNDARY LINE
- PROPOSED BOUNDARY LINE



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION

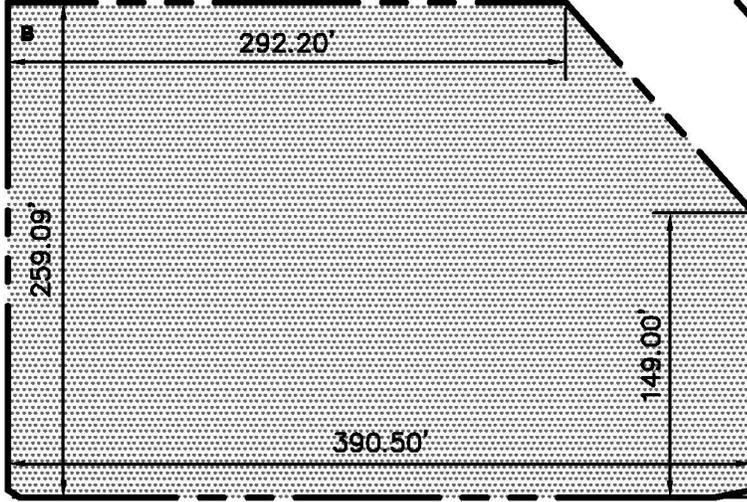
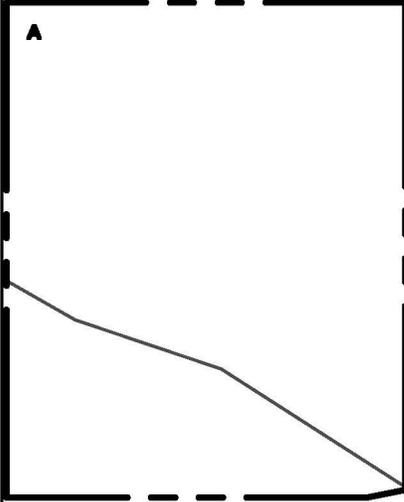


PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

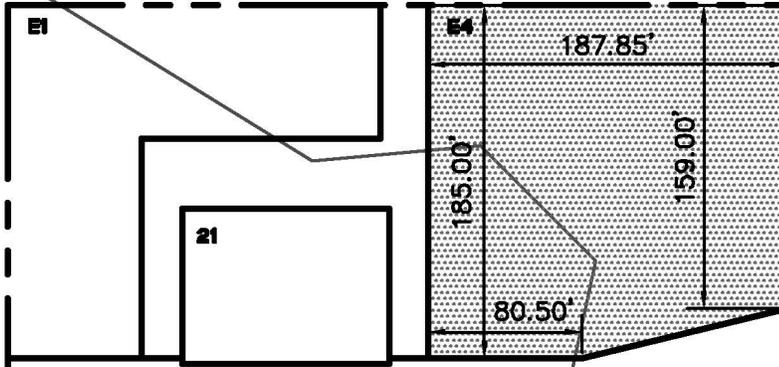
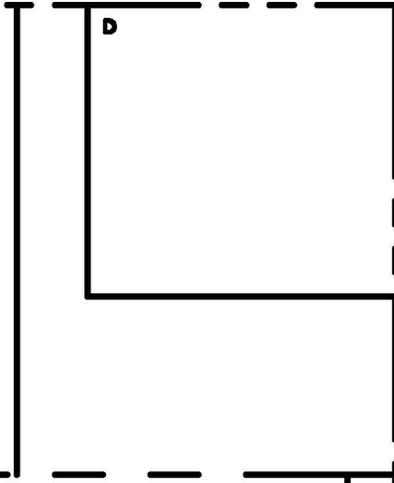
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO)
SUB-PROJECT AREA G-3

PREPARED BY	TRM	PREPARED BY	BPB
CHECKED BY	RKB	DATE	9/1/2017
CONTRACT NO.	20170209	SCALE	1"=100'
DRAWING NO.	G-3-1	SHEET NO.	1 OF 3

PROPOSED 20TH STREET 57' WIDE



PROPOSED 21ST STREET 49' WIDE

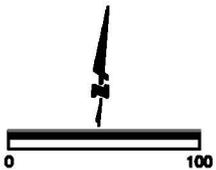


APN: 4052-001

PROPOSED MARYLAND STREET 60' WIDE

LEGEND:

- PUEBLO LINE OF 1883
- - - PROPOSED BOUNDARY LINE



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION



PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-4
(PIER 70 - 28-ACRE SITE)

PREPARED BY	TRM	PREPARED BY	BPB
CHECKED BY	RKB	DATE	9/1/2017
CONTRACT NO.	20170209	SCALE	1"=100'
DRAWING NO.	G-4-2	SHEET NO.	2 OF 3

APN: 4111-004

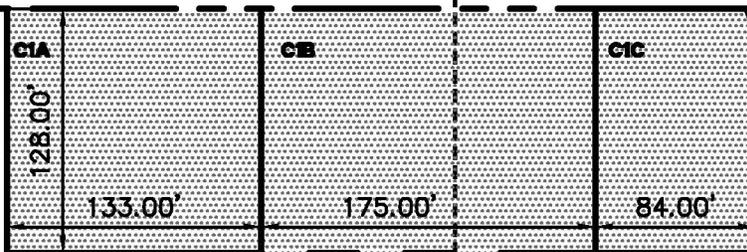
PROPOSED 21ST STREET 49' WIDE

PKS

HDY3

APN: 4110-008A
1.51 AC

EXISTING MICHIGAN STREET
80' WIDE



APN: 4120-002
1.49 AC

HDY2

HDY1

C2A

C2B

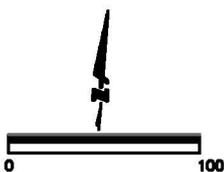
PROPOSED LOUISIANA STREET 54' WIDE

2

12

LEGEND:

- BURTON ACT LINE
- EXISTING BOUNDARY LINE
- PROPOSED BOUNDARY LINE



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION



PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

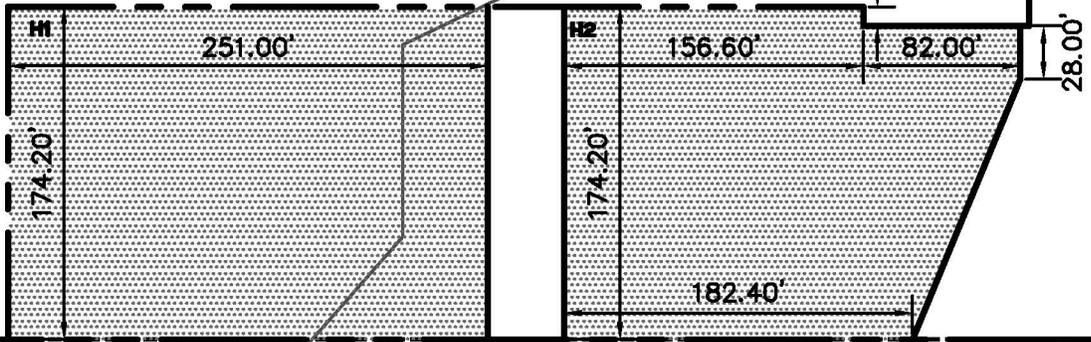
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-4
(PIER 70 - 28-ACRE SITE)

PREPARED BY	TRM	PREPARED BY	BPB
CHECKED BY	RKB	DATE	9/1/2017
CONTRACT NO.	20170209	SCALE	1"=100'
DRAWING NO.	G-4-1	SHEET NO.	1 OF 3

APN: 4052-001

PROPOSED MARYLAND STREET 60' WIDE

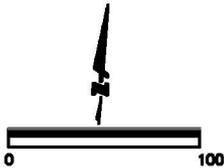
PROPOSED 22ND STREET 60' WIDE



BURTON ACT LINE / PROPOSED BOUNDARY LINE

LEGEND:

- PUEBLO LINE OF 1883
- - - - - BURTON ACT LINE
- PROPOSED BOUNDARY LINE



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION



PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-4
(PIER 70 - 28-ACRE SITE)

PREPARED BY	TRM	PREPARED BY	BPB
CHECKED BY	RKB	DATE	9/1/2017
CONTRACT NO.	20170209	SCALE	1"=100'
DRAWING NO.	G-4-3	SHEET NO.	3 OF 3

**LEGAL DESCRIPTION
FOR
CITY AND COUNTY OF SAN FRANCISCO, INFRASTRUCTURE FINANCING DISTRICT NO. 2
PORT OF SAN FRANCISCO, SUB-PROJECT AREA G-2 (PIER 70 - 28-ACRE SITE)**

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

PARCEL PKN

BEGINNING AT A POINT ON THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE), DISTANT THEREON SOUTH 04°21'59" EAST 69.35 FEET FROM THE SOUTHERLY LINE OF 20TH STREET (66 FEET WIDE); THENCE NORTH 85°38'01" EAST 212.00 FEET; THENCE SOUTH 04° 21'59" EAST 320.70 FEET; THENCE SOUTH 85°38'01" WEST 212.00 FEET TO SAID EASTERLY LINE OF ILLINOIS STREET; THENCE ALONG SAID LINE OF ILLINOIS STREET, NORTH 04°21'59" WEST 320.70 FEET TO SAID POINT OF BEGINNING, CONTAINING 67,988 SQUARE FEET, MORE OR LESS.

PARCEL A

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20TH STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 20TH STREET AND ITS EASTERLY PROLONGATION, NORTH 85° 38'01" EAST 804.07 FEET; THENCE SOUTH 04°21'59" EAST 24.00 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 208.50 FEET; THENCE SOUTH 04°21'59" EAST 255.09 FEET; THENCE SOUTH 74°11'04" WEST 20.15 FEET; THENCE SOUTH 85°38'01" WEST 188.75 FEET; THENCE NORTH 04°21'59" WEST 259.09 TO SAID TRUE POINT OF BEGINNING, CONTAINING 53,981 SQUARE FEET, MORE OR LESS.

PARCEL C2B

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 22ND STREET AND ITS EASTERLY PROLONGATION, NORTH 85°38'01" EAST 677.50 FEET; THENCE NORTH 04°21'59" WEST 39.70 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 85°38'01" WEST 120.00 FEET; THENCE NORTH 04°21'59" WEST 96.00 FEET TO A POINT HEREIN REFERRED TO AS "POINT A"; THENCE NORTH 85°38'01" EAST 120.00 FEET; THENCE SOUTH 04°21'59" EAST 96.00 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 11,520 SQUARE FEET, MORE OR LESS.

PARCELS C2A

BEGINNING AT "POINT A", AS DESCRIBED IN THE ABOVE PARCEL C2B; THENCE NORTH 04°21'59" WEST 138.25 FEET; THENCE NORTH 85°38'01" EAST 120.00 FEET; THENCE SOUTH 04°21'59" EAST 138.25 FEET; THENCE SOUTH 85°38'01" WEST 120.00 FEET TO SAID POINT OF BEGINNING, CONTAINING 16,589 SQUARE FEET, MORE OR LESS .

PARCEL 12

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 22ND STREET AND ITS EASTERLY PROLONGATION, NORTH 85°38'01" EAST 731.50 FEET; THENCE NORTH 04°21'59" WEST 36.70 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 04°21'59" WEST 251.20 FEET TO A POINT HEREIN REFERRED TO AS "POINT B"; THENCE NORTH 85°38'01" EAST 256.17 FEET; THENCE SOUTH 04°21'59" EAST 251.20 FEET; THENCE SOUTH 85°38'01" WEST 256.17 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 64,351 SQUARE FEET, MORE OR LESS.

PARCEL 2

BEGINNING AT "POINT B", AS DESCRIBED IN THE ABOVE PARCEL 12; THENCE NORTH 04°21'59" WEST 246.01 FEET; THENCE NORTH 85°38'01" EAST 83.30 FEET; THENCE SOUTH 04°21'59" EAST 246.01 FEET; THENCE SOUTH 85°38'01" WEST 83.30 FEET TO SAID POINT OF BEGINNING, CONTAINING 20,492 SQUARE FEET, MORE OR LESS .

PARCEL D

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 22ND STREET AND ITS EASTERLY PROLONGATION, NORTH 85°38'01" EAST 1012.57 FEET; THENCE NORTH 04°21'59" WEST 381.41 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 85°38'01" WEST 161.00 FEET; THENCE NORTH 04°21'59" WEST 152.50 FEET; THENCE NORTH 85°38'01" EAST 161.00 FEET; THENCE SOUTH 04°21'59" EAST 152.50 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 24,552 SQUARE FEET, MORE OR LESS .

PARCEL E2

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 22ND STREET AND ITS EASTERLY PROLONGATION, NORTH 85°38'01" EAST 1072.57 FEET; THENCE NORTH 04°21'59" WEST 14.20 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 04°21'59" WEST 203.50 FEET; THENCE NORTH 85°38'01" EAST 250.00 FEET; THENCE SOUTH 04°21'59" EAST 203.50 FEET; THENCE SOUTH 85°38'01" WEST 250.00 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 50,875 SQUARE FEET, MORE OR LESS .

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTIONS IS BASED UPON THE BEARING OF N03°41'33"W BETWEEN SURVEY CONTROL POINTS NUMBERED 375 AND 376, OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13).

**LEGAL DESCRIPTION
FOR
CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE FINANCING DISTRICT NO. 2
PORT OF SAN FRANCISCO, SUB-PROJECT AREA G-3 (PIER 70 - 28-ACRE SITE)**

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

PARCEL PKS

BEGINNING AT A POINT ON THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE), DISTANT THEREON NORTH 04°21'59" WEST 426.95 FEET FROM THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE NORTH 85°38'01" EAST 180.00 FEET; THENCE SOUTH 04°21'59" EAST 97.90 FEET; THENCE SOUTH 85°38'01" WEST 180.00 FEET TO SAID EASTERLY LINE OF ILLINOIS STREET; THENCE ALONG SAID LINE OF ILLINOIS STREET, NORTH 04°21'59" WEST 97.90 FEET TO SAID POINT OF BEGINNING, CONTAINING 17,630 SQUARE FEET, MORE OR LESS.

PARCEL F/G

BEGINNING AT THE EASTERLY TERMINUS OF THE SOUTHERLY LINE 22ND STREET, DISTANT THEREON NORTH 85°38'01" EAST 480.00 FEET FROM THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE); THENCE NORTH 85°38'01" EAST 5.94 FEET; THENCE NORTH 55°28'14" EAST 17.91 FEET; THENCE NORTH 85°38'01" EAST 26.17 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS 328.50 FEET, THROUGH A CENTRAL ANGLE 11°06'07", AN ARC LENGTH OF 63.65 FEET TO THE BEGINNING OF A REVERSE CURVE WITH A RADIUS OF 270.00 FEET; THENCE EASTERLY ALONG SAID CURVE, CONCAVE TO THE SOUTH, THROUGH A CENTRAL ANGLE OF 11° 06'07", AN ARC LENGTH OF 52.32 FEET; THENCE NORTH 85°38'01" EAST 368.74 FEET; THENCE SOUTH 04°21'59" EAST 174.20 FEET TO THE MOST SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 85°30'01" WEST 431.57 FEET TO THE MOST SOUTHWESTERLY CORNER OF SAID PARCEL; THENCE ALONG THE LINES OF SAID PARCEL, NORTH 25°06'47" WEST 56.46 FEET AND NORTH 42° 41'35" WEST 129.00 FEET TO SAID POINT OF BEGINNING, CONTAINING 82,477 SQUARE FEET, MORE OR LESS.

PARCEL E1

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20TH STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 20TH STREET AND ITS EASTERLY PROLONGATION, NORTH 85° 38'01" EAST 1072.57 FEET; THENCE SOUTH 04°21'59" EAST 332.09 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 195.25 FEET; THENCE SOUTH 04°21'59" EAST 70.00 FEET; THENCE SOUTH 85°38'01" WEST 125.25 FEET; THENCE SOUTH 04°21'59" EAST 115.00 FEET; THENCE SOUTH 85°38'01" WEST 70.00 FEET; THENCE NORTH 04°21'59" WEST 185.00 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 21,717 SQUARE FEET, MORE OR LESS.

PARCEL 21

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20TH STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 20TH STREET AND ITS EASTERLY PROLONGATION, NORTH 85° 38'01" EAST 1272.32 FEET; THENCE SOUTH 04°21'59" EAST 438.79 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 04°21'59" EAST 81.30 FEET; THENCE SOUTH 85°38'01" WEST 108.35 FEET; THENCE NORTH 04°21'59" WEST 81.30 FEET; THENCE NORTH 85°38'01" EAST 108.35 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 8,809 SQUARE FEET, MORE OR LESS.

PARCEL E3

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 22ND STREET AND ITS EASTERLY PROLONGATION, NORTH 85°38'01" EAST 1364.57 FEET; THENCE NORTH 04°21'59" WEST 14.20 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 04°21'59" WEST 228.50 FEET; THENCE NORTH 85°38'01" EAST 243.10 FEET; THENCE SOUTH 04°21'59" EAST 228.50; THENCE SOUTH 85°38'01" WEST 243.10 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 55,548 SQUARE FEET, MORE OR LESS.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTIONS IS BASED UPON THE BEARING OF N03°41'33"W BETWEEN SURVEY CONTROL POINTS NUMBERED 375 AND 376, OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13).

**LEGAL DESCRIPTION
FOR
CITY AND COUNTY OF SAN FRANCISCO, INFRASTRUCTURE FINANCING DISTRICT NO. 2
PORT OF SAN FRANCISCO, SUB-PROJECT AREA G-4 (PIER 70 - 28-ACRE SITE)**

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

PARCEL C1A

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF ILLINOIS STREET, NORTH 04°21'59" WEST 426.95 FEET; THENCE NORTH 85°38'01" EAST 285.50 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 133.00 FEET TO A POINT HEREIN REFERRED TO AS "POINT A"; THENCE SOUTH 04°21'59" EAST 128.00 FEET; THENCE SOUTH 85°38'01" WEST 133.00 FEET; THENCE NORTH 04°21'59" WEST 128.00 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 17,024 SQUARE FEET, MORE OR LESS .

PARCEL C1B

BEGINNING AT "POINT A", AS DESCRIBED IN THE ABOVE PARCEL C1A; THENCE NORTH 85°38'01" EAST 175.00 FEET TO A POINT HEREIN REFERRED TO AS "POINT B"; THENCE SOUTH 04°21'59" EAST 128.00 FEET; THENCE SOUTH 85°38'01" WEST 175.00 FEET; THENCE NORTH 04°21'59" WEST 128.00 FEET TO SAID POINT OF BEGINNING, CONTAINING 22,400 SQUARE FEET, MORE OR LESS .

PARCEL C1C

BEGINNING AT "POINT B", AS DESCRIBED IN THE ABOVE PARCEL C1B; THENCE NORTH 85°38'01" EAST 79.00 FEET; THENCE SOUTH 26°49'04" EAST 13.09 FEET; THENCE SOUTH 04°21'59" EAST 115.90 FEET; THENCE SOUTH 85°38'01" WEST 84.00 FEET; THENCE NORTH 04°21'59" WEST 128.00 FEET TO SAID POINT OF BEGINNING, CONTAINING 10,722 SQUARE FEET, MORE OR LESS .

PARCEL B

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20TH STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 20TH STREET AND ITS EASTERLY PROLONGATION, NORTH 85°38'01" EAST 1072.57 FEET; THENCE SOUTH 04°21'59" EAST 24.00 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 292.20 FEET; THENCE SOUTH 46 ° 07'41" EAST 147.59 FEET; THENCE SOUTH 04°21'59" EAST 145.00 FEET; THENCE SOUTH 74°38'42" WEST 20.98 FEET; THENCE SOUTH 85°38'01" WEST 363.50 FEET; THENCE NORTH 04°21'59" WEST 255.09 TO SAID TRUE POINT OF BEGINNING, CONTAINING 95,710 SQUARE FEET, MORE OR LESS.

PARCEL E4

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20TH STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 20TH STREET AND ITS EASTERLY PROLONGATION, NORTH 85° 38'01" EAST 1480.67 FEET; THENCE SOUTH 04°21'59" EAST 332.09 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 04°21'59" EAST 159.00 FEET; THENCE SOUTH 72 ° 01'08" WEST 110.45' FEET; THENCE SOUTH 85°38'01" WEST 80.50 FEET; THENCE NORTH 04°21'59" WEST 185.00 FEET; THENCE NORTH 85° 38'01" EAST 187.85 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 33,357 SQUARE FEET, MORE OR LESS .

PARCEL H1

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 22ND STREET AND ITS EASTERLY PROLONGATION, NORTH 85° 38'01" EAST 1073.57 FEET; THENCE SOUTH 04°21'59" EAST 45.80 FEET TO SAID **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 251.00 FEET; THENCE SOUTH 04°21'59" EAST 174.20 FEET TO THE MOST SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 85°38'01" WEST 251.00 FEET; THENCE NORTH 04°21'59" WEST 174.20 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 43,724 SQUARE FEET, MORE OR LESS.

PARCEL H2

COMMENCING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF 22ND STREET AND ITS EASTERLY PROLONGATION, NORTH 85° 38'01" EAST 1364.57 FEET; THENCE SOUTH 04°21'59" EAST 45.80 FEET TO SAID **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 156.60 FEET; THENCE SOUTH 04°21'59" EAST 10.00 FEET; THENCE NORTH 85°38'01" EAST 82.00 FEET; THENCE SOUTH 04°21'59" EAST 28.00 FEET; THENCE SOUTH 18°03'22" WEST 147.34 FEET TO THE MOST SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 85°38'01" WEST 182.40 FEET; THENCE NORTH 04°21'59" WEST 174.20 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 36,917 SQUARE FEET, MORE OR LESS.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTIONS IS BASED UPON THE BEARING OF N03°41'33"W BETWEEN SURVEY CONTROL POINTS NUMBERED 375 AND 376, OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13).

Attachment 2:

**Guidelines for Establishment and Use of an Infrastructure Financing District (IFD) with
Project Areas on Land under the Jurisdiction of the San Francisco Port Commission
(See Attached)**

File No. 130264

Committee Item No. 6

Board Item No. 15

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date 04/17/2013

Board of Supervisors Meeting

Date APRIL 23, 2013

Cmte Board

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Completed by: Victor Young Date April 12, 2013

Completed by: Victor Young Date 4/18/13

1 [Adoption of Guidelines for the Establishment and Use of an Infrastructure Financing District
2 on Port Land]

3 **Resolution adopting Guidelines for the Establishment and Use of an Infrastructure**
4 **Financing District with Project Areas on Land Under the Jurisdiction of the San**
5 **Francisco Port Commission.**

6
7 WHEREAS, Government Code Sections 53395-53398.47 (IFD Law) authorizes certain
8 public agencies, including the City and County of San Francisco, to establish infrastructure
9 financing districts (IFDs) to finance the planning, design, acquisition, construction, and
10 improvement of public facilities meeting the requirements of IFD Law; and

11 WHEREAS, IFDs are formed to facilitate the design, acquisition, construction, and
12 improvement of necessary public facilities and provide an alternative means of financing when
13 local resources are insufficient; and

14 WHEREAS, Government Code Sections 53395.8 and 53395.81 authorize the
15 establishment of IFDs on land under the jurisdiction of the Port Commission of San Francisco
16 (Port) to finance additional public facilities to improve the San Francisco waterfront and further
17 authorizes the establishment of project areas within an IFD for the same purposes; and

18 WHEREAS, By Board Resolution No. 110-12, adopted on March 27, 2012, and Board
19 Resolution No. 227-12, adopted on June 12, 2012, the Board stated its intention to form a
20 single IFD consisting of all Port land (waterfront district) with project areas corresponding to
21 Port development projects within the waterfront district; and

22 WHEREAS, By Board Resolution No. 66-11, adopted on February 8, 2011, the Board
23 adopted "Guidelines for the Establishment and Use of Infrastructure Financing Districts in the

24 *///*
25

1 City and County of San Francisco," which do not apply to land owned or managed by the Port;
2 and

3 WHEREAS, A draft document entitled "Guidelines for the Establishment and Use of an
4 Infrastructure Financing District with Project Areas on Land under the Jurisdiction of the San
5 Francisco Port Commission" (Port Guidelines) setting forth proposed policy criteria and
6 guidelines for the waterfront district is on file with the Clerk of the Board of Supervisors in File
7 No. ¹³⁰²⁶⁴, which is hereby declared to be a part of this Resolution as if set forth fully herein;
8 now, therefore, be it

9 RESOLVED, That the Board of Supervisors finds that the Port Guidelines will ensure
10 that a rational and efficient process is established for the formation the waterfront district and
11 project areas within it, and adopts the Port Guidelines; and, be it

12 FURTHER RESOLVED, That this Resolution and the Port Guidelines will be effective
13 on the date the Board of Supervisors adopts this Resolution.

14
15 APPROVED AS TO FORM:

16 DENNIS J. HERRERA
17 City Attorney

18 By:


19 Joanne Sakai
Deputy City Attorney

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee *gr*
RE: Adoption of Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land
DATE: March 19, 2013

Attached for introduction to the Board of Supervisors is the Resolution 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".

Please note this item is cosponsored by Supervisors Kim

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

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cc. Supervisor Jane Kim

130264 ✓

<p>Item 6 File 13-0264</p>	<p>Department: The Port</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would adopt “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”. The Port IFD Guidelines establish the threshold criteria that must be met in order to establish a Port IFD and the strategic criteria that should be considered by the Board of Supervisors but are not required to establish the Port IFD.

Key Points

- State law authorizes the establishment of a Port IFD to finance public improvement projects along the San Francisco waterfront. The Port IFD may finance the same types of improvement projects that are financed by non-Port IFDs (open space, parks, and street improvements), as well as projects specific to the Port, including removal of bay fill, storm water management facilities, shoreline restoration, and maritime facility improvements. Increased property tax revenues resulting from certain Port development projects (tax increment) may be redirected from the General Fund to the Port IFD in order to finance public improvements, subject to Board of Supervisors approval.
- The Board of Supervisors previously approved a resolution of intention (1) to establish the Port IFD consisting of eight project areas; and (2) directing the Port Executive Director to prepare a financing plan, subject to Board of Supervisors’ approval. The Port intends to submit a Port IFD financing plan for proposed development on Piers 30-32 and Seawall Lot 330 to the Board of Supervisors in late 2014.
- The Budget and Legislative Analyst recommends amendments to the proposed Port IFD guidelines, including to Threshold Criteria 6, 7, and 8, to clarify the intent of the threshold criteria, as noted in the recommendations below.

Fiscal Impact

- Threshold Criteria 5 requires that financing plans for each of the Port IFD project areas demonstrate a net economic benefit, while the City’s IFD Guidelines. Previously approved by the Board of Supervisors require that the IFD demonstrate a net fiscal benefit to the General Fund. The City’s IFD Guidelines acknowledge that the Port’s use of IFD law differs from the City. However, in order to fully disclose the fiscal impact of the Port IFD on the City’s General Fund, the proposed Port IFD Guidelines should be amended to require that project area financing plans project the net fiscal impact to the City’s General Fund, as well as the net economic benefits.

Policy Considerations

- Property taxes are apportioned to the Educational Revenue Augmentation Fund (ERAF), the City’s General Fund, and other taxing entities. Under State law, in five of the Port IFD project areas, the ERAF portion of tax increment may be redirected to the Port IFD in an amount proportional to the General Fund portion of tax increment that is redirected to the Port IFD. Threshold Criteria 6 maximizes redirection of the ERAF portion of tax increment to the Port IFD in order to maximize the Port’s ability to finance public improvements. Redirecting the ERAF’s share of tax increment could potentially result in a State General Fund cost to backfill those monies intended for education.
- The proposed Port IFD Guidelines will guide future Board of Supervisors’ decisions on allocation of City and ERAF tax increment. Therefore, approval of the proposed resolution is a policy decision for the Board of Supervisors.

Recommendations

1. Amend the proposed resolution to request the Port to amend:
 - (a) The Port IFD Guidelines to specify that the threshold criteria must be met in order to establish a Port IFD or project area, and the strategic criteria should be considered by the Board of Supervisors but are not required to establish a Port IFD;
 - (b) Threshold Criteria 5 to require that the project area financing plan projects the net fiscal impact to the City's General Fund, as well as the net economic benefits, over the term of the Port IFD;
 - (c) Threshold Criteria 6 and 7 to specify that the share of tax increment allocated to the City and ERAF is the tax rate established annually by the State for the ERAF and by the Board of Supervisors for the City pursuant to the California Revenue and Taxation Code; and
 - (d) Threshold Criteria 8 to specify that ERAF's excess share of tax increment may not be re-allocated to the City's General Fund or to improvements in the City's seawall and other measures to protect against sea level rise.
2. Approval of the proposed resolution, as amended, is a policy decision for the Board of Supervisors.

MANDATE STATEMENT AND BACKGROUND

Mandate Statement

California Government Code Section 53395 et seq., which became law in 1990, authorizes cities and counties to establish Infrastructure Financing Districts (IFD), subject to approval by the city council or county board of supervisors, to finance "public capital facilities of communitywide significance." The definition of such public facilities includes parks, other open space, and street improvements. In addition, Section 53395.8 authorizes the establishment of an IFD by the Port of San Francisco (Port IFD) to finance additional improvement projects along the San Francisco waterfront, such as structural repairs and improvements to piers, seawalls, and wharves as well as historic rehabilitation of and seismic and life-safety improvements to existing buildings. The establishment of a Port IFD is subject to approval by the Board of Supervisors.

Background

State Law Authorizes the Establishment of Infrastructure Financing Districts

In order to provide alternative financing mechanisms for local jurisdictions to fund public works and services, State law¹ authorizes cities and counties to establish IFDs within individual city or county boundaries to finance the:

- Purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of any real or other tangible property with an estimated life of 15 years or longer, including parks, other open space, and street improvements;
- Planning and design work directly related to the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of that property;
- Reimbursement to a developer of a project located entirely within the boundaries of an IFD for any permit expenses incurred and to offset additional expenses incurred by the developer in constructing affordable housing units;

¹ California Government Code Section 53395 et seq.

- Costs incurred by a county in connection with the division of taxes collected.

An IFD, once established with specific boundaries, obtains revenue in the same manner as former redevelopment districts. Assessed values on properties located within the IFD, and the property taxes derived from those values, are fixed at a baseline value. Increases in assessed value above the baseline and the associated increase in property tax, known as tax increment, may then be used to pay for the new public facilities that the IFD was established to pay for.

The City's Guidelines for IFDs, "Guidelines for the "Establishment and Use of Infrastructure Financing Districts in the City and County of San Francisco" were adopted by the Board of Supervisors on February 8, 2011 (Resolution No. 66-11). The City's Guidelines do not apply to an IFD on land owned or managed by the Port. The City currently has one established IFD, located in Rincon Hill, which is subject to the adopted guidelines, and was approved by the Board of Supervisors on February 15, 2011 (Ordinance No. 19-11).

State Law Authorizes the Establishment of an Infrastructure Financing District on Port Property

State law² authorizes the establishment of a Port IFD to finance additional improvement projects along the San Francisco waterfront. The additional improvement projects include removal of bay fill, storm water management facilities, shoreline restoration, maritime facility improvements, historic rehabilitation, and other improvement projects not included in non-Port IFDs.

A Port IFD may be divided into individual project areas, subject to Board of Supervisors approval. The State laws described in this report would apply to each Port project area that the Board of Supervisors approves.³ On March 27, 2012, the Board of Supervisors approved a resolution of intention to establish a Port IFD (Resolution No. 110-12), with seven project areas. On June 12, 2012, the Board of Supervisors amended the resolution of intention to include Seawall Lot 351 as the eighth project area in the Port IFD (Resolution No. 227-12). The eight project areas for the Port IFD in the amended resolution of intention are:

1. Seawall Lot 330 (Project Area A)
2. Piers 30-32 (Project Area B)
3. Pier 28 (Project Area C)
4. Pier 26 (Project Area D)
5. Seawall Lot 351 (Project Area E)
6. Pier 48 (Project Area F)
7. Pier 70 (Project Area G)
8. Rincon Point-South Point (Project Area H)

The resolution of intention allows the Port to establish additional project areas in compliance with State law, as noted below.

The previously approved resolution of intention directs the Port Executive Director to prepare a financing plan, which is subject to approval of the Board of Supervisors. According to Mr. Brad

² California Government Code Section 53395.8

³ California Government Code Section 53395.8(g)

Benson, Port Special Projects Manager, the Port intends to submit a Port IFD financing plan associated with the proposed multi-purpose venue on Piers 30-32 and the companion mixed use development on Seawall Lot 330 to the Board of Supervisors in late 2014, after the City has completed environmental review of the proposed project.

According to State law⁴, the portion of the tax increment allocated to local educational agencies, San Francisco Unified School District, San Francisco Community College District, and the San Francisco County Office of Education, may not be allocated to the Port IFD. The tax increment from other recipients of City property taxes, including the Bay Area Air Quality Management District and Bay Area Rapid Transit District, may be allocated to the Port IFD if a resolution approving the financing plan is adopted by that recipient and sent to the Board of Supervisors.⁵

Except for specified circumstances, State law⁶ mandates that any tax increment allocated to the Port IFD must be used within the Port IFD's boundaries. In addition, a minimum of 20 percent of the tax increment allocated to the Port IFD must be set aside to be expended exclusively on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the San Francisco waterfront.

Educational Revenue Augmentation Fund Tax Increment Allocated to Port IFD in Specific Project Areas

According to State law⁷, the Port may use tax increment generated by the five project areas noted below, which would otherwise be allocated to the Educational Revenue Augmentation Fund⁸'s (ERAF), subject to specific limitations. Two of the five project areas – Seawall Lot 330 and Pier 70 - were included in the resolution of intention, previously approved by the Board of Supervisors, while three of the five project areas – Piers 19, 23, and 29 – may be proposed by the Port for inclusion in the Port IFD at a future date. According to Ms. Joanne Sakai, Deputy City Attorney, the Board of Supervisors may opt to not allocate ERAF's share of tax increment generated by any of the five project areas to the Port IFD on a case-by-case basis when considering whether to approve the proposed Port IFD financing plan.

⁴ California Government Code Section 53395.8.g.3.c.i

⁵ California Government Code Section 53395.8.g.5.

⁶ California Government Code Section 53395.8.g.3.c.ii

⁷ On September 29, 2012, Assembly Bill (AB) 2259 was passed.

⁸ The Educational Revenue Augmentation Fund redirects one-fifth of total statewide property tax revenue from cities, counties and special districts to school and community college districts. The redirected property tax revenue is deposited into a countywide fund for schools and community colleges (ERAF). The property tax revenue is distributed to the county's non-basic aid schools and community colleges (i.e, school and community college districts that receive more than the minimum amount of state aid required by the State constitution). In 2004, the State approved a complex financing mechanism, known as the triple flip, in which one-quarter cent of the local sales tax is used to repay the Proposition 57 deficit financing bond; property taxes are redirected from ERAF to cities and counties to offset revenue losses from the one-quarter cent sales tax; and State aid offsets losses to school and community college districts from the redirected ERAF funds.

Pier 70 Project Area

A Pier 70 project area may not be formed prior to January 1, 2014. According to Mr. Benson, the Port intends to submit a financing plan for the Pier 70 project area for Board of Supervisors consideration after it completes environmental review of the proposed Pier 70 mixed use development, likely in 2015 or 2016. The Port may allocate ERAF's share of tax increment from the Pier 70 project area to the Port IFD to fund public improvements at Pier 70. Under State law, the amount of ERAF's share of tax increment allocated to the Port IFD is proportional to the City's share of tax increment allocated to the Port IFD.⁹

The Port may issue debt, secured by the ERAF share of tax increment from the Pier 70 project area for up to 20 fiscal years from the first Pier 70 debt issuance. Once any ERAF-secured debt issued within the Pier 70 project area has been paid, ERAF's share of tax increment will be paid into ERAF. Beginning in the 21st fiscal year, ERAF's share of tax increment may only be used to meet debt service obligations for previously issued debt secured by ERAF's allocation of tax increment. ERAF's share of tax increment exceeding debt service obligations must be paid into ERAF.

Seawall Lot 330 and Piers 19, 23, and 29 Project Areas

ERAF's share of tax increment from Seawall Lot 330 and Piers 19, 23, and 29 may only be allocated to fund (a) construction of the Port's Cruise Terminal at Pier 27, (b) planning and design work directly related to construction of the Port's Cruise Terminal at Pier 27, (c) future installations of shoreside power facilities on Port maritime facilities, and (d) planning, design, acquisition, and construction of improvements to publicly-owned waterfront lands held by trustee agencies, such as the National Park Service, California State Parks, and City and County of San Francisco Departments to be used as a public spectator viewing site for America's Cup related events.

ERAF's share of tax increment allocated to Seawall Lot 330 and Piers 19, 23, and 29 project areas must be equal to the percentage of the City's share of tax increment allocated to these project areas and cannot exceed \$1,000,000 annually. The Port must set aside a minimum of 20 percent of ERAF's share of tax increment allocated to these project areas to pay for 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.¹⁰

Any improvements made with ERAF's share of tax increment for the above purposes are not required to be located within the individual project areas from which ERAF's share of tax increment is allocated. To enable allocation of ERAF's share of tax increment from all of the eligible project areas noted above, the Board of Supervisors would have to approve an amendment the previously approved resolution of intention to form the Port IFD to authorize Piers 19, 23 and 29 as Port IFD project areas.

⁹ For example, for every \$1.00 in Property Taxes (not including Property Taxes designated to pay General Obligation bonds), \$0.25 is allocated to ERAF, \$0.65 is allocated to the City's General Fund, and \$0.10 is allocated to the other taxing entities (SFUSD, Community College District, BART, and Bay Area Air Quality Management District). If the Board of Supervisors were to approve 50% of the City's General Fund share of tax increment (or \$0.325 of \$0.65), then the ERA share of tax increment is 50% (or \$0.125 of \$0.25).

¹⁰ State law sets aside 20 percent from ERAF's tax increment in lieu of the minimum of 20 percent of the tax increment allocated to the Port IFD required to be set aside to be expended exclusively on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the San Francisco waterfront.

Maps of the Port IFD, with specific project area boundaries defined, are provided in the Attachment to this report.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would adopt “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). The City’s Capital Planning Committee recommended approval of the Port IFD Guidelines on January 2, 2013.

The Port IFD Guidelines identify 10 threshold criteria and four strategic criteria. According to Mr. Benson, the threshold criteria must be met in order to establish a Port IFD and the strategic criteria should be considered by the Board of Supervisors but are not required for the establishment of a Port IFD. Because neither the proposed Port IFD Guidelines nor the proposed resolution define the purpose of the threshold criteria and strategic criteria, the proposed Port IFD Guidelines should be amended to specify that (1) the threshold criteria must be met in order to establish a Port IFD, and (2) the strategic criteria should be considered by the Board of Supervisors but are not required for the establishment of a Port IFD, comparable to language in the City’s Guidelines.

The Port IFD Guidelines are summarized below.

Threshold Criteria of the Port IFD Guidelines

1. Any Port IFD initially established is subject to Board of Supervisors approval and must:
 - Consist exclusively of Port property;
 - Meet the threshold criteria proposed in the Port IFD Guidelines;
 - Be accompanied by a project area-specific financing plan that meets State law requirements.
2. Potential property annexations to the Port IFD of non-Port property adjacent to Port property are subject to Board of Supervisors approval and will be evaluated individually to determine whether to annex the non-Port property. If annexation is approved, the percentage of the tax increment generated by the non-Port property not used to finance Port public facilities should be subject to the City’s IFD Guidelines.
3. No tax increment will be allocated to the Port IFD without completion of environmental review and recommendation for approval by the City’s Capital Planning Committee.
4. Public facilities financed by tax increment in project areas and any adjacent property annexations approved by the Board of Supervisors must be consistent with:
 - State law regarding IFDs;
 - The Port’s Waterfront Land Use Plan;
 - Any restrictions on Port land use pursuant to the Burton Act;
 - The Port’s 10-Year Capital Plan.
5. The Port must demonstrate that the project area will result in a net economic benefit to the City in the project area-specific financing plan by including:

- Total revenue that the General Fund is projected to receive;
 - Total number of jobs and other economic development benefits the project is expected to produce.
6. When an allocation of ERAF's share of tax increment, identified in the Port IFD Guidelines as \$0.25 per \$1.00 in tax increment, is authorized under State law, the City, subject to Board of Supervisors approval, should maximize such contributions to those project areas by allocating the maximum amount of City tax increment to those areas, identified in the Guidelines as \$0.65 per \$1.00 in tax increment. As previously noted, ERAF's share of tax increment is authorized for allocation within the Seawall Lot 330, Pier 19, Pier 23, Pier 29, and Pier 70 project areas.
 7. Tax increment amounts based on project area-specific financing plans for project areas are subject to approval by the Board of Supervisors and should be sufficient to enable the Port to:
 - Obtain fair market rent for Port leases after build-out of the project area;
 - Enable proposed development projects to attract equity;
 - Fund debt service and debt service coverage for any bonds issued in public facilities financed by tax increment in Port IFD project areas;
 - Fund the Port's administrative costs and authorized public facilities with available revenue on a pay-as-you-go¹¹ basis.
 8. Excess tax increment not required to fund public facilities in project areas will be allocated to either (a) the City's General Fund, (b) funding improvements to the City's seawall, or (c) protecting the City against sea level rise, as allowed by State law, contingent upon Board of Supervisors approval.
 9. The Port will include pay-as-you-go tax increment revenue allocated to the project area in the Port's Capital Budget if the Port issues revenue bonds to be repaid by tax increment revenue generated in one or more Port project areas in order to provide debt service coverage for Port revenue bonds as a source of funding.
 10. The Port is required to identify sources of funding to construct, operate and maintain public facilities by project area tax increment in the project area-specific financing plan.

Strategic Criteria of the Port IFD Guidelines

The four strategic criteria for the Board of Supervisors to consider, when approving the Port IFD, provide guidance in the appropriate use of Port IFD financing and in the selection of projects within the Port IFD. These strategic criteria are:

- Port IFD financing should be used for public facilities serving Port land where other Port monies are insufficient;
- Port IFD financing should be used to leverage non-City resources, such as any additional regional, State, or Federal funds that may be available;
- The Port should continue utilizing the "best-practices" citizen participation procedures¹² to help establish priorities for public facilities serving Port land;

¹¹ Pay-as-you-go is a method of financing expenditures with funds that are currently available rather than borrowed.

- The Port, the Mayor's Budget Office and the Controller should collaborate to conduct periodic nexus studies every ten years, at minimum, to examine whether the cost of basic municipal services, such as services provided by the Fire and Police Departments, are covered by the sum of the portion of property taxes the City receives from Port land, hotel, sales, payroll or gross receipts taxes, and any other taxes the City receives from Port land, and any other revenues that the City receives from Port land.

FISCAL ANALYSIS

While there is no direct fiscal impact of the proposed resolution to adopt the Port's Guidelines for Establishment and Use of an Infrastructure Financial District with Project Areas on Land under the Jurisdiction of the Port Commission, there are criteria within the Port IFD Guidelines that may have fiscal impacts to the Port and the City.

Threshold Criteria 5 Requires Net Economic, Not Fiscal, Benefit to the City

Threshold Criteria 5 requires that the project area financing plan demonstrate a net economic benefit to the City that, over the term of the project area, includes the (a) total estimated amount of revenue to the City's General Fund; and (b) number of jobs and other economic development benefits. In contrast, the City's IFD Guidelines require that the IFD provide a net fiscal benefit over the 30-year term of the IFD, "guaranteeing that there is at least some gain to the General Fund in all circumstances". In addition, State law¹³ requires only an analysis of costs and revenues to the City.

Threshold Criteria 5 states that the project area financing plan should be similar to findings of fiscal responsibility and feasibility reports prepared in accordance with Administrative Code Chapter 29. Administrative Code Chapter 29 requires more detailed evaluation of fiscal benefits to the City than required by the proposed Port IFD Guidelines, including direct and indirect financial benefits to the City, project construction costs, available funding to pay project costs, ongoing maintenance and operating costs, and debt service costs.

The City's IFD Guidelines acknowledge that the Port's use of IFD law differs from the City in that the Port intends to build infrastructure to attract private investment to create jobs, small business, waterfront visitors and other growth, and therefore would not necessarily be "predicated on up-zonings¹⁴ that result in net fiscal benefits to the General Fund". However, in order to fully disclose the fiscal impact of the Port IFD on the City's General Fund, the Budget and Legislative Analyst recommends that the proposed Port IFD Guidelines be amended to require that the project area financing plan project the net fiscal impact to the City's General Fund, as well as the net economic benefits, over the term of the Port IFD.

¹² Best practices citizen participation procedures include regular publicly-noticed meetings of waterfront advisory committees to support ongoing communication with neighborhood and waterfront stakeholders as well as community planning processes for major waterfront open space, maritime, and development project opportunities and needs.

¹³ California Government Code Section 53395.8.g.3.c.vii

¹⁴ "Up-zonings" are increases in height, bulk or density, allowing increased development.

Threshold Criteria 6 and 7 Refer to Specific Tax Increment Percentages Which are Subject to Change

Threshold Criteria 6 and 7 refer to specific property tax rate allocations, as they are currently allocated. The City's property tax allocation is referred to in specific numeric terms as \$0.65 per \$1.00 in tax increment and ERAF's Property Tax allocation is referred to as \$0.25 per \$1.00 in tax increment. However, future State law may change these property tax allocations. In addition, these property tax allocations are subject to approval by the State for ERAF and by Board of Supervisors for the City on an annual basis. Therefore, the Budget and Legislative Analyst recommends that Threshold Criteria 6 and 7 specify that the share of tax increment allocated to the City and ERAF is the tax rate established annually by the State for ERAF and by the Board of Supervisors for the City pursuant to the California Revenue and Taxation Code.

Threshold Criteria 8 Does Not Specify ERAF's Excess Share of Tax Increment May Not be Re-Allocated to the City's General Fund

Threshold Criteria 8 states that excess tax increment not required to fund project area-specific public facilities should be allocated to the General Fund or to improvements in the City's seawall and other measures to protect against sea level rise. However, Threshold Criteria 8 does not specify that ERAF's excess share of tax increment may not be diverted in the manner outlined by Threshold Criteria 8. State law contains specific restrictions for how ERAF's share of tax increment may be used, as described in the Background Section of this report. Therefore, the Budget and Legislative Analyst recommends that Threshold Criteria 8 should specify that ERAF tax increment may not be re-allocated to the City's General Fund or to improvements in the City's seawall and other measures to protect against sea level rise.

POLICY CONSIDERATIONS

State Law Allows ERAF Tax Increment Intended to Fund Local Education to be used to Fund Construction of the Pier 27 Cruise Terminal and Development at Pier 70

As previously noted, ERAF's share of tax increment may be allocated to five project areas within the Port IFD and used for limited purposes. Threshold Criteria 6 specifies that the City should maximize ERAF contributions in designated project areas by allocating the maximum City contribution to those same project areas.¹⁵ The rationale for maximizing ERAF contributions is to maximize the Port's ability to pay for development of public infrastructure along the Port, such as the Cruise Terminal at Pier 27. Such allocations are subject to Board of Supervisors approval for each individual project area.

According to the Senate Appropriation Committee's fiscal summary of the State law, diverting ERAF's share of tax increment could potentially result in a State General Fund cost to backfill those monies intended for education. However, the potential State General Fund cost is unknown because the economic activity that would be generated absent a Port IFD is unclear.

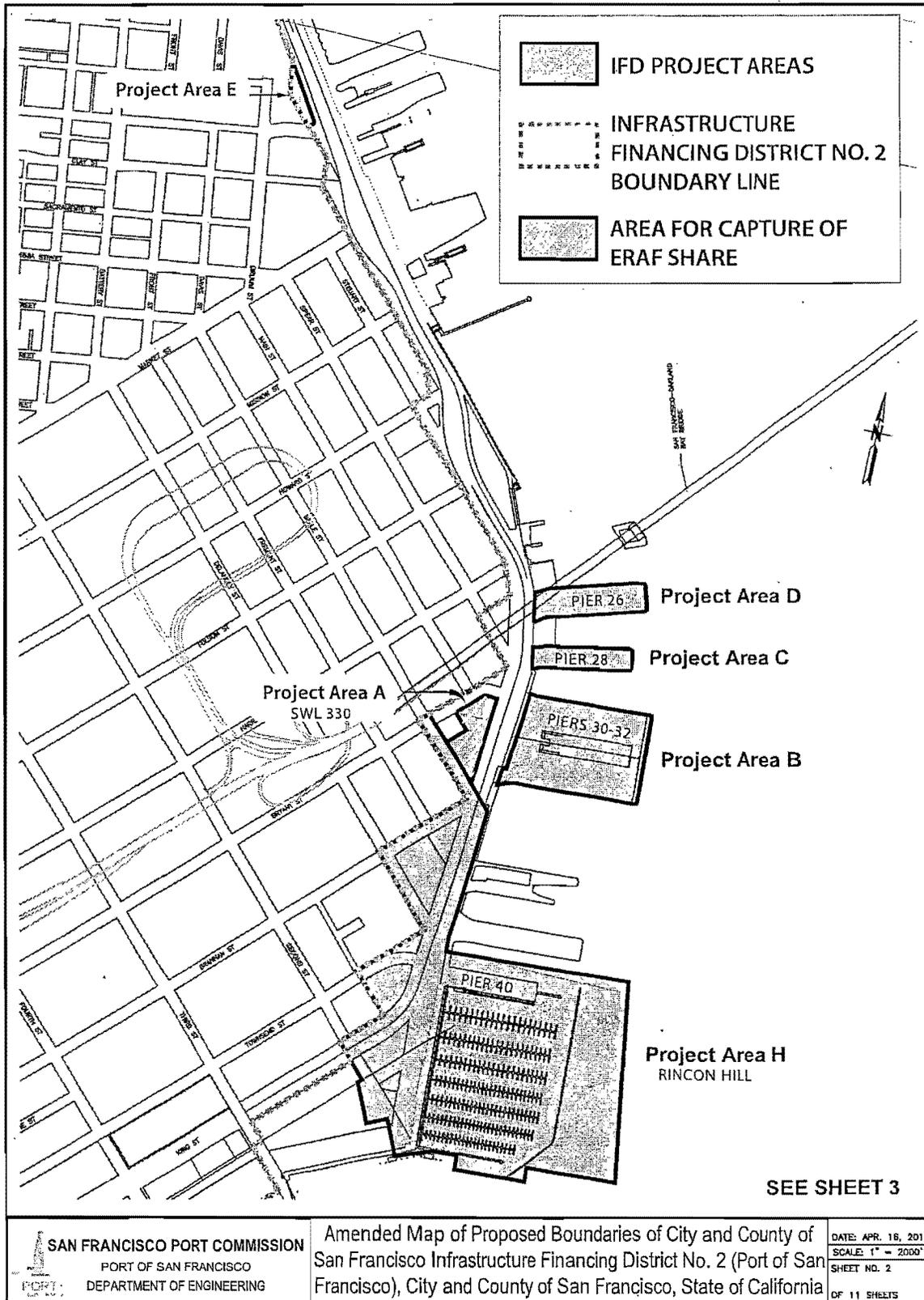
¹⁵ ERAF's share of tax increment is allocated in proportion to the percentage of City tax increment allocated to the designated project areas.

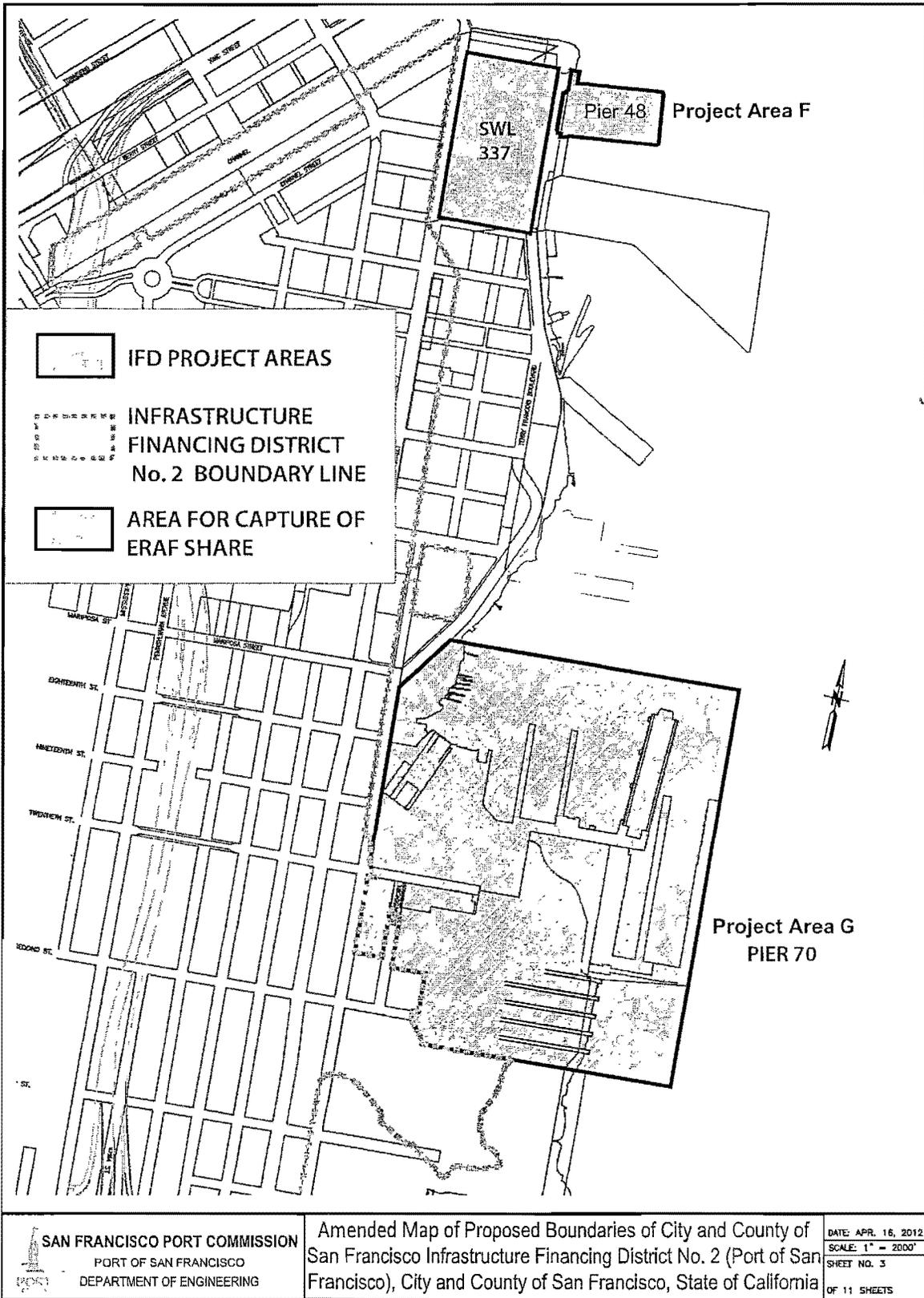
Approval of the Proposed Resolution is a Policy Decision for the Board of Supervisors

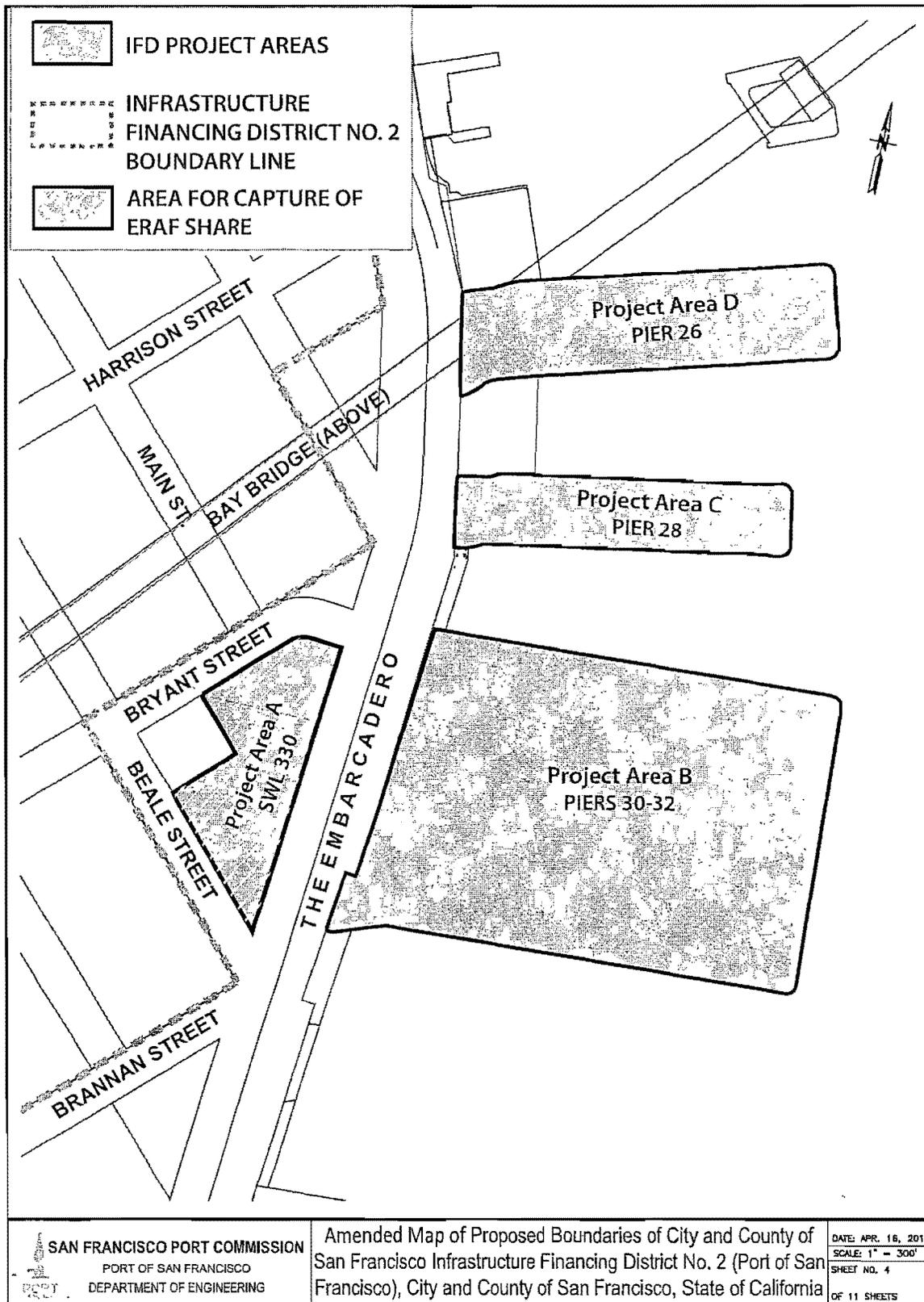
The proposed Port IFD Guidelines will guide future Board of Supervisors' decisions on allocation of City and ERAF tax increment. Therefore, approval of the proposed resolution is a policy decision for the Board of Supervisors.

RECOMMENDATIONS

1. Amend the proposed resolution to request the Port to amend:
 - (a) The Port IFD Guidelines to specify that the threshold criteria must be met in order to establish a Port IFD or project area, and the strategic criteria should be considered by the Board of Supervisors but are not required to establish a Port IFD;
 - (b) Threshold Criteria 5 to require that the project area financing plan projects the net fiscal impact to the City's General Fund, as well as the net economic benefits, over the term of the Port IFD;
 - (c) Threshold Criteria 6 and 7 to specify that the share of tax increment allocated to the City and ERAF is the tax rate established annually by the State for the ERAF and by the Board of Supervisors for the City pursuant to the California Revenue and Taxation Code; and
 - (d) Threshold Criteria 8 to specify that ERAF's excess share of tax increment may not be re-allocated to the City's General Fund or to improvements in the City's seawall and other measures to protect against sea level rise.
2. Approval of the proposed resolution, as amended, is a policy decision for the Board of Supervisors.



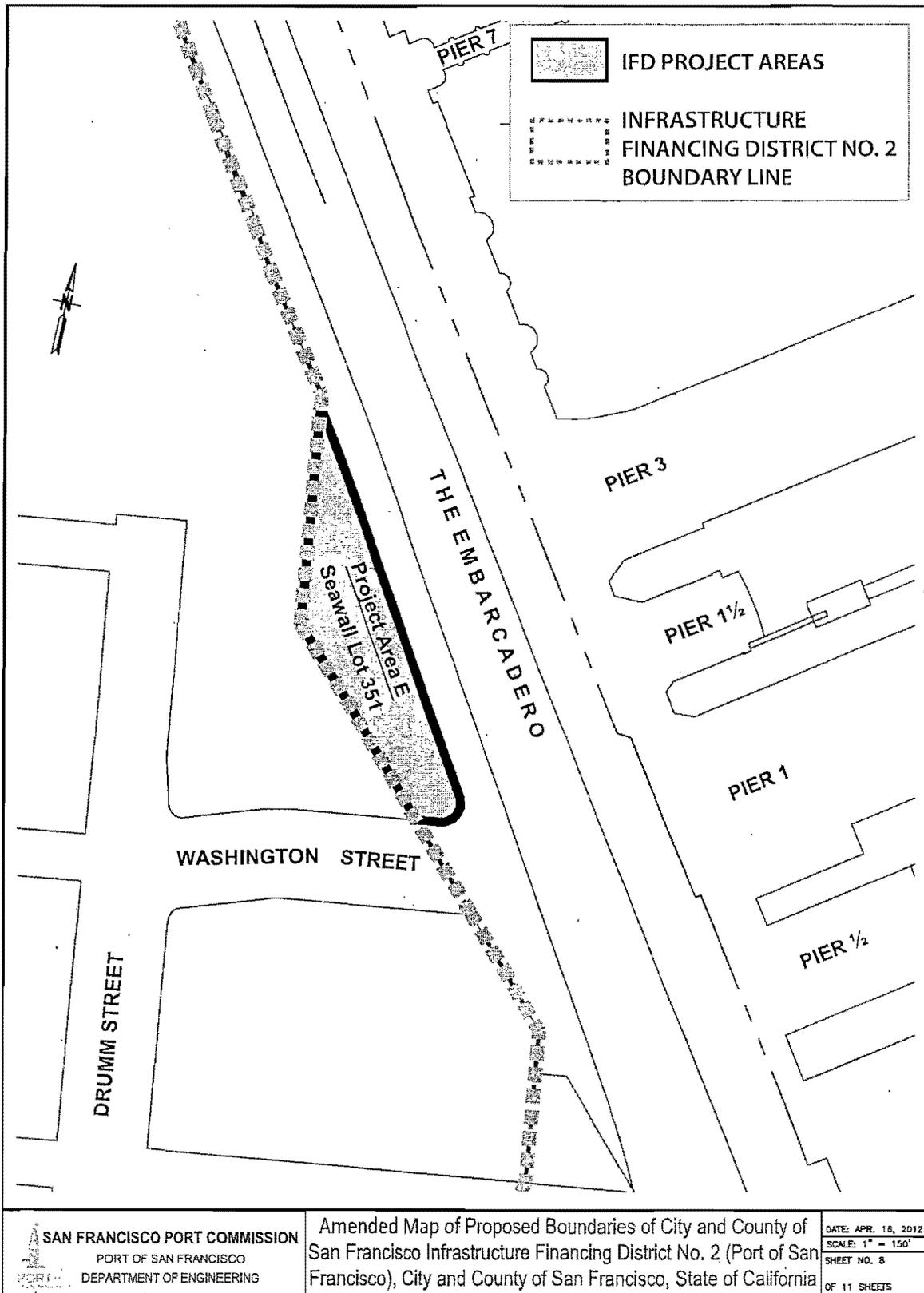




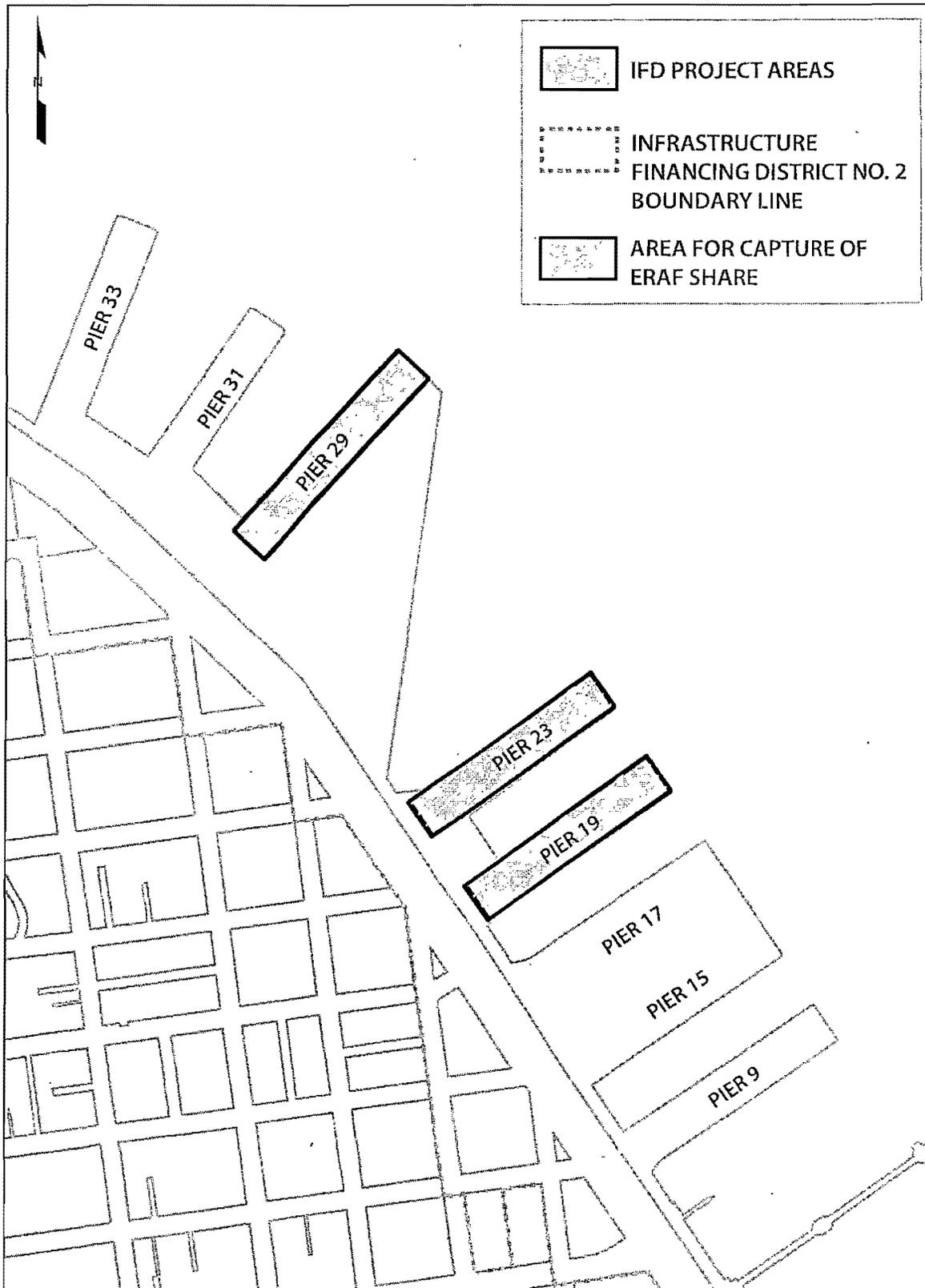
SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

Amended 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, State of California

DATE: APR. 16, 2012
 SCALE: 1" = 300'
 SHEET NO. 4
 OF 11 SHEETS







Port of San Francisco
Infrastructure Financing Districts in the
Northern Waterfront Defined by AB 2259



Revised 4-11-13

**Draft 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**
(Revised 4/16/13 per Budget Analyst's recommendations)

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Threshold Criteria: The following Threshold Criteria must be met to establish an infrastructure financing district (IFD) or project area on Port land.

- 1. At formation, limit waterfront districts and project areas to Port land.** Consistent with California Infrastructure Financing District (IFD) law (Gov. Code §§ 53395-53398.47) (IFD law), the City may form an IFD consisting only of land under the jurisdiction of the San Francisco Port Commission (Port) without an election (waterfront district). The formation of a waterfront district consisting of all Port land with project areas corresponding to Port development projects within the waterfront district¹ will be subject to the criteria in these *Guidelines for Establishment and Use of Infrastructure Financing Districts and Project Areas on Land under the Jurisdiction of the San Francisco Port Commission* (Port Guidelines). The City will consider allocating property tax increment from a project area to the waterfront district when the Port submits a project area-specific infrastructure financing plan that specifies: (a) the public facilities to be financed by tax increment² generated in the project area; (b) the projected cost of the proposed public facilities; (c) the projected amount of tax increment that will be generated over the term of the project area; (d) the amount of tax increment that is proposed to be allocated to the IFD to finance public facilities; and (e) any other matters required under IFD law.
- 2. Consider requests to annex non-Port land to a project area on a case-by-case basis.** If an owner of non-Port land adjacent to a project area petitions to add the adjacent property to the project area in accordance with the IFD law, the City will consider on a case-by-case basis: (a) whether to annex the non-Port property to the project area to assist in financing public facilities; and (b) the extent to which tax increment generated by the non-Port land but not used for Port public facilities should be subject to the *Guidelines for the Establishment and Use of Infrastructure Financing Districts in the City and County of San Francisco* (City Guidelines).³
- 3. Require completion of environmental review and the affirmative recommendation of the Capital Planning Committee before approving any infrastructure financing plan that allocates tax increment from a project area.** The City may form the Port-wide waterfront district without allocating tax increment to the waterfront district. The City will

¹ In accordance with Board of Supervisors intent as stated in Board Resolution No. 110-12, adopted on March 27, 2012, and Board Resolution No. 227-12, adopted on June 12, 2012. These Port Guidelines will apply even if the Board later decides to create multiple IFDs on Port land, rather than a single waterfront district.

² IFD law generally authorizes certain classes of public facilities to be financed through IFDs. The Legislature has broadened the types of authorized public facilities for waterfront districts to include: (1) remediation of hazardous materials in, on, under, or around any real or tangible property; (2) seismic and life-safety improvements to existing buildings; (3) rehabilitation, restoration, and preservation of structures, buildings, or other facilities having special historical, architectural, or aesthetic interest or value and that are listed on the National Register of Historic Places, are eligible for listing on the National Register of Historic Places individually or because of their location within an eligible registered historic district, or are listed on a state or local register of historic landmarks; (4) structural repairs and improvements to piers, seawalls, and wharves, and installation of piles; (5) removal of bay fill; (6) stormwater management facilities, other utility infrastructure, or public open-space improvements; (7) shoreline restoration; (8) other repairs and improvements to maritime facilities; (9) planning and design work that is directly related to any public facilities authorized to be financed by a waterfront district; (10) reimbursement payments made to the California Infrastructure and Economic Development Bank in accordance with IFD law; (11) improvements, which may be publicly owned, to protect against potential sea level rise; (12) Port maritime facilities at Pier 27; (13) shoreside power installations at Port maritime facilities; and (14) improvements to publicly-owned waterfront lands used as public spectator viewing sites for America's Cup activities in San Francisco. Gov. Code §§ 53395.3, 53395.8(d), and 53395.81(c)(1).

³ Adopted on February 8, 2011, by the Board of Supervisors Resolution No. 66-11. The City Guidelines do not apply to IFDs on land owned or managed by the Port.

not approve an infrastructure financing plan that would allocate property tax increment to the waterfront district from any project area, however, until the following have occurred: (a) the City has completed environmental review of the proposed development project associated with the project area and any proposed public facilities to be financed with property tax increment from the project area; and (b) the Capital Planning Committee has recommended approval of the related infrastructure financing plan.

4. **Public facilities financed by tax increment must be consistent with applicable laws, policies, and the Port's capital plan.** Project areas in the waterfront district must finance public facilities that are consistent with: (a) IFD law; (b) the Port's Waterfront Land Use Plan; (c) any restrictions imposed by the public trust for commerce, navigation, and fisheries, the Burton Act (stats. 1968, ch. 1333), or other applicable statute; and (d) the Port's 10-Year Capital Plan, all as in effect on the date the City approves any project area infrastructure financing plan.
5. **The Port must demonstrate the net fiscal impact of the proposed project area on the City's General Fund and show that the project area will result in a net economic benefit to the City, including the Port.** The Port must include in the infrastructure financing plan for each project area: (a) the total amount of revenue that the City's General Fund is projected to receive and the projected costs to the City's General Fund over the term of the project area; and (b) the number of jobs and other economic development benefits that the project assisted by the waterfront district is projected to produce over the term of the project area. The projections in the infrastructure financing plan should be similar to those prepared to demonstrate that certain projects are fiscally feasible and responsible in accordance with Administrative Code Chapter 29 and include projections of direct and indirect financial benefits to the City, construction costs, available funding to pay project costs, ongoing operating and maintenance costs, and debt service.
6. **Where applicable, maximize State contributions to project areas through matching City contributions.** IFD law authorizes the allocation of the State's share of property tax increment to certain Port project areas in proportion to the City's allocation of tax increment to the Port project area to assist in financing specified Port public facilities, such as historic preservation at Pier 70 and the Port's new James R. Herman Cruise Terminal at Pier 27. When an allocation of the State's share of property tax increment to a Port project area is authorized under IFD law, the City will allocate to the waterfront district the amount of tax increment from the project area that will maximize the amount of the State's tax increment that is available to fund authorized public facilities. In accordance with the California Revenue and Taxation Code, the Board of Supervisors annually approves the share of City property tax dollars allocated to the City (\$0.646 in FY 2012-2013), and the State annually approves the State's share of City property tax dollars (\$0.253 in FY 2012-2013). To maximize State contributions to project areas through matching City contributions in project areas where the City's use of the State's share is authorized, the City would budget up to \$0.90 per the sum of all of the City's share of property tax dollars from the project area plus all of the State's share of property tax dollars from the project area (i.e., the sum of \$0.65 of tax increment allocated by the City to the waterfront district from the project area and the State's share of tax increment), until the earlier to occur of: (a) full financing of the authorized public facilities by tax increment; or (b) the allocation to the waterfront district of the full amount of tax increment from the project area authorized under the approved infrastructure financing plan.
7. **Determine the amount of tax increment to be allocated to the waterfront district from a project area in relation to project economics.** The City will consider approving infrastructure financing plans for Port project areas that provide for allocations of tax increment of up to \$0.65 per up to the sum of property tax dollars allocated to the City from

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the project area in accordance with tax rates established annually by the Board of Supervisors for the City, or, where permitted by IFD law, the sum of the City's share of property tax dollars from the project area \$0.65 of tax increment so that, in combination with plus State the State's share of property tax dollars from the project area as established annually by the State's share of tax increment, the total allocated is up to \$0.90 per property tax dollar, to fund authorized public facilities necessary for each proposed development project. Each infrastructure financing plan must include projections of the amount of tax increment that will be needed to fund necessary public facilities. The allocation should be sufficient to enable the Port to: (a) obtain fair market rent for Port ground leases after build-out of the project area; and (b) enable proposed development projects to attract private equity. No tax increment will be used to pay a developer's return on equity or other internal profit metric in excess of limits imposed by applicable state and federal law; the IFD law currently measures permissible developer return by reference to a published bond index and both the State Mello-Roos Community Facilities Act and federal tax law require a return that is consistent with industry standards. The Board of Supervisors in its discretion may allocate additional tax increment to other public facilities serving the waterfront district that require funding.

An approved infrastructure financing plan will state the City's agreement that, for any debt secured by tax increment allocated to the waterfront district from a project area to finance authorized public facilities, the City will disburse tax increment to the waterfront district from the project area in amounts sufficient to fund: (a) debt service and debt service coverage for bonds issued under IFD law (IFD Bonds), bonds issued under the Mello-Roos Community Facilities Act of 1982⁴ (CFD Bonds), and other forms of indebtedness that the Port is authorized to issue to fund public facilities authorized to be financed in the infrastructure financing plan to the extent not funded by special tax levies; and (b) costs of administration and authorized public facilities on a pay-as-you-go basis.

8. **Use excess tax increment for citywide purposes.** Any portion of the City's share of Tax increment that the City allocated to the waterfront district from the project area but that is not required to fund eligible project-specific public facilities will be re-allocated to the City's General Fund or to improvements to the City's seawall and other measures to protect the City against sea level rise or other foreseeable risks to the City's waterfront. Under IFD law, any portion of the State's share of tax increment not needed to fund eligible public facilities reverts to the State and may not be re-allocated for citywide purposes.
9. **Port Capital Budget.** If the Port issues Port revenue bonds (instead of CFD Bonds or IFD Bonds) to be repaid by tax increment revenue generated in one or more Port project areas, to further the purposes Port Commission Resolution No. 12-22 adopting the Port's Policy for Funding Capital Budget Expenditures, the Port will include annually in its Capital Budget any tax increment revenue allocated to the waterfront district from the project area to provide debt service coverage on any Port revenue bond debt payable from tax increment.
10. **Require each project area infrastructure financing plan to identify sources of funding to construct, operate, and maintain public facilities financed by project area tax increment.** Tax increment will be allocated to the waterfront district from a project area under a project area infrastructure financing plan only if the Port has identified anticipated sources of funding to construct, operate, and maintain any public facilities to be financed with project area tax increment. Examples of acceptable sources for operation and maintenance are: (a) private financing mechanisms, such as a homeowners association assessment; (b) a supplemental special tax levied by a community facilities district formed

⁴ Gov. Code §§ 553311-53368.3 (Mello-Ross Act).

under the Mello-Roos Act or assessments levied by a community benefits district; and (c) the Port's maintenance budget or other allocation of the Port Harbor Fund.

Strategic Criteria: are to be considered by the Board of Supervisors, but are not required to establish a Port IFD or project area.

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- **Use Port IFD financing for public facilities serving Port land where other Port moneys are insufficient.** Port IFD financing should be used to finance public facilities serving Port land when the Port does not otherwise have sufficient funds.
- **Use Port IFD financing to leverage non-City resources.** Port IFD financing should be used to leverage additional regional, state, and federal funds. For example, IFD funds may prove instrumental in securing matching federal or state dollars for transportation projects.
- **Continue the Port's "best-practices" citizen participation procedures to help establish priorities for public facilities serving Port land.** Continue to use the Port's "best-practices" citizen participation procedures to: (a) establish community and municipal priorities for construction of infrastructure serving Port land; and (b) ensure that infrastructure financing plans for Port project areas provide financing to help the Port and the City meet those priorities.
- **The Port, the Mayor's Budget Office, and the Controller should collaborate to conduct periodic nexus studies.** No less than every ten years, the Port, the Mayor's Budget Office, and the Controller should collaborate on a nexus study. The nexus analysis will examine whether the cost of basic municipal services provided to Port property, such as services provided by the Fire and Police Departments, is covered by the sum of: (a) the portion of property taxes the City receives from Port land that is not allocated to the waterfront district; (b) hotel, sales, payroll or gross receipts, and any other taxes the City receives from Port land; and (c) any other revenues that the City receives from Port land.

Draft
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

Threshold Criteria:

- 1. At formation, limit waterfront districts and project areas to Port land.** Consistent with California Infrastructure Financing District (IFD) law (Gov. Code §§ 53395-53398.47), the City may form an IFD consisting only of land under the jurisdiction of the San Francisco Port Commission (Port) without an election (waterfront district). The formation of a waterfront district consisting of all Port land with project areas corresponding to Port development projects within the waterfront district¹ will be subject to the criteria in these *Guidelines for Establishment and Use of Infrastructure Financing Districts and Project Areas on Land under the Jurisdiction of the San Francisco Port Commission* (Port Guidelines). The City will consider allocating property tax increment from a project area to the waterfront district when the Port submits a project area-specific infrastructure financing plan that specifies: (a) the public facilities to be financed by tax increment² generated in the project area; (b) the projected cost of the proposed public facilities; (c) the projected amount of tax increment that will be generated over the term of the project area; (d) the amount of tax increment that is proposed to be allocated to the IFD to finance public facilities; and (e) any other matters required under IFD law.
- 2. Consider requests to annex non-Port land to a project area on a case-by-case basis.** If an owner of non-Port land adjacent to a project area petitions to add the adjacent property to the project area in accordance with the IFD law, the City will consider on a case-by-case basis: (a) whether to annex the non-Port property to the project area to assist in financing public facilities; and (b) the extent to which tax increment generated by the non-Port land but not used for Port public facilities should be subject to the *Guidelines for the Establishment and Use of Infrastructure Financing Districts in the City and County of San Francisco* (City Guidelines).³
- 3. Require completion of environmental review and the affirmative recommendation of the Capital Planning Committee before approving any infrastructure financing plan that allocates tax increment from a project area.** The City may form the Port-wide waterfront district without allocating tax increment to the waterfront district. The City will not approve an infrastructure financing plan that would allocate property tax increment to the

¹ In accordance with Board of Supervisors intent as stated in Board Resolution No. 110-12, adopted on March 27, 2012, and Board Resolution No. 227-12, adopted on June 12, 2012. These Port Guidelines will apply even if the Board later decides to create multiple IFDs on Port land, rather than a single waterfront district.

² IFD law generally authorizes certain classes of public facilities to be financed through IFDs. The Legislature has broadened the types of authorized public facilities for waterfront districts to include: (1) remediation of hazardous materials in, on, under, or around any real or tangible property; (2) seismic and life-safety improvements to existing buildings; (3) rehabilitation, restoration, and preservation of structures, buildings, or other facilities having special historical, architectural, or aesthetic interest or value and that are listed on the National Register of Historic Places, are eligible for listing on the National Register of Historic Places individually or because of their location within an eligible registered historic district, or are listed on a state or local register of historic landmarks; (4) structural repairs and improvements to piers, seawalls, and wharves, and installation of piles; (5) removal of bay fill; (6) stormwater management facilities, other utility infrastructure, or public open-space improvements; (7) shoreline restoration; (8) other repairs and improvements to maritime facilities; (9) planning and design work that is directly related to any public facilities authorized to be financed by a waterfront district; (10) reimbursement payments made to the California Infrastructure and Economic Development Bank in accordance with IFD law; (11) improvements, which may be publicly owned, to protect against potential sea level rise; (12) Port maritime facilities at Pier 27; (13) shoreside power installations at Port maritime facilities; and (14) improvements to publicly-owned waterfront lands used as public spectator viewing sites for America's Cup activities in San Francisco. Gov. Code §§ 53395.3, 53395.8(d), and 53395.81(c)(1).

³ Adopted on February 8, 2011, by the Board of Supervisors Resolution No. 66-11. The City Guidelines do not apply to IFDs on land owned or managed by the Port.

waterfront district from any project area, however, until the following have occurred: (a) the City has completed environmental review of the proposed development project associated with the project area and any proposed public facilities to be financed with property tax increment from the project area; and (b) the Capital Planning Committee has recommended approval of the related infrastructure financing plan.

4. **Public facilities financed by tax increment must be consistent with applicable laws, policies, and the Port's capital plan.** Project areas in the waterfront district must finance public facilities that are consistent with: (a) IFD law; (b) the Port's Waterfront Land Use Plan; (c) any restrictions imposed by the public trust for commerce, navigation, and fisheries, the Burton Act (stats. 1968, ch. 1333), or other applicable statute; and (d) the Port's 10-Year Capital Plan, all as in effect on the date the City approves any project area infrastructure financing plan.
5. **The Port must demonstrate that the project area will result in a net economic benefit to the City, including the Port.** The Port must include in the infrastructure financing plan for each project area: (a) the total amount of revenue that the City's General Fund is projected to receive over the term of the project area; and (b) the number of jobs and other economic development benefits that the project assisted by the waterfront district is projected to produce over the term of the project area. The projections in the infrastructure financing plan should be similar to those prepared to demonstrate that certain projects are fiscally feasible and responsible in accordance with Administrative Code Chapter 29.
6. **Where applicable, maximize State contributions to project areas through matching City contributions.** IFD law authorizes the allocation of the State's share of property tax increment to certain Port project areas in proportion to the City's allocation of tax increment to the Port project area to assist in financing specified Port public facilities, such as historic preservation at Pier 70 and the Port's new James R. Herman Cruise Terminal at Pier 27. When an allocation of the State's share of property tax increment to a Port project area is authorized under IFD law, the City will allocate to the waterfront district the amount of tax increment from the project area that will maximize the amount of the State's tax increment that is available to fund authorized public facilities. To do so, the City would budget up to \$0.90 per property tax dollar (i.e., the sum of \$0.65 of tax increment allocated by the City to the waterfront district from the project area and the State's share of tax increment), until the earlier to occur of: (a) full financing of the authorized public facilities by tax increment; or (b) the allocation to the waterfront district of the full amount of tax increment from the project area authorized under the approved infrastructure financing plan.
7. **Determine the amount of tax increment to be allocated to the waterfront district from a project area in relation to project economics.** The City will consider approving infrastructure financing plans for Port project areas that provide for allocations of tax increment of up to \$0.65 per property tax dollar, or, where permitted by IFD law, \$0.65 of tax increment so that, in combination with State's share of tax increment, the total allocated is up to \$0.90 per property tax dollar, to fund authorized public facilities necessary for each proposed development project. Each infrastructure financing plan must include projections of the amount of tax increment that will be needed to fund necessary public facilities. The allocation should be sufficient to enable the Port to: (a) obtain fair market rent for Port ground leases after build-out of the project area; and (b) enable proposed development projects to attract private equity. No tax increment will be used to pay a developer's return on equity or other internal profit metric in excess of limits imposed by applicable state and federal law; the IFD law currently measures permissible developer return by reference to a published bond index and both the State Mello-Roos Community Facilities Act and federal tax law require a return that is consistent with industry standards. The Board of Supervisors

in its discretion may allocate additional tax increment to other public facilities serving the waterfront district that require funding.

An approved infrastructure financing plan will state the City's agreement that, for any debt secured by tax increment allocated to the waterfront district from a project area to finance authorized public facilities, the City will disburse tax increment to the waterfront district from the project area in amounts sufficient to fund: (a) debt service and debt service coverage for bonds issued under IFD law (IFD Bonds), bonds issued under the Mello-Roos Community Facilities Act of 1982⁴ (CFD Bonds), and other forms of indebtedness that the Port is authorized to issue to fund public facilities authorized to be financed in the infrastructure financing plan to the extent not funded by special tax levies; and (b) costs of administration and authorized public facilities on a pay-as-you-go basis.

8. **Use excess tax increment for citywide purposes.** Tax increment not required to fund eligible project-specific public facilities will be allocated to the City's General Fund or to improvements to the City's seawall and other measures to protect the City against sea level rise or other foreseeable risks to the City's waterfront.
9. **Port Capital Budget.** If the Port issues Port revenue bonds (instead of CFD Bonds or IFD Bonds) to be repaid by tax increment revenue generated in one or more Port project areas, to further the purposes Port Commission Resolution No. 12-22 adopting the Port's Policy for Funding Capital Budget Expenditures, the Port will include annually in its Capital Budget any tax increment revenue allocated to the waterfront district from the project area to provide debt service coverage on any Port revenue bond debt payable from tax increment.
10. **Require each project area infrastructure financing plan to identify sources of funding to construct, operate, and maintain public facilities financed by project area tax increment.** Tax increment will be allocated to the waterfront district from a project area under a project area infrastructure financing plan only if the Port has identified anticipated sources of funding to construct, operate, and maintain any public facilities to be financed with project area tax increment. Examples of acceptable sources for operation and maintenance are: (a) private financing mechanisms, such as a homeowners association assessment; (b) a supplemental special tax levied by a community facilities district formed under the Mello-Roos Act or assessments levied by a community benefits district; and (c) the Port's maintenance budget or other allocation of the Port Harbor Fund.

Strategic Criteria

- **Use Port IFD financing for public facilities serving Port land where other Port moneys are insufficient.** Port IFD financing should be used to finance public facilities serving Port land when the Port does not otherwise have sufficient funds.
- **Use Port IFD financing to leverage non-City resources.** Port IFD financing should be used to leverage additional regional, state, and federal funds. For example, IFD funds may prove instrumental in securing matching federal or state dollars for transportation projects.
- **Continue the Port's "best-practices" citizen participation procedures to help establish priorities for public facilities serving Port land.** Continue to use the Port's "best-practices" citizen participation procedures to: (a) establish community and municipal priorities for construction of infrastructure serving Port land; and (b) ensure that

⁴ Gov. Code §§ 553311-53368.3 (Mello-Ross Act).

infrastructure financing plans for Port project areas provide financing to help the Port and the City meet those priorities.

- **The Port, the Mayor's Budget Office, and the Controller should collaborate to conduct periodic nexus studies.** No less than every ten years, the Port, the Mayor's Budget Office, and the Controller should collaborate on a nexus study. The nexus analysis will examine whether the cost of basic municipal services provided to Port property, such as services provided by the Fire and Police Departments, is covered by the sum of: (a) the portion of property taxes the City receives from Port land that is not allocated to the waterfront district; (b) hotel, sales, payroll or gross receipts, and any other taxes the City receives from Port land; and (c) any other revenues that the City receives from Port land.

CITY POLICY FOR PORT IFD

BOARD OF SUPERVISORS BUDGET COMMITTEE

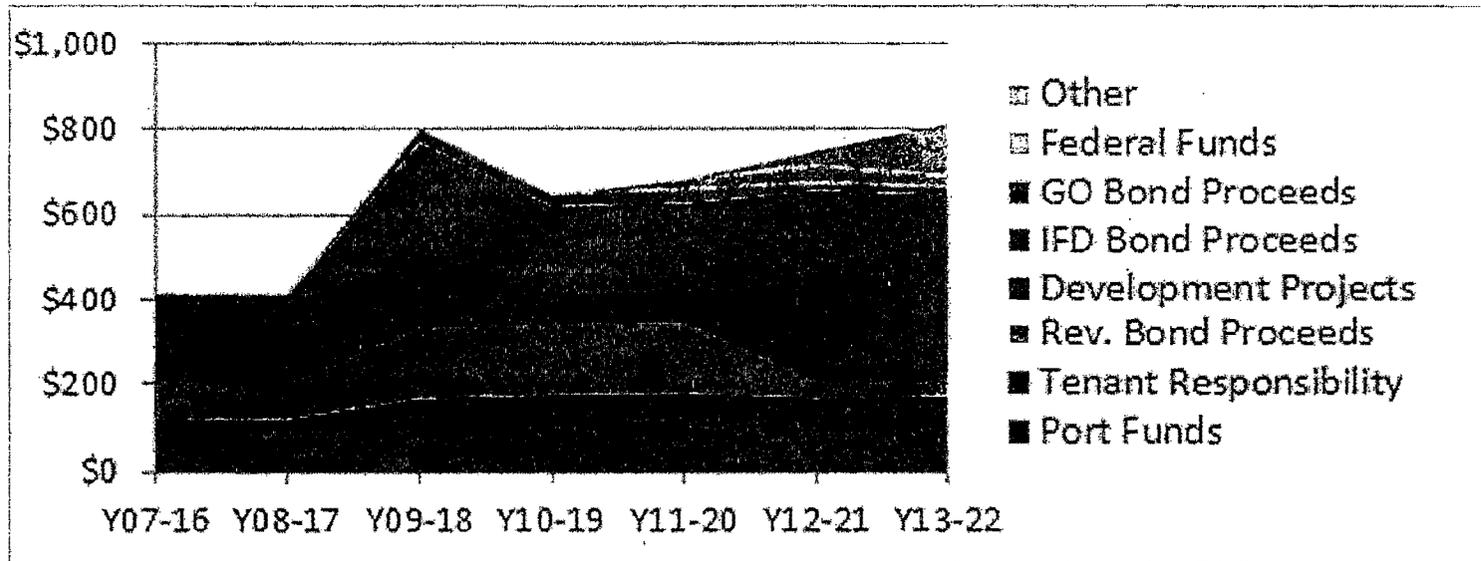
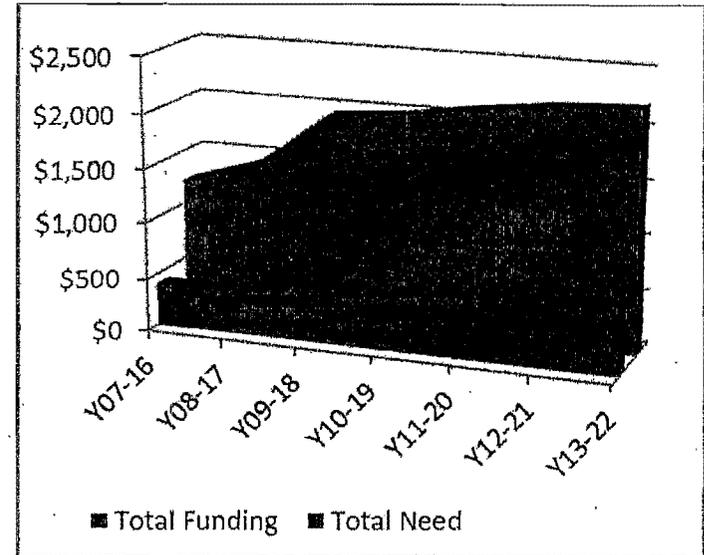
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INFRASTRUCTURE FINANCING DISTRICTS

- A city or county may form an Infrastructure Financing District (technically a separate political subdivision) to finance public improvements like new **streets, utility infrastructure and parks.**
- The method of financing – *tax increment* – is similar to redevelopment, where growth in property taxes may be captured for periods of up to 45 years, except that in most cases, **only local property tax may be captured.**
- Tax increment may be used to pay for infrastructure via the sale of bonds, or on a pay-as-you go basis.
- Port IFDs are structured to provide different types of public benefits than redevelopment, which focused on affordable housing. By state law, **20% of the Port IFD tax increment must be spent on parks, Bay access and fill removal and environmental remediation.**

PORT 10 YEAR CAPITAL PLAN



IFD LEGISLATIVE EFFORTS

- **SB 1085 (2005)** – Authorized the Board of Supervisors to form Infrastructure Financing Districts along Port of San Francisco property
- **AB 1199 (2010)** – Pier 70 State Share of Tax Increment
- **AB 664 & AB 2259 (2012)** – 34th America's Cup IFD State Share of Tax Increment

PROPOSED PORT IFD POLICY

Nexus Analysis

- Charter and the Burton Act established Port Harbor Fund
- 2004 and 2008 nexus analysis (taxes and revenues from Port vs. cost of City services)
- Taxes generated from Port property are sufficient to pay for City services on leased property and the workorder budget supports services on unleased property.
- **Principle:** General Fund should not subsidize City services for unleased Port property, and the Harbor Fund should not pay for City services on leased property.

PORTWIDE IFD

- **Waterfront project areas for each project**

- **Eligible uses:**

- Piers, docks, wharves & aprons

- Installation of piles

- Seismic upgrades

- Utility infrastructure

- Streets and sidewalks

- **Parks and Bay access**

- **Fill removal**

- **Environmental remediation**

- Historic rehabilitation

- Seawall and sea level rise

- Port maritime facilities

PROPOSED PORT IFD POLICY

1. **Port land.** Districts formed on Port property.
2. **Annexing Non-Port Land.** Case-by-case policy decision about applying existing City IFD Guidelines.
3. **CEQA.** Conduct CEQA prior to adopting an Infrastructure Financing Plan.
4. **Priority of Improvements.** Consistent with: IFD law, Waterfront Plan, public trust and Capital Plan.
5. **Economic Benefit and General Fund Impact.** Results in total net revenue to General Fund, jobs and other economic development benefits.
6. **State and City matching contributions.** Maximize use of local increment to leverage the maximum available State share.

PROPOSED PORT IFD POLICY

7. **Amount of increment allocated.** 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. No increment will be used to pay a developer's return, except as permitted by law.
8. **Excess increment.** To the City's General Fund or to improvements to the City's seawall or to address sea level rise.
9. **Port Annual Capital Program.** If the Port issues revenue bonds, debt service coverage to Port Capital Program.
10. **Funding for Infrastructure Maintenance.** Identify source to maintain improvements.

PORT IFD FORMATION

- Resolution 110-12 – “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)”
- City staff will develop an Infrastructure Finance Plan (“IFP”) which will include a separate “IFP appendix” for each project
- Port, DPW, SFPUC review of horizontal infrastructure proposals and third-party cost estimates
- Mechanisms to ensure a fair infrastructure price (e.g., GMP contracts)
- CPC recommendation to full BOS regarding each IFP appendix

STRATEGIC CRITERIA & NEXUS

1. Use IFDs where other Port moneys are insufficient.
2. Use IFDs strategically to leverage non-City resources.
3. Continue the “best-practices” citizen participation procedures used to help City agencies prioritize implementation.

Conduct periodic nexus analysis every ten years to review net economic benefits to City. What are the costs of City services to the proposed development vs. general taxes (net of tax increment)?

MAJOR WATERFRONT PROJECTS¹

- SWL 337 & Pier 48

3.6 million sf of mixed use development, est. all-in cost of \$1.47 billion
\$341 million in tax increment captured to service debt (12.5% of total generated over 75 year term)

- Pier 70 Waterfront Site²

> 3.5 million sf of mixed use development, est. all-in cost of \$1.76 billion

- Piers 30-32 and SWL 330

~2 million sf of mixed use development, est. cost of \$875-975 million

Notes:

- 1 Figures for all development projects (sf of development, cost estimates and financial projections are conceptual, pre-entitlement projections.
- 2 The Port proposes to form a broader infrastructure financing district project area over all of Pier 70 (69 acres). The Waterfront Site is 25 acres.

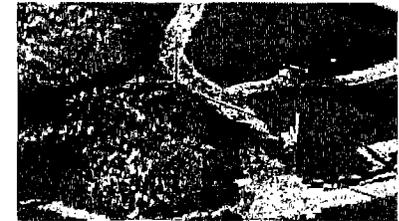
SWL 337 FISCAL IMPACT

**BASED ON CHAPTER 29 FISCAL FEASIBILITY REPORT
PROJECTION IS SUBJECT TO REFINEMENT**

- Net Fiscal Benefit to CCSF
 - \$13 million tax and dedicated revenue
 - \$2.5 million Police, Fire and DPW costs
 - = \$10.5 million annual fiscal benefit
- While SFMTA is projected to receive \$1.7 million of this amount, the full costs of SFMTA service to the site will be further analyzed during CEQA and SFMTA's related planning studies
- After IFD pays for eligible infrastructure costs, the project will generate \$8 million annually (in 2013 dollars) which the Board may allocate to the City's seawall or for General Fund purposes.

SWL 337 & PIER 48: COSTS FOR PARKS, STREETS, HISTORIC REHAB, UTILITIES AND SITE WORK

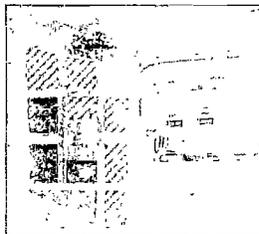
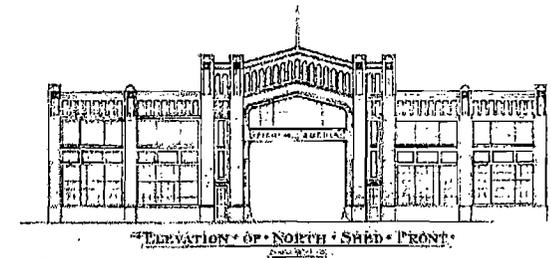
PHASE	COMPONENT	UNINFLATED COSTS	INFLATED COSTS (3%)	START YEAR
Entitlements	Entitlements	\$20,000,000	\$20,000,000	2012
Phase 1	Parcels A, B & C	\$18,390,613	\$21,523,162	2017
Phase 1a	Parcel D Garage	\$ 5,216,622	\$6,164,578	2017
Phase 2	Parcels G & K	\$31,832,900	\$38,227,462	2018
Phase 3	Parcels E & F	\$17,362,012	\$21,364,776	2019
Phase 4	Parcels H, I & J	\$14,687,489	\$18,441,259	2020
Total		\$107,489,636	\$125,721,237	



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Notes:

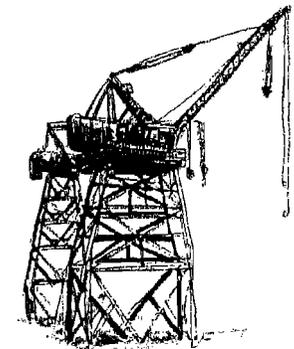
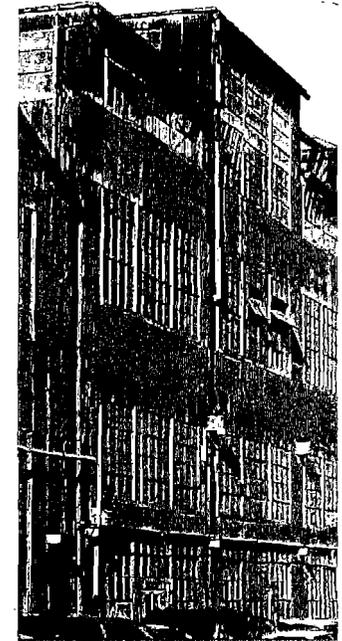
- Costs presented in 2012 USD.
- Phase 4 also includes projected costs for Pier 48 of \$22,050,000 (\$28,428,311 inflated), paid through tenant-funded capital improvements and project IFD proceeds.
- Total = hard costs + 10% contingency + 25% soft costs.



Pier 70 Waterfront Site

Total Infrastructure & Site Conditions Costs

Type of Infrastructure	Est. Cost
Entitlements	\$21,000,000
Roads and Utilities	\$38,856,000
Site Preparation	\$27,837,000
Seacant Wall	\$23,413,000
Open Space	\$28,894,000
Site Remediation	\$11,452,000
Off-site Improvements	\$26,894,000
Total	\$178,346,000



Notes:

- Costs presented in 2012 USD.
- Does not include approximately \$90 million in historic building rehab work, net costs of which (after federal historic tax credits and building revenues) will be eligible for IFD reimbursement.

WARRIORS: FISCAL FEASIBILITY & COSTS

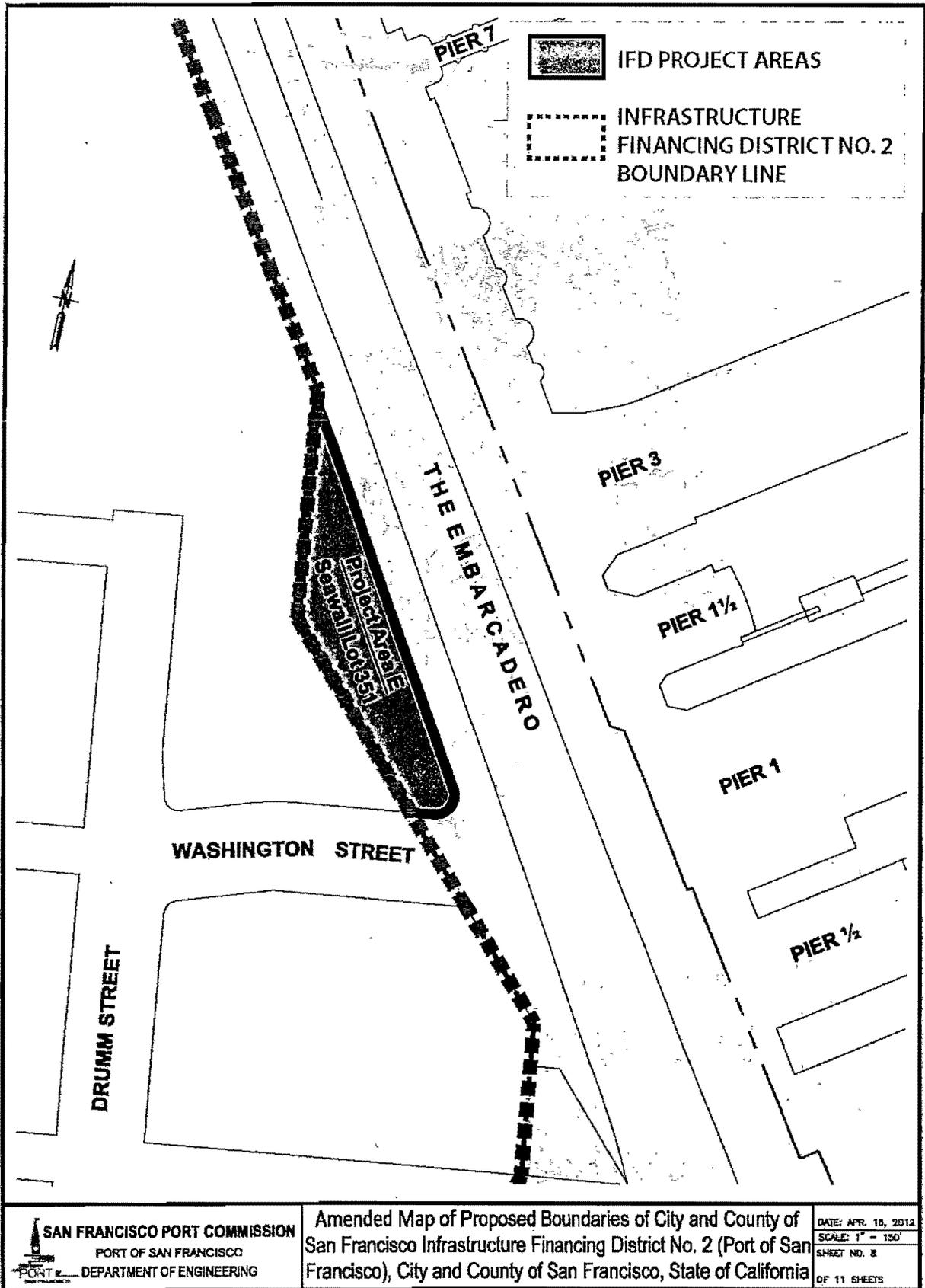
1. Direct & indirect economic benefits of the project

- City Revenue: \$19.4M (inc. tax increment)/ \$53.8M (one-time)
- Visitor Spending: \$60M/year
- Jobs: 2,623 (construction) / 1,757 (permanent)

2. Construction costs: \$875-975M (hard & soft costs)

- City will reimburse Warriors for agreed improvements to Piers 30-32 capped at \$120 M
- Reimbursement from 3 sources: Piers 30-32 Rent Credits, Sale Price of SWL 330, IFD

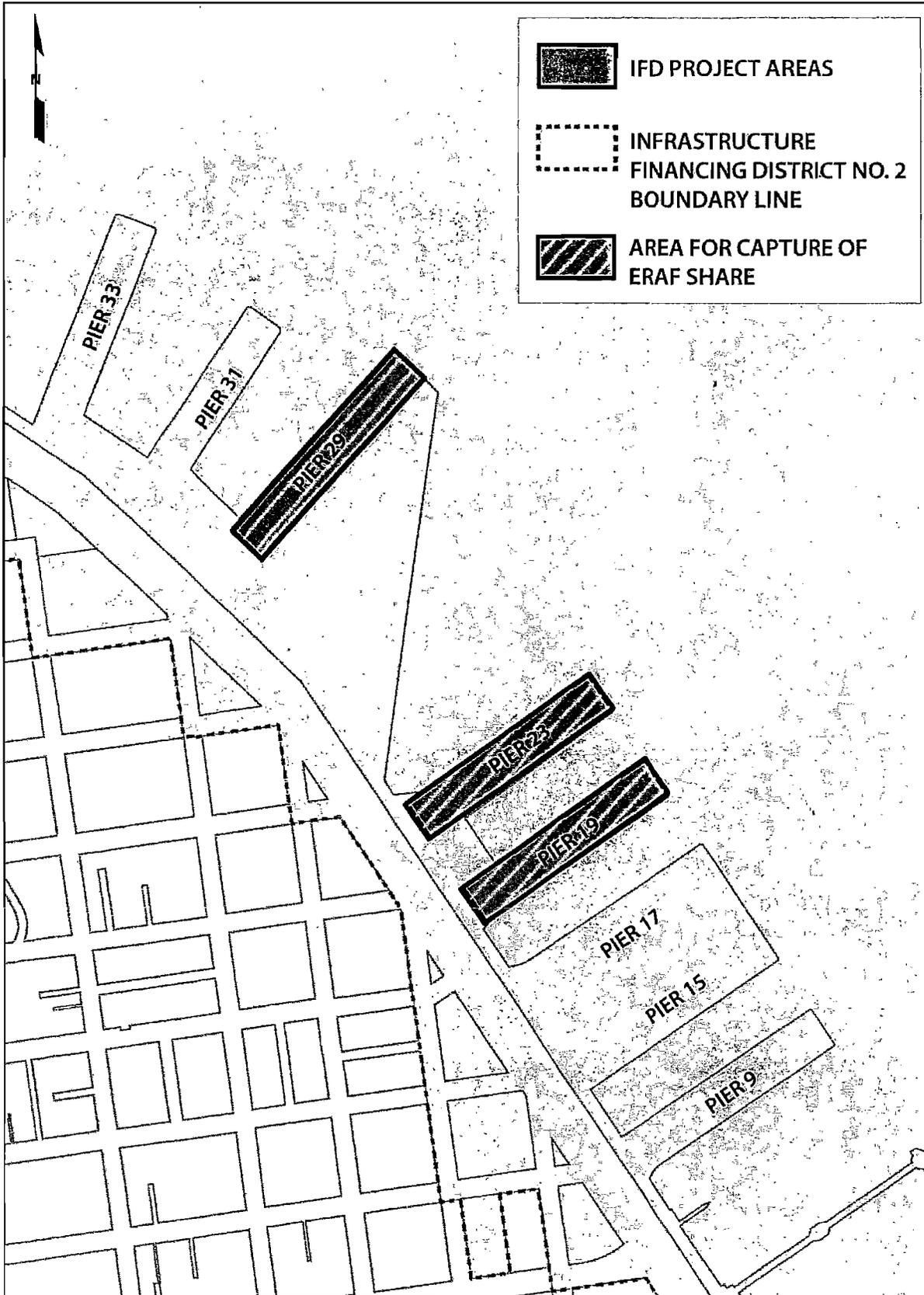




SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

Amended 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, State of California

DATE: APR. 18, 2012
 SCALE: 1" = 150'
 SHEET NO. 8
 OF 11 SHEETS



Port of San Francisco
 Infrastructure Financing Districts in the
 Northern Waterfront Defined by AB 2259

0 250 500 1,000 Feet

Revised 4-11-13

Attachment 3:

Fiscal and Economic Impact Analysis Update – Pier 70 Mixed Use Development Project
(See Attached)



**Berkson
Associates**

Urban Economics
Policy Forensics & Forecasting
Planning & Policy Analysis

REPORT

FISCAL AND ECONOMIC ANALYSIS UPDATE

PIER 70 MIXED-USE DEVELOPMENT PROJECT

Prepared for the Port of San Francisco

Prepared by Berkson Associates

August 31, 2017



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Appendix A: Fiscal Analysis



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EXECUTIVE SUMMARY

This report updates a 2013 evaluation of the fiscal feasibility of proposed development at Pier 70. The Project consists of three areas evaluated in this report: 1) the Pier 70 28-Acre Waterfront Site (the “Waterfront Site”); 2) the Port-owned property at 20th Street and Illinois Street (20th/Illinois); and 3) the PG&E-owned parcel further south known as the Hoedown Yard. The entire Project area encompasses the 69-acre Pier 70 Special Use District (“SUD”).

The Project’s Finance Plan includes the creation of two Mello-Roos financing districts, the designation of additional sub-project areas to an existing Infrastructure Financing District (“IFD”) that includes the Waterfront Site and 20th/Illinois parcels; and an Infrastructure Revitalization Financing District (IRFD) covering the Hoedown Yard. The districts will utilize portions of Project-generated property tax to fund Project infrastructure and affordable housing. To establish an IFD and IRFD, Port policies require the preparation of analysis to demonstrate that “the project area will result in a net economic benefit to the City.”¹ This update reports the number of jobs and direct and indirect financial benefits to the City, construction costs, available funding to pay project costs, ongoing operating and maintenance costs and public revenues, and debt service. The estimates are based on one possible development scenario; actual results will depend on future market conditions and the timing, mix and value of new development and the costs for infrastructure and facilities.

The Port of San Francisco (“Port”) owns the Waterfront Site, which it plans to develop in partnership with FC Pier 70, LLC (“Forest City”). The Port also owns the 20th/Illinois property; a portion of the property will be sold to raise funds to fund the Project’s infrastructure and other development costs. A description of the Project is provided in **Chapter 1** of this report, and **Chapters 2** and **4** describe financing. **Chapter 3** provides estimates of fiscal and economic benefits.

All dollar amounts are expressed in terms of 2017 purchasing power, unless otherwise noted. Certain values derived from the Finance Plan have been updated to 2017. Information and assumptions are based on data available as of August, 2017. Actual numbers may change depending on Project implementation and future economic and fiscal conditions.

¹ 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 (Adopted April 23, 2013 by Resolution No. 123-13; File No. 130264)

FISCAL BENEFITS

The Pier 70 Waterfront Site, 20th/Illinois Street parcel and the Hoedown Yard will create approximately \$8.3 million in new, annual ongoing general tax revenues to the City net of tax increment, after deducting direct service costs, as described in **Chapter 3**. Additional one-time revenues, including construction-related sales tax and gross receipts tax, total \$7.5 million. A portion of Project-generated property taxes will help to pay for Project infrastructure and facilities. Special taxes paid by the Project will help fund public services.

Development impact fees to fund infrastructure improvements Citywide and to serve the Project total an estimated \$184.1 million. Certain development fees, including Jobs Housing Linkage fees and Affordable Housing In-lieu fees, will help to fund affordable housing at the Project.

The new general revenues will fund direct services needed by the Project, including police and fire/EMS services. Other services, including maintenance and security of parks, open space, road maintenance, and transit shuttle services will be funded directly by tenants of new Project vertical development. The estimated \$8.3 million in net City general revenues, after deducting service costs and Charter-mandated baseline allocations of general revenues, will be available to the City to fund improved or expanded Citywide infrastructure and services. **Chapter 3** further describes fiscal revenue and expenditures estimates.

ECONOMIC BENEFITS

The Project will provide a range of direct and indirect economic benefits to the City and the Port. These benefits include a range of economic benefits such as new jobs, economic activity, and increased public and private expenditures as described in **Chapter 5** and summarized below:

- 6,100 new jobs, plus another 5,300 additional indirect and induced jobs, for a total of 11,400 jobs in San Francisco resulting from new businesses and employees.
- \$2.1 billion of construction activity over a period of 15 to 20 years (including infrastructure and building development), resulting in 16,800 direct, indirect and induced construction-related job-years during construction.
- Over 2,000 new residential units, plus sites for an additional 322 affordable units in 100 percent affordable developments. This housing is critical to economic growth in San Francisco and the region.

The Project provides space for Arts and Light Industrial uses that can help to retain cultural activities in the City, and encourage innovation and growth of new small businesses in the crafts and arts trades, as well as high-tech industries.

DIRECT FINANCIAL BENEFITS TO THE PORT

The Port of San Francisco, as property owner, will participate in and benefit financially from development and ongoing leasing activities at the Project. Direct benefits totaling an estimated \$178 million in net present value (NPV, 2017 \$\$) are described in **Chapter 5** and include participation in financial returns, tax increment and special taxes generated by new development.

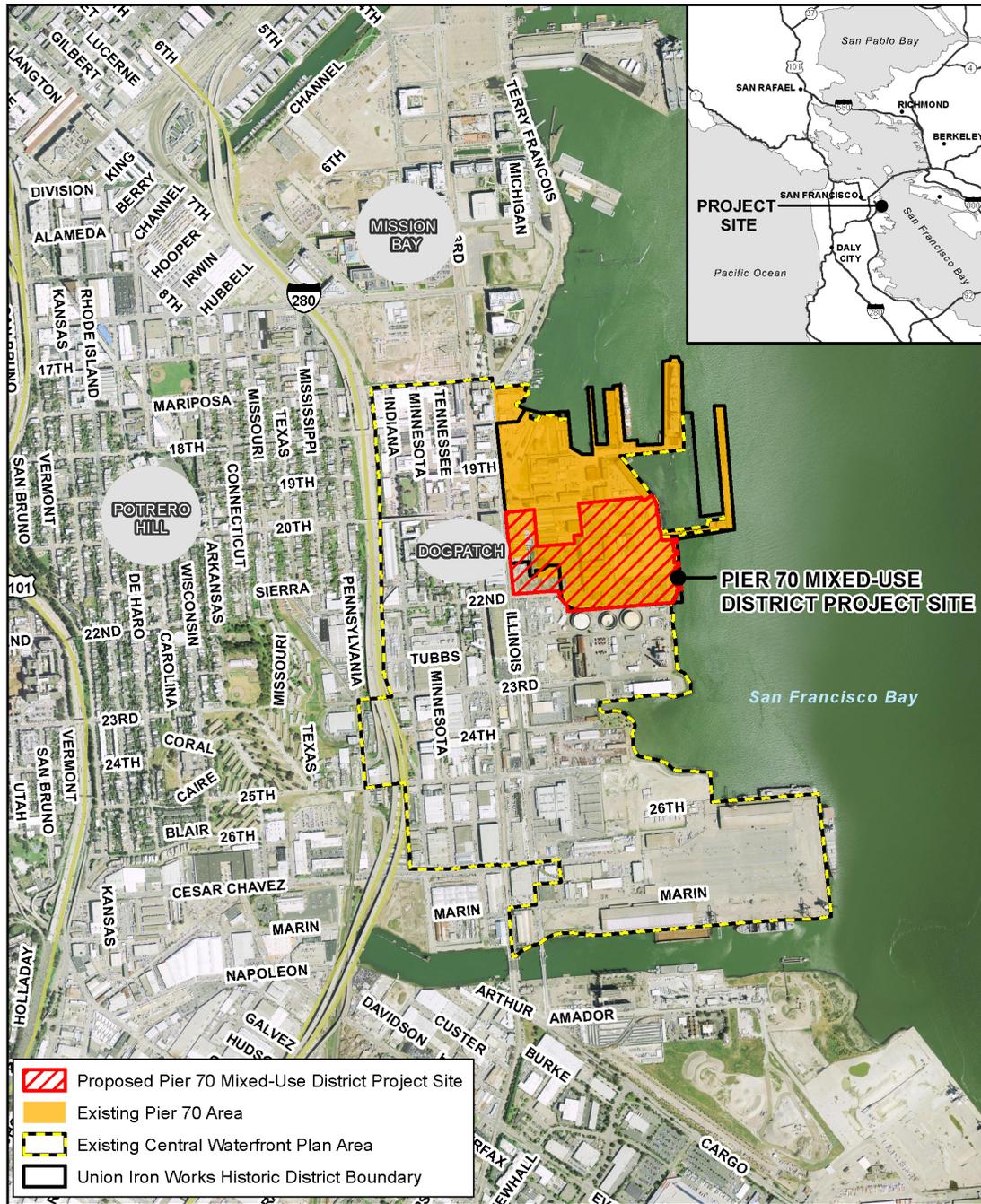
NEW PUBLIC ACCESS FACILITIES

The Project will provide a range of public parks, public access and open space, and a network of landscaped pedestrian connections and bicycle networks. These facilities will benefit San Francisco residents, and provide amenities to encourage retention and attraction of businesses, employees, and residents.

OTHER PUBLIC BENEFITS

Development of the Project represents an opportunity to complete an important component of the revitalization of the San Francisco waterfront, bringing a vital mix of uses that will support business, residential, retail, and recreational activities to an area now characterized by vacant and underutilized land and intermittent buildings. The Project will result in the rehabilitation of historic buildings, to be maintained by the building owners/tenants. The redevelopment of the Project will generate benefits for the City and community in the form of urban revitalization, employment and living opportunities, preservation of historic maritime facilities and structures, improved public waterfront access, delivery of affordable housing, improvements to Port property including sea level rise protections, new outdoor recreation opportunities, and City-wide fiscal and economic benefits as described in other sections of this report.

Figure 1 Project Area



Source: Turnstone Consulting/SWCA

1. THE PROJECT & COSTS OF CONSTRUCTION

The Project will be constructed over a period of 10 to 15 years (including infrastructure and building development), depending on future economic conditions and market demand. The Project and its development costs total an estimated \$2.1 billion, as described below. The Developer will be responsible for development of the Project; **Chapter 2** further describes sources of development funding.

PROJECT DESCRIPTION

The Project proposes a mixed-use development, with the ability for certain parcels to be constructed as either residential or commercial uses. For purposes of this analysis, a “midpoint” scenario is analyzed, which assumes a roughly equivalent distribution of residential and commercial uses. Taken together, the Pier 70 28-Acre Site and the 20th/Illinois Street Parcels are in the Pier 70 Special Use District (SUD) and comprise the Pier 70 Infrastructure Financing District (IFD). The Pier 70 SUD also includes the PG&E “Hoedown Yard”, which constitutes a separate Infrastructure Revitalization Financing District (IRFD).

The scenario evaluated in the fiscal and economic analysis includes the following uses for the total Project:

Office –For the purpose of analysis, this report assumes construction of 1.4 million gross square feet of office.

Retail, Arts and Light Industrial – For the purpose of analysis, this report assumes that 281,800 gross square feet of Retail, Arts and Light Industrial uses are constructed within the SUD. The uses are divided between traditional retail, and arts, culture and light industrial uses.

The traditional retail space includes restaurants and cafes, businesses and financial services, convenience items, and personal services.

The Arts and Light Industrial space will be oriented towards small-scale local production, arts and cultural uses, small business incubator uses, and other publically accessible and activating uses. The space will provide low-cost facilities to help grow local manufacturing and light industrial businesses and encourage collaboration and networking through shared facilities. These uses will provide economic vitality and create unique local character that will attract residents and office tenants to the Waterfront Site.

Residential – This fiscal and economic analysis assumes a scenario consisting of 2,042 total Project units in the SUD. Additional sites will be dedicated to affordable housing and accommodate 322 additional affordable units.

Affordable Housing– The Pier 70 Waterfront Site will provide 20% of rental units as inclusionary affordable units, producing about 177 affordable units. As noted above, additional sites will be dedicated to affordable housing and accommodate an additional 322 affordable units.

All condominiums, including those on the Illinois Street parcels, are assumed to pay in-lieu fees representing 28% of total condo units. These fees will help fund onsite affordable housing.

Parking – The number of parking spaces will be depend on the actual mix of uses constructed. The fiscal and economic analysis assumes approximately 1,900 parking spaces.

CONSTRUCTION COSTS AND ASSESSED VALUE

Table 1 summarizes development costs totaling approximately \$2.1 billion,² which will occur over 15 to 20 years of buildout (infrastructure and buildings) depending on future market conditions. These values provide the basis for estimates of various revenues and economic impacts.

Table 1 Summary of Construction Costs and Assessed Value (2017 \$\$)

Item	Development Cost	Assessed Value
Pier 70 28-acre Waterfront Site		
Infrastructure	\$260,535,000	<i>inc. in bldg.value</i>
Arts, Light Industrial (1)	\$29,647,000	\$14,391,000
Office (1)	\$636,626,000	\$728,073,000
Residential	\$768,753,000	\$990,362,000
Total	\$1,695,561,000	\$1,732,826,000
20th/Illinois		
Infrastructure	<i>see Pier 70 costs</i>	<i>inc. in bldg.value</i>
Residential	\$159,730,000	\$225,345,000
Total	\$159,730,000	\$225,345,000
Hoedown Yard		
Infrastructure	<i>see Pier 70 costs</i>	<i>inc. in bldg.value</i>
Residential	\$220,548,000	\$311,146,000
Total	\$220,548,000	\$311,146,000
TOTAL	\$2,075,839,000	\$2,269,317,000

(1) Mixed use retail is included in the values for other uses.
Office buildings include additional Arts, Light Industrial uses and value.

Sources: Forest City; Port of San Francisco; Berkson Associates

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² Hard and soft development costs; land value included in assessed value.

2. AVAILABLE FUNDING FOR THE PROJECT

As described in the prior chapter, development costs are anticipated to total \$2.1 billion over the course of Project buildout. Several financing mechanisms and funding sources will assure development of the Project as summarized in this section.

HORIZONTAL DEVELOPMENT OF WATERFRONT SITE & SPECIAL USE DISTRICT

Under the Development and Disposition Agreement (“DDA”), Forest City will be responsible for horizontal development of the Waterfront Site, consisting of construction of infrastructure and other public facilities and site preparation for vertical development. The Port will reimburse Forest City for these infrastructure, public facility, and site preparation costs, including design and planning expenditures related to these improvements. Vertical construction of buildings will be the responsibility of the Developer.

Project-based sources of funding and/or reimbursement include the following:

- **Prepaid ground rent** that vertical developers pay to Forest City for improved and entitled land;
- **Net sales proceeds of the Port’s public offering of a portion of the 20th/Illinois Street** parcels adjacent to the Waterfront Site;
- **Mello-Roos Community Facilities District (CFD)** bond proceeds secured by CFD special taxes and tax increment – CFD bonds are expected to be the primary public financing mechanism for the funding of infrastructure costs.
- **CFD special taxes** not required for debt service may be used to fund Horizontal Development Costs on a “pay-as-you-go” basis. Special taxes could also fund a reserve for unanticipated increases in horizontal development costs or to fund planning and studies to develop plans for Shoreline Protection Facilities.
- **Infrastructure Financing District (IFD)** – The Board of Supervisors has previously formed a Port-wide IFD and a sub-project area over the Historic Core leasehold. The IFD would be authorized to pledge tax increment from the sub-project area to secure bonds issued by the CFD and to issue bonds secured by tax increment from the sub-project area for the purpose of infrastructure and public facilities construction. Tax increment includes the local and State portions of the tax increment from taxable parcels in the Waterfront

Site. Tax increment from the sub-project area not required for debt service may be used to fund horizontal development Costs on a “pay-as-you-go” basis.

- **Infrastructure Revitalization Financing District (IRFD)** -- The IRFD will allow the capture of property tax increment for affordable housing and to reimburse the Developer for eligible public infrastructure expenses. The tax increment only includes the local share of property taxes. Under the IRFD, the district will collect pay-go taxes up until the final bond is issued, and tax increment necessary to service bond debt, debt service coverage and bond reserves. Subsequently, any tax increment in excess of amounts required to service debt and fulfill requirements of bond covenants will flow to the General Fund.
- **Condominium Facility Tax** -- This is a CFD special tax that will be assessed on condominium units to initially provide an additional source of funding to pay for infrastructure and later available to the City to fund shoreline protection facilities.
- **Shoreline Tax** – A CFD special tax that will be assessed on all leased properties to fund shoreline improvements by the Port.

In addition to the CFD funding for infrastructure and public facilities, as noted in the **Chapter 3** fiscal analysis, CFD special taxes will be paid by new vertical development to fund a range of public services including parks and open space, street cleaning and street/sidewalk maintenance.

VERTICAL DEVELOPMENT OF WATERFRONT SITE & SPECIAL USE DISTRICT

Building developers will be responsible for all costs and funding of vertical construction of buildings.

One exception is Building E4. An arts special tax will be assessed to help fund construction of the E4 building, which is designated for arts/innovation/maker uses. The building would not be financially feasible without the additional funding.

3. FISCAL ANALYSIS: FUNDING OF INFRASTRUCTURE MAINTENANCE & PUBLIC SERVICES

Development of the Project will create new public infrastructure, including streets, parks and open space that will require ongoing maintenance. As described below, service costs will be funded through special taxes paid by new development. Other required public services, including additional police, fire and emergency medical services (EMS), will be funded by increased General Fund revenues from new development supplemented by charges for services.

Table 2 summarizes total annual general revenues created by the Project Project, excluding tax increment allocated to the IFD and IRFD. After deducting service costs, \$8.3 million is generated annually to the General Fund. Additional restricted revenues will be generated.

Table 2 Estimated Annual Net General Revenues and Expenditures (2017 \$\$)

Item	IFD				
	Pier 70 28-acre Waterfront Site	20th/Illinois St.	IFD Annual Total	IRFD Hoedown Yard	SUD Annual Total
Annual General Revenue					
Property Tax in Lieu of VLF	\$1,729,000	\$225,000	1,954,000	\$310,000	2,264,000
Property Transfer Tax	2,231,000	\$204,000	2,435,000	\$0	2,435,000
Sales Tax	772,000	\$96,000	868,000	\$129,000	997,000
Parking Tax (City 20% share)	0	\$0	0	\$0	0
Gross Receipts Tax	<u>7,007,000</u>	<u>\$2,000</u>	<u>7,009,000</u>	<u>\$44,000</u>	<u>7,053,000</u>
Subtotal, General Revenue	\$11,739,000	\$527,000	\$12,266,000	\$483,000	\$12,749,000
(less) 20% Charter Mandated Baseline	<u>(\$2,347,800)</u>	<u>(\$105,400)</u>	<u>(\$2,453,200)</u>	<u>(\$96,600)</u>	<u>(\$2,549,800)</u>
Net to General Fund	\$9,391,200	\$421,600	\$9,812,800	\$386,400	\$10,199,200
Public Services Expenditures					
Parks and Open Space					
Roads					
Police	(849,000)	(52,000)	(901,000)	(69,000)	(969,000)
Fire/EMS (net of fees and charges)	<u>(853,000)</u>	<u>(52,000)</u>	<u>(905,000)</u>	<u>(69,000)</u>	<u>(974,000)</u>
Subtotal, Services	(\$1,702,000)	(\$104,000)	(\$1,806,000)	(\$138,000)	(\$1,943,000)
NET General Revenues	\$7,689,200	\$317,600	\$8,006,800	\$248,400	\$8,256,200
Annual Other Dedicated and Restricted Revenue					
Public Safety Sales Tax	\$386,000	\$48,000	434,000	\$65,000	499,000
SF Cnty Transportation Auth'y Sales Tax	<u>\$386,000</u>	<u>\$48,000</u>	<u>434,000</u>	<u>\$65,000</u>	<u>499,000</u>
Subtotal	\$772,000	\$96,000	\$868,000	\$130,000	\$998,000
Possessory Interest/Property Taxes (1)	\$17,328,000	\$2,253,000	\$19,581,000	\$3,111,000	\$22,692,000
TOTAL, Net General + Other Revenues	\$25,789,200	\$2,666,600	\$28,455,800	\$3,489,400	\$31,946,200

(1) Until project infrastructure costs are fully paid, the full \$0.65 per property tax dollar generated from the site will be utilized to fund bond debt service and on a pay-go basis fund infrastructure costs through an IFD/IRFD approved by the Board of Supervisors. The \$0.65 represents the General Fund and dedicated funds share; total IFD revenues available for infrastructure will also include the State's share that currently is distributed to ERAF. The IRFD (Hoedown Yard parcels) will only receive the General Fund share to pay for Project costs.

Table 3 summarizes one-time fees and revenues. The impact fee revenue will be dedicated and legally required to fund infrastructure and facilities targeted by each respective fee. In the case of Transit Impact Development Fees, the revenue will offset facility costs (i.e., additional buses) directly attributable to Project. Jobs-Housing and Affordable Housing Fees paid by the Pier 70 development will fund affordable housing provided by the Project. Other impact fee revenues may be used Citywide to address needs created by new development.

Table 3 Estimated One-Time Fees and Revenues (2017 \$\$)

Item	IFD			IRFD Hoedown Yard	SUD Total
	Pier 70 28-acre Waterfront Site	20th/Illinois St.	IFD Total		
Development Impact Fees (1)					
Jobs Housing Linkage - §413	\$37,443,000	\$157,000	37,600,000	\$0	37,600,000
Affordable Housing-- §415 (1)	\$44,206,000	\$17,999,000	62,205,000	\$24,852,000	87,057,000
Child Care (2)	\$4,650,000	\$477,000	5,127,000	\$671,000	5,798,000
TSF - §411A and TIDF-§411.3 (3)	\$40,530,000	\$2,414,000	42,944,000	\$3,207,000	46,151,000
Total Development Impact Fees	\$126,829,000	\$21,047,000	\$147,876,000	\$28,730,000	\$176,606,000
Other One-Time Revenues					
Construction Sales Tax (1% Gen'l Fund)	\$2,798,000	\$264,000	3,062,000	\$364,000	3,426,000
Gross Receipts Tax During Construction	\$3,730,000	\$351,000	4,081,000	\$0	4,081,000
Total: Other One-Time Revenues	\$6,528,000	\$615,000	\$7,143,000	\$364,000	\$7,507,000
Total One-Time Revenues	\$133,357,000	\$21,662,000	\$155,019,000	\$29,094,000	\$184,113,000

(1) Impact fee rates as of Jan. 1, 2017.

(2) Childcare fees only apply to office and residential uses.

(3) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; assumes entire Project pays TSF.

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MAINTENANCE AND SERVICE COSTS

SERVICE COSTS DURING DEVELOPMENT

During development, the construction of new infrastructure will trigger a need for public services. **Table 4** estimates service costs by area during development, based on:

- No service costs will be incurred by the City prior to occupancy of buildings; the Developer will be responsible for facility maintenance prior to acceptance by the City.
- Parks and open space will be funded by assessments paid by building owners.
- Fire/EMS costs will be incurred prior to initial occupancy to provide ambulance services.
- Roads will require minor and major maintenance over time; these costs will be funded by special taxes paid by building owners.
- Police costs are phased as new development and occupancy occurs.

Actual costs will depend on the level of future service demands, and Citywide needs by City departments at the time of development and occupancy.



Table 4 Annual Service Costs During Development (2017 \$\$)

Area/Service	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
IFD											
Pier 70 28-acre Waterfront Site											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(33,364)	(117,608)	(200,072)	(228,817)	(228,817)	(377,175)	(466,786)	(532,781)	(699,767)	(744,419)	(849,000)
Fire/EMS	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>
Total, Pier 70	(886,364)	(970,608)	(1,053,072)	(1,081,817)	(1,081,817)	(1,230,175)	(1,319,786)	(1,385,781)	(1,552,767)	(1,597,419)	(1,702,000)
20th/Illinois											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Fire/EMS	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>
Total, 20th/Illinois	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)
TOTAL IFD	(990,364)	(1,074,608)	(1,157,072)	(1,185,817)	(1,185,817)	(1,334,175)	(1,423,786)	(1,489,781)	(1,656,767)	(1,701,419)	(1,806,000)
IRFD											
Hoedown Yard											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Fire/EMS	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>
Total, 20th/Illinois	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL IRFD	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL, SERVICE COSTS	(1,128,364)	(1,212,608)	(1,295,072)	(1,323,817)	(1,323,817)	(1,472,175)	(1,561,786)	(1,627,781)	(1,794,767)	(1,839,419)	(1,944,000)

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Public Open Space

The Pier 70 SUD will include approximately 9 acres of public parks and open spaces.³ All of the Waterfront Site's at-grade parks and open spaces will be owned by, and will remain under the jurisdiction of, the Port and subject to conditions of the BCDC major permit applicable to portions of the Waterfront Site.

Maintenance of the parks and open spaces will be funded by special taxes imposed on Vertical Developers by a maintenance CFD upon issuance of Certificates of Occupancy. Preliminary estimates of annual maintenance costs to be funded by the special taxes total approximately \$2.9 million. The costs include administration, maintenance, and utility costs required for parks, open space and hardscape improvements, and roads.⁴ The costs include long-term, "life-cycle" replacement of facilities, including major surface reconstruction of roads.

Police

The SFPD will respond to police needs and calls for service generated by the Project. The Project area is located within the Bayview District of San Francisco Police Department (SFPD). The Port currently contracts with the SFPD to provide two officers that respond to calls for service on Port property. It is assumed that this current level of service by the contracted officers will continue.

The draft EIR states that the addition of Project residents and employees would require an additional patrol unit, which typically consist of up to five officers on staggered shifts.⁵ Police staffing increases are expected to occur over the next several years to meet the City Charter mandate for the number of sworn police officers; this increase will help to address needs created during development and at buildout of the Project.

Based on five officers at an average cost of \$189,000 per officer, the additional annual cost at buildout would total approximately \$968,700. This cost includes employee taxes and benefits, overtime and backfill during vacation, equipment, and the annual capitalized acquisition and maintenance cost of vehicles.⁶

Increased police costs will be offset by increases in General Fund revenues generated during Project development and at buildout.

³ Notice of Preparation, May 6, 2015, pg. 4

⁴ Maintenance Cost Projections 7/21/17, correspondence from Port of SF, 8/30/17.

⁵ DEIR, Section 4.L., Impact PS-1, Dec. 21, 2016.

⁶ Email correspondence from Carolyn Welch, Budget Manager San Francisco Police Dept., to Sarah Dennis-Phillips, San Francisco Office of Economic and Workforce Development, Sept. 21, 2016.

Fire and EMS

The San Francisco Fire Department (SFFD) deploys services from the closest station with available resources, supplemented by additional resources based on the nature of the call. The Project Site is within the first response area for Fire Station No. 37 in Battalion 10 located in the Potrero Hill neighborhood, about 0.75 miles west of the project site. Other stations within Battalion that would respond include Stations 4, 9, 17, 25 and 42; additional stations would respond if needed. Ambulances are “dynamically” deployed around the City depending on forecasts of need at any given time.

According to the draft EIR, the addition of Project residents and employees would require an additional ambulance, under both a Maximum Residential and Maximum Commercial scenario.⁷ Ambulances are staffed with an EMT and a paramedic who provide pre-hospital advanced medical and trauma care.⁸ For coverage 24/7, a fully staffed ambulance would require a total of 3.5 EMTs and 3.5 paramedics, at a total cost of \$1,248,300 including taxes and benefits, and including the annualized capital and maintenance cost for an ambulance.⁹

Increased fire service and EMS costs will be offset by increases in General Fund revenues generated during Project development and at buildout. Cost recovery from fees averages approximately 22%, which would provide \$274,600 of offsetting revenues, resulting in a net cost of \$973,700.

SFMTA

The Pier 70 SUD Transportation Plan provides a comprehensive transportation program to guide design, development, and eventual operation of transportation elements of the Project. The transportation plan presents goals, principles, and strategies to meet the travel demand needs of the site with an array of transportation options that meets the City’s future mobility and sustainability goals.¹⁰

A shuttle service is a key component of the Project. The shuttle would connect the Pier 70 SUD to regional transit hubs, like the Transbay Transit Center and 16th Street / Mission Street BART station. The service would be operated and maintained by a Pier 70 Transportation

⁷ DEIR, Section 4.L., Impact PS-2, Dec. 21, 2016.

⁸ DEIR, Section 4.L., pg. 4.L.7, Dec. 21, 2016.

⁹ Email correspondence from Mark Corso, Finance Division San Francisco Fire Department, Oct. 11, 2016, to Rebecca Benassini, Port of San Francisco

¹⁰ Pier 70 Transportation Plan Draft, 1/9/16.

Management Agency (TMA).¹¹ The TMA is likely to contract with a third-party shuttle operator. Fees collected from tenants of the Project would fund the shuttle service, which would be free to riders. Preliminary estimates indicate annual costs of approximately \$700,000 annually for operation of seven vehicles, a transportation coordinator, marketing and other costs.¹²

No changes to Muni system routes are proposed as a part of the project. Muni capital needs and operations would be funded through a combination of local, State and Federal sources as well as from fee revenues. Specific service increases and related funding have not been determined at this point in time.

DPW

The Project will create new roadway connections, and improve existing streets. All streets will have sidewalks, streetscape and street trees. Signalization improvements will be required. Special taxes imposed on Vertical Developers by a maintenance CFD will fund maintenance of streetscape improvements, landscaping and road maintenance. The CFD services budget includes both ongoing maintenance of facilities as well as periodic “life cycle” costs for repair and replacement of facilities over time.¹³

Public Health

Depending on the outcome of ongoing debates regarding the Affordable Care Act, it is possible that current revenues to the Dept. of Public Health could be reduced. The new residents added by the Project could increase demands on public health facilities, including San Francisco General, and incur additional costs not estimated in the current analysis. Funding for these costs could be derived from the net surpluses generated by the Project.

PUBLIC REVENUES

New tax revenues from the Project will include both ongoing annual revenues and one-time revenues, as summarized in the prior tables. The revenues represent direct, incremental benefits of the Project. These tax revenues will be available to help fund public improvements and services both within the Project and Citywide. The following sections describe key assumptions and methodologies employed to estimate each revenue.

¹¹ DEIR, pg. 4.E.44, Dec. 21, 2016.

¹² R.Berkson correspondence with Kelly Pretzer, Forest City, 10/18/16.

¹³ Maintenance Cost Projections 7/21/17, correspondence from Port of SF, 8/30/17.

Charter Mandated Baseline Requirements

The City Charter requires that a certain share of various General Fund revenues be allocated to specific programs. An estimated 20 percent of revenue is shown deducted from General Fund discretionary revenues generated by the Project (in addition to the share of parking revenues dedicated to MTA, shown separately).¹⁴ While these baseline amounts are shown as a deduction, they represent an increase in revenue as a result of the Project to various City programs whose costs aren't necessarily directly affected by the Project, resulting in a benefit to these services.

Possessory Interest and Property Taxes

Possessory interest tax or property tax at a rate of 1 percent of value will be collected from the land and improvements associated with the Project.¹⁵ The development on parcels transferred in fee will be charged property taxes, while the development on parcels under ground lease will be charged a "possessory interest tax" in an amount equivalent to property tax. Parcels on the Waterfront Site may be sold for residential condominium development. The 20th/Illinois Street Parcel is assumed sold for condominium development.

The City receives up to \$0.65 of every property or possessory interest tax dollar collected. The State's Education Revenue Augmentation Fund (ERAF) receives \$0.25 of every property or possessory interest tax dollar collected, although the State of California has authorized the capture of this tax increment through an IFD for purposes of furthering state interests at Pier 70, pursuant to AB 1199.¹⁶ The DDA proposes to use IFD tax increment revenues, including the ERAF share of tax increment, to fund predevelopment, horizontal development (site preparation, infrastructure, and site-wide amenities), and the development of parks and open space at the Waterfront Site. The IRFD on the Hoedown Yard will retain only the \$0.65 portion.

The remaining \$0.10 of every property or possessory interest tax dollar collected, beyond the City's \$0.65 share and the \$0.25 State ERAF share, is distributed directly to other local taxing entities, including the San Francisco Unified School District, City College of San Francisco, the Bay Area Rapid Transit District and the San Francisco Bay Area Air Quality Management District. These distributions will continue and will increase as a result of the Project.

¹⁴ Jamie Querubin, San Francisco Controllers Office, correspondence with consultant, August 25, 2017.

¹⁵ Ad valorem property taxes supporting general obligation bond debt in excess of this 1 percent amount are excluded for purposes of this analysis. Such taxes require separate voter approval and proceeds are payable only for uses approved by the voters.

¹⁶ Assembly member Ammiano, Chapter 664 of the statutes of 2010.

The DDA will provide that an 8 percent share of IFD taxes, not otherwise required for debt services or other Project costs, may be utilized for Port capital improvements elsewhere within Pier 70.

For the Waterfront Site and the 20th/Illinois Street Parcel, land (and the possessory interest in the land), buildings, and other improvements will be assessed and taxed. In the event of the sale of a parcel, the land will be assessed at the new transaction price; following development of buildings (and their sale, if applicable) the property will be re-assessed. The County Assessor will determine the assessed values; the estimates shown in this analysis are preliminary and may increase depending on future economic conditions and the type, amount and future value of development

The assessed value is assumed to grow at a 2 percent annual rate (or at CPI, whichever is less) as permitted by State law, unless a transaction occurs which would reset the assessed value to the transaction price, or unless depreciation or adverse economic conditions negatively affect assessed value. The analysis assumes that the overall growth in value, including increased assessed value due to resales, will keep pace with inflation.

It is likely that taxes will also accrue during construction of infrastructure and individual buildings, depending on the timing and method of assessment and tax levy.

Property Tax In-Lieu of Vehicle License Fees

The State budget converts a significant portion of former Motor Vehicle License Fee (VLF) subventions, previously distributed by the State using a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value growth within each jurisdiction. These revenues to the City are projected to increase proportionately to the increase in the assessed value added by new development.

Sales Taxes

The City General Fund receives 1 percent of taxable sales. Sales taxes will be generated from several Project-related sources:

- Sales at new retail and restaurant uses
- Taxable sales by other businesses, including those in the Arts and Industrial space. Sales tax can also be generated by sales of businesses in the office space, but this has not been estimated
- Taxable expenditures by new residents and commercial tenants at the Project which are partially captured by retail and businesses at the Project

In addition to the 1 percent sales tax received by every city and county in California, voter-approved local taxes dedicated to transportation purposes are collected. Two special districts, the San Francisco County Transportation Authority and the San Francisco Public Financing Authority (related to San Francisco Unified School District) also receive a portion of sales taxes (0.50 and 0.25 percent, respectively) in addition to the 1 percent local portion. The City also receives revenues from the State based on sales tax for the purpose of funding public safety-related expenditures.

Sales Taxes from Construction

During the construction phases of the Project, one-time revenues will be generated by sales taxes on construction materials and fixtures. Sales tax will be allocated directly to the City and County of San Francisco in the same manner as described in the prior paragraph.

Transient Occupancy Tax (TOT)

Hotel Room Tax (also known as Transient Occupancy Tax or TOT) will be generated when hotel occupancies are enhanced by the commercial and residential uses envisioned for the Project. The City currently collects a 14 percent tax on room charges. However, given that no hotels are envisioned for the Project (out-of-town visitors to the site will likely stay at hotels elsewhere in the City), the impact will not be direct and is excluded from this analysis.

Parking Tax

The City collects tax on parking charges at garages, lots, and parking spaces open to the public or dedicated to commercial users. The tax is 25 percent of the pre-tax parking charge. The revenue may be deposited to the General Fund and used for any purpose, however as a matter of City policy the SFMTA retains 80 percent of the parking tax revenue; the other 20 percent is available to the General Fund for allocation to special programs or purposes. This analysis assumes that all new commercial parking spaces envisioned for the Project will generate parking tax. This analysis does not include any off-site parking tax revenues that may be generated by visitors to the Project that park off-site.

Property Transfer Tax

The City collects a property transfer tax ranging from \$5.00 on the first \$1,000 of transferred value on transactions up to \$250,000 to \$25.00 per \$1,000 on the amount of transactions above \$10 million. The fiscal estimates assume an effective rate applicable to an average condo transaction of \$1 million, and an average rental and office building transaction of \$20 million.

Several residential parcels could be sold to vertical developers and become condominiums, which will sell more frequently than residential rental and commercial properties. The fiscal analysis assumes that commercial property sells once every ten to twenty years, or an average of about once every 15 years. For estimating purposes, it is assumed that sales are spread

evenly over every year, although it is more likely that sales will be sporadic. An average tax rate has been applied to the average sales transactions to estimate the potential annual transfer tax to the City. Actual amounts will vary depending on economic factors and the applicability of the tax to specific transactions.

The residential units on the 20th/Illinois Street Parcel and Hoedown Yard are assumed to be condos, which can re-sell independently of one another at a rate more frequent than rental buildings, generating more transfer tax revenue than rental buildings. This analysis conservatively assumes that the average condominium will be sold to a new owner every seven years, on average.

Gross Receipts Tax

Estimated gross receipts tax revenues are generated from on-site businesses and rental income. This analysis does not estimate the “phase in” of this tax during the 2014 to 2017 period and assumes gross receipts taxes will substantially replace the existing payroll tax. Actual revenues from future gross receipt taxes will depend on a range of variables, including business types and sizes, share of activity within San Francisco, and other factors; the estimates generally assume the lower rates if a potential range exists for a given category in the analysis. It is likely that the majority of businesses in the retail, arts and light industrial (RALI) space will be small businesses and therefore exempt from the gross receipts tax.

DEVELOPMENT IMPACT FEES

The Project will generate a number of one-time City impact fees as a result of new development. Reuse of existing buildings is assumed to be exempt from the impact fees. Fees include:

- **Jobs Housing Linkage Program** (Planning Code Sec. 413) – A fee per each new square foot of commercial development to fund housing programs to meet affordable housing needs generated by new employment by the Project’s commercial uses. These fees will help fund affordable housing at the Project.
- **Affordable Housing** (Planning Code Sec. 415) – Condominiums on the site will meet affordable housing requirements by paying the affordable housing fee representing 28% percent of the market rate units. 20 percent of new rental developments will provide onsite inclusionary affordable units
- **Child Care** (Planning Code Sec. 414, 414A) – A fee per square foot will be paid by the office and residential uses, applicable to the extent that childcare facilities are not provided on-site.

- **Transit Sustainability Fee (TSF)** (Planning Code Sec. 411A) – This fee, effective December 25, 2015, replaced the Transit Impact Development Fee. It is a fee per square foot paid by residential, non-residential, and PDR uses. The fee estimates assume that new Project development pays 100 percent of the TSF fees.

In addition to the impact fees charged by the City, utility connection and capacity charges will be collected based on utility consumption and other factors. Other fees will include school impact fees to be paid to the San Francisco Unified School District. The Project will also pay various permit and inspection fees to cover City costs typically associated with new development projects.

4. DEBT LOAD TO BE CARRIED BY THE CFD, IFD AND IRFD

The Pier 70 Waterfront Site proposes to use a portion of newly created property tax funds from the Project, collected through an Infrastructure Financing District (IFD) on the Pier 70 Waterfront Site, and an Infrastructure and Revitalization Financing District (IRFD) on Hoedown Yard properties to help pay for the horizontal development costs required by the Project. The IFD and IRFD obligations will be secured by property taxes (and possessory interest taxes) paid by the Project lessees and property owners, and will not obligate the City's General Fund or the Port's Harbor Fund. In the IFD, the property tax increment will be used to fund Project infrastructure and/or to repay IFD bonds, or to pay debt service on CFD bonds, as described below. In the IRFD, the property tax increment will be used to finance affordable housing and/or to repay IRFD Bonds.

Although specific financing vehicles will be refined as the financial planning continues and market conditions change, it is expected that the annual IFD revenues will fund debt service on \$397 million of net proceeds from bonds (nominal dollars). IRFD bond proceeds are estimated to be approximately \$45.9 million (nominal dollars). The actual amount of bonds issued could be greater depending on the amount of tax increment generated in future years. For the purpose of specifying debt issuance limits, a contingency has been added to the anticipated required amounts and the amounts issued could be greater than the estimates noted above.

Although CFD bonds (paid by IFD revenues) currently are anticipated to be the primary source of debt proceeds, the specific mix of CFD and IFD bonds will be determined based on future market conditions, and on the appropriate mix necessary to minimize financing costs.

The formation documents for the IFD, IRFD and CFD, which are subject to approval by the Board of Supervisors, clarify that the debt incurred under these districts are obligations of the districts, and are not an obligation, responsibility or risk to the Port's Harbor Fund and the City's General Fund.

5. BENEFITS TO THE CITY AND PORT

The Project will provide a range of direct and indirect benefits to the City and the Port. These benefits include tax revenues that exceed service costs, as well as a range of other economic benefits such as new jobs, economic activity, and increased public and private expenditures.

FISCAL BENEFITS

As described in **Chapter 3**, the Project is anticipated to generate a net \$8.3 million annual general City tax revenues in excess of its estimated public service costs. These revenues would be available for expansion of local and/or Citywide services and public facilities.

ECONOMIC BENEFITS TO THE CITY

The construction of the Project on the Pier 70 Waterfront Site and Illinois Street Parcel and future economic activity of businesses and households that will occupy the Project will create short-term construction spending and jobs, as well as longer-term, permanent jobs and economic activity in San Francisco. The economic analysis provides estimates of these benefits, including the “multiplier” effects from expenditures by new businesses and households that in turn generate more business to suppliers and other industries supporting the new businesses at the Project.

Table 5 summarizes the potential economic benefits of the Project. The following analysis provides a description of the types of benefits and an “order of magnitude” of benefits.

Table 5 Summary of Economic Impacts (2017 \$\$)

Impact Category	IFD		IRFD	
	Pier 70 28-acre Waterfront Site	20th/Illinois	Hoedown Yard	TOTAL
<u>Ongoing Project Employment</u>				
Direct	6,050	30	10	6,090
Indirect	1,850	10	0	1,860
Induced	<u>3,380</u>	<u>20</u>	<u>10</u>	<u>3,410</u>
Total Employment	11,280	60	20	11,360
<u>Annual Economic Output</u>				
Direct	\$1,722,251,000	\$8,095,000	\$3,501,000	\$1,733,847,000
Indirect	516,451,000	2,427,000	1,050,000	519,928,000
Induced	<u>616,257,000</u>	<u>2,897,000</u>	<u>1,253,000</u>	<u>620,407,000</u>
Total Annual Economic Output	\$2,854,959,000	\$13,419,000	\$5,804,000	\$2,874,182,000
<u>Construction-Related Employment (Job-Years)</u>				
Direct	8,350	790	1,090	10,230
Indirect	2,450	230	320	3,000
Induced	<u>2,950</u>	<u>280</u>	<u>380</u>	<u>3,610</u>
Total Construction Employment (Job-Years)	13,750	1,300	1,790	16,840
<u>Economic Output from Construction</u>				
Direct	\$1,695,561,000	\$159,730,000	\$220,548,000	\$2,075,839,000
Indirect	482,990,000	45,500,000	62,824,000	591,314,000
Induced	<u>525,899,000</u>	<u>49,542,000</u>	<u>68,406,000</u>	<u>643,847,000</u>
Total Economic Output from Construction	\$2,704,450,000	\$254,772,000	\$351,778,000	\$3,311,000,000

Source: IMPLAN 2014; and Berkson Associates.

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Employment

New permanent full and part-time jobs will be created by the Project. The number of jobs to San Francisco residents will depend on the ability of local residents to compete for Project employment opportunities and implementation of local hire policies.

The number and type of Arts and Light Industrial jobs depend on the potential mix of businesses and uses, and may include shared office and manufacturing work environments, arts and culture, and food-related uses. For purposes of analysis, this report assumes average job densities similar to office uses, consistent with the environmental analysis of the Project.¹⁷

¹⁷ DEIR, Table 4.C.5, pg. 4.C.27, Dec. 21, 2016.

Total Output

“Direct” output refers to the total income from all sources to the businesses located at the Project; these sources of income in turn are spent by the businesses on supplies, labor, and profit required to produce the goods and services provided by the businesses. In addition, Project businesses will spend money on goods, supplies, and services in San Francisco, which will generate additional “indirect” economic activity and support additional jobs at those suppliers. The San Francisco households holding those direct and indirect jobs will spend a portion of their income in the City, which is an additional source of “induced” output. Total output is the sum of direct, indirect, and induced business income in the City as a result of the Project.

New Households and Affordable Housing

Development of residential units at the Pier 70 Waterfront Site and 20th/Illinois Street Parcel will generate a small number of new jobs directly serving the residential buildings and occupants, for example building maintenance, janitorial and repair services, waste collection, domestic services, and childcare. Expenditures by the residents of the new units are not included in the economic impact numbers because the analysis projects economic activity generated by the Project due to onsite jobs, and the indirect and induced expenditures associated with those onsite jobs. However, the addition of a significant supply of residential units will help to ensure that induced expenditures are captured in San Francisco, and that expenditures by residents relocating from other communities are also spent in the City. These effects will be a substantial benefit to San Francisco business revenues. These potential taxable sales are included in the fiscal analysis of direct tax revenues created, but are not shown in the economic analysis.

As noted in **Chapter 1**, the Waterfront Site will provide 20 percent inclusionary affordable units on all rental projects. Condos are assumed to pay in-lieu fees per unit for 28 percent of total condo units. The availability of affordable housing will help San Francisco businesses retain employees critical to their ongoing operations in the City. Additional sites will be dedicated to development dedicated entirely to affordable housing. Fees paid by new Project development (e.g., the affordable housing in-lieu fees, and jobs-housing linkage fees) will help to fund the affordable housing.

Construction Impacts

\$2.1 billion of direct construction expenditures for site development and vertical construction will create a range of economic benefits to the City. In addition to generating “direct” construction activity and jobs on site, the construction expenditures will also generate new business and jobs “indirectly” for San Francisco firms serving the construction industry. Expenditures in San Francisco by the households of employees of companies benefiting from these direct and indirect expenditures will create additional “induced” benefits to the City. These benefits will occur over time during construction and through buildout of the Project.

As described in **Chapter 3**, construction activity will generate additional general revenues to the City, including sales tax on construction materials and gross receipts tax.

DIRECT FINANCIAL BENEFITS TO THE PORT

The Port will receive various revenues over the 99-year lease period and in conjunction with land sales; the estimates below provide the Port with approximately \$178 million in net present value (NPV, 2017 \$\$) of revenues that are projected to be generated to the Port over time, based on current financial projections based on the program assumptions described in **Chapter 1** of this report. Actual revenues will vary depending on the mix of land uses, Project costs and revenues, and future economic conditions, and will be generated over the life of the Project.

- Profit participation in land value, calculated as 55 percent of all horizontal cash flow after Forest City achieves an 18 percent return on its predevelopment and infrastructure investments, estimated at \$23.7 million (NPV, 2017 \$).
- Participation in modified gross rent from buildings, starting at 1.5 percent 30 years after construction and increasing to 2.5 percent 60 years after construction, estimated at \$22.8 million (NPV, 2017 \$).
- 1.5 percent of all net proceeds from sale or refinancing of properties, estimated at \$5.9 million (NPV, 2017 \$).
- A share of property tax increment, designated for capital improvements at Pier 70 including the release of reserves, estimated at \$38.9 million (NPV, 2017 \$).
- A \$0.08 share of each dollar of property tax increment from the amount collected annually, estimated at \$23.6 million (NPV, 2017 \$).
- Condominium Transfer Fee – paid upon every sale of a condominium unit, estimated at \$36.8 million (NPV, 2017 \$).
- Condominium Facility Tax – This tax will fund capital improvements and Pier 70 public services; the portion available after debts are paid will be applied to shoreline improvements, and is estimated at \$1.5 million (NPV, 2017 \$).
- Shoreline Tax – A portion of the CFD special tax not required for Project costs and reserves will be available to the Port after the Developer's required returns are paid; this is estimated at \$16.1 million (NPV, 2017 \$).
- Lease Revenues from Parcel C-1A – this site, originally programmed for a parking garage, will provide the Port with an estimated \$8.9 million (NPV, 2017 \$).

The Port will publicly offer the 20th/Illinois Street parcel for sale or 99-year ground lease at fair market value through a proprietary public offering as soon as practicable after project approval. The Port's net proceeds, or an amount equal to the parcel's appraised fair market value, will be used by the Port to reduce or pay off predevelopment costs and accrued return.

NEW PUBLIC ACCESS FACILITIES

The Project will provide a range of public parks, public access, and open space, consisting of approximately 9 acres of public parks, including a 4.5-acre Waterfront Park. A network of landscaped pedestrian connections and multiple classes of bicycle networks, from commuting lanes to recreational pathways, throughout the Project site will enhance accessibility. These facilities will benefit San Francisco residents, and provide amenities to encourage retention and attraction of businesses, employees, and residents.

As previously noted, maintenance of these facilities will be funded by a CFD. Maintenance special taxes levied against each taxable development parcel, separate from special taxes levied to pay for infrastructure, will provide pay-as-you-go funds for operating and maintenance costs of public access, roads, parks and open space areas.

OTHER PUBLIC BENEFITS

Development of the Project represents an opportunity to complete an important component of the revitalization of the San Francisco waterfront, bringing a vital mix of uses that will support business, residential, retail, and recreational activities to an area now characterized by vacant and underutilized land and intermittent buildings. The Project will result in the rehabilitation of historic buildings, to be maintained by the building owners/tenants. The redevelopment of the Project will generate benefits for the City and community in the form of urban revitalization, employment and living opportunities, preservation of historic maritime facilities and structures, improved public waterfront access, delivery of affordable housing, improvements to Port property including sea level rise protections, new outdoor recreation opportunities, and City-wide fiscal and economic benefits as described in other sections of this report.



APPENDIX A: FISCAL ANALYSIS

Table 1
Fiscal Results Summary, Ongoing Revenues and Expenditures
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	IFD				
	Pier 70 28-acre Waterfront Site	20th/Illinois St.	IFD Annual Total	IRFD Hoedown Yard	SUD Annual Total
Annual General Revenue					
Property Tax in Lieu of VLF	\$1,729,000	\$225,000	1,954,000	\$310,000	2,264,000
Property Transfer Tax	2,231,000	\$204,000	2,435,000	\$0	2,435,000
Sales Tax	772,000	\$96,000	868,000	\$129,000	997,000
Parking Tax (City 20% share)	0	\$0	0	\$0	0
Gross Receipts Tax	7,007,000	\$2,000	7,009,000	\$44,000	7,053,000
Subtotal, General Revenue	\$11,739,000	\$527,000	\$12,266,000	\$483,000	\$12,749,000
(less) 20% Charter Mandated Baseline	(\$2,347,800)	(\$105,400)	(\$2,453,200)	(\$96,600)	(\$2,549,800)
Net to General Fund	\$9,391,200	\$421,600	\$9,812,800	\$386,400	\$10,199,200
Public Services Expenditures					
Parks and Open Space			<i>Funded by Project Assessments</i>		
Roads			<i>Funded by Project Assessments</i>		
Police	(849,000)	(52,000)	(901,000)	(69,000)	(969,000)
Fire/EMS (net of fees and charges)	(853,000)	(52,000)	(905,000)	(69,000)	(974,000)
Subtotal, Services	(\$1,702,000)	(\$104,000)	(\$1,806,000)	(\$138,000)	(\$1,943,000)
NET General Revenues	\$7,689,200	\$317,600	\$8,006,800	\$248,400	\$8,256,200
Annual Other Dedicated and Restricted Revenue					
Public Safety Sales Tax	\$386,000	\$48,000	434,000	\$65,000	499,000
SF Cnty Transportation Auth'y Sales Tax	\$386,000	\$48,000	434,000	\$65,000	499,000
Subtotal	\$772,000	\$96,000	\$868,000	\$130,000	\$998,000
Possessory Interest/Property Taxes (1)	\$17,328,000	\$2,253,000	\$19,581,000	\$3,111,000	\$22,692,000
TOTAL, Net General + Other Revenues	\$25,789,200	\$2,666,600	\$28,455,800	\$3,489,400	\$31,946,200

(1) Until project infrastructure costs are fully paid, the full \$0.65 per property tax dollar generated from the site will be utilized to fund bond debt service and on a pay-go basis fund infrastructure costs through an IFD/IRFD approved by the Board of Supervisors. The \$0.65 represents the General Fund and dedicated funds share; total IFD revenues available for infrastructure will also include the State's share that currently is distributed to ERAF. The IRFD (Hoedown Yard parcels) will only receive the General Fund share to pay for Project costs.

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Table 1a
Annual Service Costs During Development
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Area/Service	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<u>IFD</u>											
Pier 70 28-acre Waterfront Site											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(33,364)	(117,608)	(200,072)	(228,817)	(228,817)	(377,175)	(466,786)	(532,781)	(699,767)	(744,419)	(849,000)
Fire/EMS	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>	<u>(853,000)</u>
Total, Pier 70	(886,364)	(970,608)	(1,053,072)	(1,081,817)	(1,081,817)	(1,230,175)	(1,319,786)	(1,385,781)	(1,552,767)	(1,597,419)	(1,702,000)
20th/Illinois											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Fire/EMS	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(52,000)</u>
Total, 20th/Illinois	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)
TOTAL IFD	(990,364)	(1,074,608)	(1,157,072)	(1,185,817)	(1,185,817)	(1,334,175)	(1,423,786)	(1,489,781)	(1,656,767)	(1,701,419)	(1,806,000)
<u>IRFD</u>											
Hoedown Yard											
Parks and Open Space	<i>Funded by Project Assessments</i>										
Roads	<i>Funded by Project Assessments</i>										
Police	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Fire/EMS	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>
Total, 20th/Illinois	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL IRFD	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL, SERVICE COSTS	(1,128,364)	(1,212,608)	(1,295,072)	(1,323,817)	(1,323,817)	(1,472,175)	(1,561,786)	(1,627,781)	(1,794,767)	(1,839,419)	(1,944,000)

Table 2
Fiscal Results Summary, One-Time Revenues
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	IFD		IFD Total	IRFD Hoedown Yard	SUD Total
	Pier 70 28-acre Waterfront Site	20th/Illinois St.			
<u>Development Impact Fees (1)</u>					
Jobs Housing Linkage - §413	\$37,443,000	\$157,000	37,600,000	\$0	37,600,000
Affordable Housing-- §415 (1)	\$44,206,000	\$17,999,000	62,205,000	\$24,852,000	87,057,000
Child Care (2)	\$4,650,000	\$477,000	5,127,000	\$671,000	5,798,000
TSF - §411A and TIDF-§411.3 (3)	\$40,530,000	\$2,414,000	42,944,000	\$3,207,000	46,151,000
Total Development Impact Fees	\$126,829,000	\$21,047,000	\$147,876,000	\$28,730,000	\$176,606,000
<u>Other One-Time Revenues</u>					
Construction Sales Tax (1% Gen'l Fund)	\$2,798,000	\$264,000	3,062,000	\$364,000	3,426,000
Gross Receipts Tax During Construction	\$3,730,000	\$351,000	4,081,000	\$0	4,081,000
Total: Other One-Time Revenues	\$6,528,000	\$615,000	\$7,143,000	\$364,000	\$7,507,000
Total One-Time Revenues	\$133,357,000	\$21,662,000	\$155,019,000	\$29,094,000	\$184,113,000

(1) Impact fee rates as of Jan. 1, 2017.

(2) Childcare fees only apply to office and residential uses.

(3) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; assumes entire Project pays TSF.

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Table A-1
Project Description Summary (1)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Gross Bldg. Sq.Ft.	Units or Spaces	Notes
Pier 70 28-acre Waterfront Site			
Retail	75,893	na	
Arts, Light Industrial	205,880	na	Inc. 115,700 sq.ft. Bldgs 12c, 21
Office	1,387,228	na	Inc. 60ksf Bldg 12a
Residential			
Apartments			
Market Rate		709 units	
Affordable		<u>177</u> units	
Total, Apts		886 units	
Condos			
Market Rate		587 units	
Affordable		units	
Total, Condos		587 units	
Total, Residential		1,473 units	
Parking		1,569 spaces	
20th/Illinois Street			
Retail	6,600		
Office	0	na	
Residential (condos)	248,615	239 units	
Parking		239 spaces	
Hoedown Yard			
Retail			
Office			
Residential (condos)	349,353	330 units	
Parking		126 spaces	
TOTAL			
Retail	82,493		
Arts, Light Industrial	205,880		
Office	1,387,228		
Residential			
Apartments			
Market Rate		709	
Affordable		<u>177</u>	
Total, Apts		886	
Condos			
Market Rate		1,156	
Affordable		<u>0</u>	
Total, Condos		1,156	
Total, Residential	1,614,106	2,042	
Market Rate		1,865	
Affordable		177	
Parking		1,934 spaces	

(1) From Financing Plan Base Case scenario (Updates 8/30/17).

Additional 100% affordable units can be constructed on dedicated sites.

Source: Forest City; Port of San Francisco; Berkson Associates

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**Table A-2
Population and Employment
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard**

Item	Assumptions	Total
Pier 70 28-acre Waterfront Site		
Population (1)	2.27 persons per unit	3,344
<u>Employment (FTEs)</u>		
Retail	350 sq.ft. per FTE (2)	217
Arts, Light Industrial	276 sq.ft. per FTE (2)	746
Office	276 sq.ft. per FTE (2)	5,026
Residential (4)	27.9 units per FTE (3)	53
Parking (2)	270 spaces per FTE (3)	<u>6</u>
Total		6,048
Total Service Population		9,391
Illinois Street Parcels (2)		
Population (1)	2.27 persons per unit	543
<u>Employment (FTEs)</u>		
Retail	350 sq.ft. per FTE (2)	19
Office	276 sq.ft. per FTE (2)	0
Residential (4)	27.9 units per FTE (3)	9
Parking (2)	270 spaces per FTE (3)	<u>1</u>
Total		28
Total Service Population		571
Hoedown Yard		
Population (1)	2.27 persons per unit	749
<u>Employment (FTEs)</u>		
Retail	350 sq.ft. per FTE (2)	0
Office	276 sq.ft. per FTE (2)	0
Residential (4)	27.9 units per FTE (3)	12
Parking (3)	270 spaces per FTE (3)	<u>0</u>
Total		12
Total Service Population		761
TOTAL		
Residents		4,635
Employees		<u>6,088</u>
Service Population		10,724
CITYWIDE		
Residents (5)		866,583
Employees (6)		<u>709,496</u>
Service Population		1,576,079

(1) Based on DEIR.

(2) DEIR, Table 4.C.5.

(3) DEIR, Table 4.C.5.

(4) Includes building management, janitorial, cleaning and repair, childcare, and other domestic services.

(5) Cal. Dept. of Finance, Rpt. E-1, 2016

(6) BLS QCEW State and County Map, 2016Q3.

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Table A-3
San Francisco City Development Impact Fee Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Residential	Office	Retail	Arts, Light Industrial	TOTAL
New Development (sq.ft.) (1)	1,986,740	1,387,228	82,493	205,880	
New Residential Units	2,042				
Adaptive Reuse (Buildings 2, 12, 21)					
Units	107,736				
Sq.Ft.	107,616	60,000	0	115,700	
Net of Adaptive Reuse	1,529,771	1,327,228	82,493	90,180	
City Fees (per gross building sq.ft.) (2)					
Jobs Housing Linkage -\$413 (5)		\$33,831,042	\$1,961,684	\$1,807,207	\$37,599,932
Affordable Housing-\$415 (3)	\$87,056,973				\$87,056,973
Child Care-\$414 (4)	\$3,607,919	\$2,189,926	\$0	\$0	\$5,797,845
Transportation Sustainability Fee §411A (6)	\$17,250,361	\$26,531,288	\$1,649,035	\$720,538	\$46,151,222
TIDF-\$411.3 (6)		\$0	\$0	\$0	\$0
Total	\$107,915,252	\$62,552,256	\$3,610,719	\$2,527,745	\$176,605,972

(1) Residential fees assume avg. 900 sq.ft./unit.

(2) All impact fees are as of January 2017.

(3) Plans anticipate providing inclusionary rental units on Waterfront Site; Illinois Street assumed to be condos and pay an in-lieu fee. Assumes in-lieu fees of \$268,960 (avg. 1-bdrm) times 20% of onsite market-rate units.

(4) Childcare fee will not apply if child care facilities are constructed on site.

(5) Jobs-Housing fee for Arts/Light Industrial assumes rate for Integrated PDR and Small Enterprise Workspace.

(6) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; analysis assumes all development pays 100% of TSF.

Arts, Light Industrial assumes PDR fee; retail fee for < 100,000 sq.ft.

Sources: City of San Francisco, and Berkson Associates.

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Table A-3a
San Francisco City Development Impact Fee Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Residential	Office	Retail	Arts, Light Industrial	TOTAL
Pier 70 28-acre Waterfront Site					
New Development (sq.ft.) (1)	1,388,772	1,387,228	75,893	205,880	
New Residential Units	1,473				
Adaptive Reuse (buildings 2, 12, 21)					
Units	120				
Sq.Ft.	107,616	60,000		115,700	
Sq.Ft. Net of Adaptive Reuse	1,281,156	1,327,228	75,893	90,180	
Condos	587				
City Fees (per gross building sq.ft.) (2)					
Jobs Housing-§413 (5)		\$25.49	\$23.78	\$20.04	\$37,442,984
Affordable Housing-§415 (3)	\$268,960				\$44,206,266
Child Care-§414 (4)	\$1.92	\$1.65			\$4,649,746
Transportation Sustainability Fee §411A (6)	\$9.18	\$19.99	\$19.99	\$7.99	\$40,529,942
TIDF-§411.3 (6)					\$0
Total	\$58,427,100	\$62,552,256	\$3,321,837	\$2,527,745	\$126,828,938
20th/Illinois Street (2)					
New Development (sq.ft.) (1)	248,615	0	6,600	0	
New Residential Units	239				
Condos	239				
City Fees (per gross building sq.ft., except for "Affordable housing" (2)					
Jobs Housing-§413 (5)		\$25.49	\$23.78	\$20.04	\$156,948
Affordable Housing-§415 (3)	\$268,960				\$17,998,803
Child Care-§414 (4)	\$1.92	\$1.65			\$477,341
Transportation Sustainability Fee (6)	\$9.18	\$19.99	\$19.99	\$7.99	\$2,414,220
TIDF-§411.3 (6)					\$0
Total	\$20,758,430	\$0	\$288,882	\$0	\$21,047,312
Hoedown Yard (2)					
New Development (sq.ft.) (1)	349,353	0	0		
New Residential Units	330				
City Fees (per gross building sq.ft., except for "Affordable housing" (2)					
Jobs Housing-§413 (5)		\$25.49	\$23.78	\$20.04	\$0
Affordable Housing-§415 (3)	\$268,960				\$24,851,904
Child Care-§414 (4)	\$1.92	\$1.65			\$670,758
Transportation Sustainability Fee (6)	\$9.18	\$19.99	\$19.99	\$7.99	\$3,207,061
TIDF-§411.3 (6)					\$0
Total	\$28,729,722	\$0	\$0	\$0	\$28,729,722

Notes to Table A-3a:

- (1) Residential fees assume avg. 943 sq.ft./unit.
- (2) All impact fees are as of January 2017.
- (3) Plans anticipate providing inclusionary rental units on Waterfront Site; Illinois Street assumed to be condos and pay an in-lieu fee.
Assumes in-lieu fees of \$268,960 (avg. 1-bdrm) times 20% of onsite market-rate units.
- (4) Childcare fee will not apply if child care facilities are constructed on site.
- (5) Jobs-Housing fee for Arts/Light Industrial assumes rate for Integrated PDR and Small Enterprise Workspace.
- (6) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; analysis assumes all development pays 100% of TSF.
Arts, Light Industrial assumes PDR fee; retail fee for < 100,000 sq.ft.

Sources: City of San Francisco, and Berkson Associates.

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Table A-4
Assessed Value Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Development Cost	Assessed Value
Infrastructure	\$260,535,000	<i>none assumed</i>
Arts, Light Industrial	\$29,647,000	\$14,391,000
Office	\$636,626,000	\$728,073,000
Residential	\$1,149,031,000	\$1,526,853,000
Total	\$2,075,839,000	\$2,269,317,000

Table A-4a
Assessed Value Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Development Cost	Assessed Value
Pier 70 28-acre Waterfront Site		
Infrastructure	\$260,535,000	<i>inc. in bldg.value</i>
Arts, Light Industrial (1)	\$29,647,000	\$14,391,000
Office (1)	\$636,626,000	\$728,073,000
Residential	\$768,753,000	\$990,362,000
Total	\$1,695,561,000	\$1,732,826,000
<hr/>		
20th/Illinois		
Infrastructure	<i>see Pier 70 costs</i>	<i>inc. in bldg.value</i>
Residential	\$159,730,000	\$225,345,000
Total	\$159,730,000	\$225,345,000
Hoedown Yard		
Infrastructure	<i>see Pier 70 costs</i>	<i>inc. in bldg.value</i>
Residential	\$220,548,000	\$311,146,000
Total	\$220,548,000	\$311,146,000
TOTAL	\$2,075,839,000	\$2,269,317,000

(1) Mixed use retail is included in the values for other uses.

Office buildings include additional Arts, Light Industrial uses and value.

Sources: Forest City; Port of San Francisco; Berkson Associates

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Table A-5
Possessory Interest and Property Tax Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumptions	Total
Gross Property Tax/Possessory Interest Tax	1.0% of new AV	\$22,693,000
Allocation of Tax (2)		
Net New General Fund (1)	65.00%	\$14,750,450
ERAF	25.33%	\$5,748,000
SF Unified School District	7.70%	\$1,747,000
Other	<u>1.97%</u>	<u>\$447,000</u>
	100.00%	\$22,692,450

Sources: City of San Francisco, and Berkson Associates

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Table A-6
Property Tax in Lieu of VLF Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumptions	Total
Citywide Total Assessed Value (1)		\$212,173,326,106
Total Citywide Property Tax in Lieu of Vehicle License Fee (VLF) (2)		\$211,724,000
Pier 70 28-acre Waterfront Site		
Project Assessed Value		\$1,732,826,000
Growth in Citywide AV due to Project	0.82%	
Net New Property Tax in Lieu of VLF (3)		\$1,729,000
20th/Illinois Street		
Project Assessed Value		\$225,345,000
Growth in Citywide AV due to Project	0.11%	
Net New Property Tax in Lieu of VLF (3)		\$225,000
Hoedown Yard		
Project Assessed Value		\$311,146,000
Growth in Citywide AV due to Project	0.15%	
Net New Property Tax in Lieu of VLF (3)		\$310,000
		1.07%
TOTAL PROPERTY TAX IN LIEU OF VLF		\$2,264,000

- (1) Based on the CCSF FY2015-16 total taxable assessed value recorded by Controller's Office, City and County of San Francisco. Annual Report 2016, Office of the Assessor-Recorder (pg. 22).
- (2) City and County of San Francisco Annual Appropriation Ordinance for Fiscal Year Ending June 30, 2017, page 126.
- (3) Equals the increase in Citywide AV due to the Project multiplied by the current Citywide Property Tax In Lieu of VLF. No assumptions included about inflation and appreciation of Pier 70 or Citywide assessed values beyond 2016.

Sources: City of San Francisco, and Berkson Associates

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Table A-7
Property Transfer Tax (2017 dollars)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumptions	Total
Pier 70 28-acre Waterfront Site		
<u>Annual Transfer Tax From Building Sales</u>		
Residential Value (2)		
Residential Assessed Value (AV)	\$990,362,000 (avg. sale once/15 years)	
Avg. Sales Value (1)	6.7% annual turnover	\$66,024,000
Transfer Tax From Residential Buildings (2)	\$19.32 /\$1,000 (avg. \$20 mill. sale)	\$1,275,000
Commercial Value (2)		
Non-Residential Assessed Value (AV)	\$742,464,000 (avg. sale once/15 years)	
Avg. Sales Value (1)	6.7% annual turnover	\$49,498,000
Transfer Tax From Commercial Buildings (2)	\$19.32 /\$1,000 (avg. \$20 mill. sale)	\$956,000
Annual Average Transfer Tax		\$2,231,000
20th/Illinois Street		
<u>Annual Transfer Tax From Building Sales</u>		
Residential Value (2)		
Residential Assessed Value (AV)	\$225,345,000 (avg. sale once/7 years)	
Avg. Sales Value (1)	14.3% annual turnover	\$32,192,000
Transfer Tax From Residential Buildings (2)	\$6.35 /\$1,000 (avg. \$1 mill. sale)	\$204,000
Commercial Value (2)		
Non-Residential Assessed Value (AV)	(avg. sale once/15 years)	
Avg. Sales Value (1)	6.7% annual turnover	\$0
Transfer Tax From Commercial Buildings (2)	\$19.32 /\$1,000 (avg. \$20 mill. sale)	\$0
Annual Average Transfer Tax		\$204,000
Hoedown Yard		
<u>Annual Transfer Tax From Building Sales</u>		
Residential Value (2)		
Residential Assessed Value (AV)	\$311,146,000 (avg. sale once/7 years)	
Avg. Sales Value (1)	14.3% annual turnover	\$44,449,000
Transfer Tax From Residential Buildings (2)	\$6.35 /\$1,000 (avg. \$1 mill. sale)	\$282,000
Commercial Value (2)		
Non-Residential Assessed Value (AV)	\$0 (avg. sale once/15 years)	
Avg. Sales Value (1)	6.7% annual turnover	\$0
Transfer Tax From Commercial Buildings (2)	\$19.32 /\$1,000 (avg. \$20 mill. sale)	\$0
Annual Average Transfer Tax		282000
TOTAL ONGOING TRANSFER TAX		\$2,717,000

- (1) Waterfront Site assumes all residential buildings are rental units, and sales of all buildings average once every 15 years.
 Illinois Street Parcels assumed to be condos and sell once every 7 years.
 Commercial buildings assume sale once every 15 years.
- (2) Calculated estimate assumes rate on \$1 million average for condos, \$20 million for apartments and commercial buildings.
 Rates range from \$5/\$1,000 on first \$250,000 to \$25/\$1,000 on amounts above \$10 million.

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Table A-8a
Sales Tax Estimates
Pier 70 28-acre Waterfront Site

Item	Assumptions	Total
Taxable Sales From New Residential Uses		
Average Annual Housing Payment	\$47,600 per household	
Housing as a % of Average Annual HH Income (1)	30%	\$158,700
Average HH Retail Expenditure (2)	27%	\$42,800
New Households		1,473
Total New Retail Sales from Households		\$63,044,000
New Taxable Retail Sales Captured in San Francisco	80% of retail expenditures	\$50,435,200
Net New Sales Tax to GF From Residential Uses	1.0% tax rate x taxable sales	\$504,000
Taxable Sales From Commercial Space		
Retail Sq.Ft.		
Innovation (3)	50%	102,940
Retail		75,893
Total		178,833
Retail Taxable Sales		
Innovation	\$300 per sq.ft.	\$30,882,000
Retail	\$300 per sq.ft.	\$22,767,900
Total		\$53,649,900
Sales Tax to San Francisco	1.0% tax rate x taxable sales	\$536,000
(less) New On-Site Residential Sales (4)	25% of commercial sales	(\$134,000)
(less) Shift From Existing Sales (5)	25%	(\$134,000)
Net New Sales Tax to GF from Retail Space		\$268,000
TOTAL Sales Tax to General Fund (1%)		\$772,000
Annual Sales Tax Allocation		
Sales Tax to the City General Fund (7)	1.00% tax rate x taxable sales	\$772,000
Other Sales Taxes		
Public Safety Sales Tax (6)	0.50% tax rate x taxable sales	\$386,000
San Francisco County Transportation Authority (6)	0.50% tax rate x taxable sales	\$386,000
SF Public Financing Authority (Schools) (6)	0.25% tax rate x taxable sales	\$193,000
One-Time Sales Taxes on Construction Materials and Supplies (rounded)		
Total Development Cost		\$1,695,561,000
Construction Costs (exc. Land, profit, soft costs, etc.)	55.00%	\$932,559,000
Supply/Materials Portion of Construction Cost	60.00%	\$559,535,000
San Francisco Capture of Taxable Sales	50.00%	\$279,767,500
Sales Tax to San Francisco General Fund	1.0% tax rate x taxable sales	\$2,798,000

- (1) Assumed average share of income allocated towards rent or mortgage.
(2) Based on blended assumptions with average household expenditure based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.
(3) Only a portion of the tenants of innovation space will generate sales taxes (50% assumed).
Innovation space will be distributed between shared office work environment, shared manufacturing, arts and culture, and food stall and kiosk retail uses. With the exception of food stall and kiosk retail, innovative retail uses are not assumed to generate substantial retail sales.
(4) A portion of new sales from San Francisco residents are assumed captured by retail in the Project (calculated above).
(5) Reflects a deduction of retail sales that could be captured elsewhere in San Francisco were the Project not built.
(6) Sales tax proportions for these entities as reported by Controller's Office.

Source: Berkson Associates

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Table A-8b
Sales Tax Estimates
20th/Illinois Street

Item	Assumptions	Total
Taxable Sales From New Residential Uses		
Average Annual Housing Payment	\$50,000 per household	
Housing as a % of Average Annual HH Income (1)	30%	\$166,700
Average HH Retail Expenditure (2)	27%	\$45,000
New Households		239
Total New Retail Sales from Households		\$10,755,000
New Taxable Retail Sales Captured in San Francisco	80% of retail expenditures	\$8,604,000
Net New Sales Tax to GF from Residential Uses	1.0% tax rate x taxable sales	\$86,000
Taxable Sales From Commercial Space		
Retail Sq.Ft.		6,600
Retail Taxable Sales	\$300 per sq.ft.	\$1,980,000
Sales Tax to San Francisco	1.0% tax rate x taxable sales	\$20,000
(less) New On-Site Residential Sales (3)	25% of commercial sales	(\$5,000)
(less) Shift From Existing Sales (4)	25%	(\$5,000)
Net New Sales Tax to GF from Retail Space		\$10,000
TOTAL Sales Tax to General Fund (1%)		\$96,000
Annual Sales Tax Allocation		
Sales Tax to the City General Fund	1.00% tax rate x taxable sales	\$96,000
Other Sales Taxes		
Public Safety Sales Tax (5)	0.50% tax rate x taxable sales	\$48,000
San Francisco County Transportation Authority (5)	0.50% tax rate x taxable sales	\$48,000
SF Public Financing Authority (Schools) (5)	0.25% tax rate x taxable sales	\$24,000
One-Time Sales Taxes on Construction Materials and Supplies (rounded)		
Total Development Cost		\$159,730,000
Construction Costs (exc. Land, profit, soft costs, etc.)	55.00%	\$87,852,000
Supply/Materials Portion of Construction Cost	60.00%	\$52,711,000
San Francisco Capture of Taxable Sales	50.00%	\$26,356,000
Sales Tax to San Francisco General Fund	1.0% tax rate x taxable sales	\$264,000

(1) Assumed average share of income allocated towards rent or mortgage.

(2) Based on blended assumptions with average household expenditure based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.

(3) A portion of new sales from San Francisco residents are assumed captured by retail in the Project (calculated above).

(4) Reflects a deduction of retail sales that could be captured elsewhere in San Francisco were the Project not built.

(5) Sales tax proportions for these entities as reported by Controller's Office.

Source: Berkson Associates

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Table A-8c
Sales Tax Estimates
Hoedown Yard

Item	Assumptions	Total
Taxable Sales From New Residential Uses		
Average Annual Housing Payment	\$50,000 per household	
Housing as a % of Average Annual HH Income (1)	30%	\$166,700
Average HH Retail Expenditure (2)	27%	\$45,000
New Households		330
Total New Retail Sales from Households		\$14,850,000
New Taxable Retail Sales Captured in San Francisco	80% of retail expenditures	\$11,880,000
Net New Sales Tax to GF from Residential Uses	1.0% tax rate x taxable sales	\$119,000
Taxable Sales From Commercial Space		
Retail Sq.Ft.		6,600
Retail Taxable Sales	\$300 per sq.ft.	\$1,980,000
Sales Tax to San Francisco	1.0% tax rate x taxable sales	\$20,000
(less) New On-Site Residential Sales (3)	25% of commercial sales	(\$5,000)
(less) Shift From Existing Sales (4)	25%	(\$5,000)
Net New Sales Tax to GF from Retail Space		\$10,000
TOTAL Sales Tax to General Fund (1%)		\$129,000
Annual Sales Tax Allocation		
Sales Tax to the City General Fund	1.00% tax rate x taxable sales	\$129,000
Other Sales Taxes		
Public Safety Sales Tax (5)	0.50% tax rate x taxable sales	\$65,000
San Francisco County Transportation Authority (5)	0.50% tax rate x taxable sales	\$65,000
SF Public Financing Authority (Schools) (5)	0.25% tax rate x taxable sales	\$32,000
One-Time Sales Taxes on Construction Materials and Supplies (rounded)		
Total Development Cost		\$220,548,000
Construction Costs (exc. Land, profit, soft costs, etc.)	55.00%	\$121,301,000
Supply/Materials Portion of Construction Cost	60.00%	\$72,781,000
San Francisco Capture of Taxable Sales	50.00%	\$36,391,000
Sales Tax to San Francisco General Fund	1.0% tax rate x taxable sales	\$364,000

(1) Assumed average share of income allocated towards rent or mortgage.

(2) Based on blended assumptions with average household expenditure based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.

(3) A portion of new sales from San Francisco residents are assumed captured by retail in the Project (calculated above).

(4) Reflects a deduction of retail sales that could be captured elsewhere in San Francisco were the Project not built.

(5) Sales tax proportions for these entities as reported by Controller's Office.

Source: Berkson Associates

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**Table A-9
Parking Tax
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard**

Item	Assumption	Total
Pier 70 28-acre Waterfront Site		
Total Spaces		1,569
Residential Spaces		1,569
Non-Residential Spaces (1)		0
<u>Parking Revenues</u>		
Annual Total (2)	\$5,928 per year	\$0
<u>San Francisco Parking Tax (3)</u>	25% of revenue	\$0
Parking Tax Allocation to General Fund/Special Programs	20% of tax proceeds	\$0
Parking Tax Allocation to Municipal Transp. Fund	80% of tax proceeds	\$0
<hr/>		
20th/Illinois Street		
Non-Residential Spaces (1)		
<u>Parking Revenues</u>		
Annual Total (2)	\$5,928 per day	\$0
<u>San Francisco Parking Tax</u>	25% of revenue	\$0
Parking Tax Allocation to General Fund/Special Programs	20% of tax proceeds	\$0
Parking Tax Allocation to Municipal Transp. Fund	80% of tax proceeds	\$0
<hr/>		
Hoedown Yard		
Non-Residential Spaces (1)		
<u>Parking Revenues</u>		
Annual Total (2)	\$5,928 per day	\$0
<u>San Francisco Parking Tax</u>	25% of revenue	\$0
Parking Tax Allocation to General Fund/Special Programs	20% of tax proceeds	\$0
Parking Tax Allocation to Municipal Transp. Fund	80% of tax proceeds	\$0

(1) This analysis assumes that all non-residential Project parking will generate parking tax; includes parking in commercial buildings.

(2) Including parking tax on monthly and daily rentals.

(3) 80 percent is transferred to the San Francisco Municipal Transportation Agency for public transit as mandated by Charter Section 16.110.

Source: Berkson Associates

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Table A-10
Gross Receipts Tax Estimates (2017 dollars)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Total Gross Receipts (GR)	GR Allocated to SF for GR Tax (1)	Gross Revenue Tier (2)				Gross Receipts Tax
			up to \$1m	\$1m - \$2.5m	\$2.5m - \$25m	\$25m+	
Pier 70 28-acre Waterfront Site							
<u>Business Income</u>							
Retail (net of shift) (4)	\$11,384,000	\$10,246,000	0.075%	0.100%	0.135%	0.160%	\$10,246
Arts, Light Industrial (3)	\$15,441,000	\$1,544,000	0.075%	0.100%	0.135%	0.160%	\$1,158
Office (4)	\$1,431,376,000	\$1,288,238,000	0.400%	0.460%	0.510%	0.560%	\$6,570,014
Parking	\$0	\$0	0.075%	0.100%	0.135%	0.160%	\$0
Subtotal	\$1,458,201,000	\$1,300,028,000					\$6,581,418
<u>Rental Income (5)</u>							
Retail	\$3,076,000	\$3,076,000					
Arts, Light Industrial	\$4,150,000	\$4,150,000	0.285%	0.285%	0.300%	0.300%	\$12,450
Office	\$88,736,000	\$88,736,000	0.285%	0.285%	0.300%	0.300%	\$266,208
Parking	\$8,836,000	\$8,836,000	0.285%	0.285%	0.300%	0.300%	\$26,508
Residential	\$40,027,000	\$40,027,000	0.285%	0.285%	0.300%	0.300%	\$120,081
Subtotal	\$144,825,000	\$144,825,000					\$425,247
Total Gross Receipts	\$1,603,026,000	\$1,444,853,000					\$7,006,665
<u>Project Construction</u>							
Total Development Value (6)	\$1,695,561,000	\$1,695,561,000					
Direct Construction Cost (7)	\$932,558,550	\$932,558,550	0.300%	0.350%	0.400%	0.450%	\$3,730,234
20th/Illinois Street							
<u>Business Income</u>							
Retail (net of shift) (4)	\$990,000	\$891,000	0.075%	0.100%	0.135%	0.160%	\$891
Office (4)	\$0	\$0	0.400%	0.460%	0.510%	0.560%	\$0
Parking (4)	\$0	\$0	0.075%	0.100%	0.135%	0.160%	\$0
Subtotal	\$990,000	\$891,000					\$891
<u>Rental Income (5)</u>							
Retail	\$267,000	\$267,486	0.285%	0.285%	0.300%	0.300%	\$802
Office	\$0	\$0	0.285%	0.285%	0.300%	0.300%	\$0
Parking	\$0	\$0	0.285%	0.285%	0.300%	0.300%	\$0
Residential	\$0	\$0	0.285%	0.285%	0.300%	0.300%	\$0
Subtotal	\$267,000	\$267,486					\$802
Total Gross Receipts	\$1,257,000	\$1,158,486					\$1,693

Table A-10
Gross Receipts Tax Estimates (2017 dollars)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Total Gross Receipts (GR)	GR Allocated to SF for GR Tax (1)	Gross Revenue Tier (2)				Gross Receipts Tax
			up to \$1m	\$1m - \$2.5m	\$2.5m - \$25m	\$25m+	
<u>Project Construction</u>							
Total Development Value (6)	\$159,730,000	\$160,000,000					
Direct Construction Cost (7)	\$87,852,000	\$87,852,000	0.300%	0.350%	0.400%	0.450%	\$351,408
<hr/>							
Hoedown Yard							
<u>Business Income</u>							
Retail (net of shift) (4)	\$990,000	\$891,000	0.075%	0.100%	0.135%	0.160%	\$1,411
Office (4)	\$0	\$0	0.400%	0.460%	0.510%	0.560%	\$41,076
Parking (4)	\$0	\$0	0.075%	0.100%	0.135%	0.160%	\$0
Subtotal	\$1,568,000	\$9,465,300					\$42,487
<u>Rental Income (5)</u>							
Retail	\$0	\$0	0.285%	0.285%	0.300%	0.300%	\$1,234
Office	\$0	\$0	0.285%	0.285%	0.300%	0.300%	\$0
Parking	\$0	\$0	0.285%	0.285%	0.300%	0.300%	\$0
Residential	\$0	\$0	0.285%	0.285%	0.300%	0.300%	\$0
Subtotal	\$411,000	\$411,184					\$1,234
Total Gross Receipts	\$1,979,000	\$9,876,484					\$43,721
<hr/>							
<u>Project Construction</u>							
Total Development Value (6)	\$220,548,000	\$220,548,000					
Direct Construction Cost (7)	\$121,301,000	\$121,301,000	0.300%	0.350%	0.400%	0.450%	\$456,000

*Note: reflects tax implementation after the payroll tax is phased out.

(1) Rounded; gross receipts for retail, office, and manufacturing uses are based on direct output of onsite uses, from IMPLAN.

(2) Given uncertainty about business size among various categories, this analysis applies highlighted tax rate in tier for each use.

to \$25 million per business. The actual gross receipts will depend on the size of business in each category and their gross receipts generated within the City.

(3) 10% of gross receipts are assumed to be subject to the tax as small businesses and employment outside of San Francisco will be exempt. Rate based on retail; manufacturing w

(4) 90% of office gross receipts are assumed to be subject to the tax as small businesses and employment outside of San Francisco will be exempt.

Gross receipts based on output per employee of \$284,800 (IMPLAN). Tax rate based on Financial, Insurance, Professional, Scientific and Technical Services.

Parking business income based on gross revenues (net of parking tax) from garages and commercial spaces (see parking tax estimates). Parking rent for residential parking incl

(5) Pier 70 office and residential rents include rent from retail and non-structured parking components. Estimates are based on the Pier 70 Financial Plan.

(6) Based on vertical development cost plus infrastructure cost.

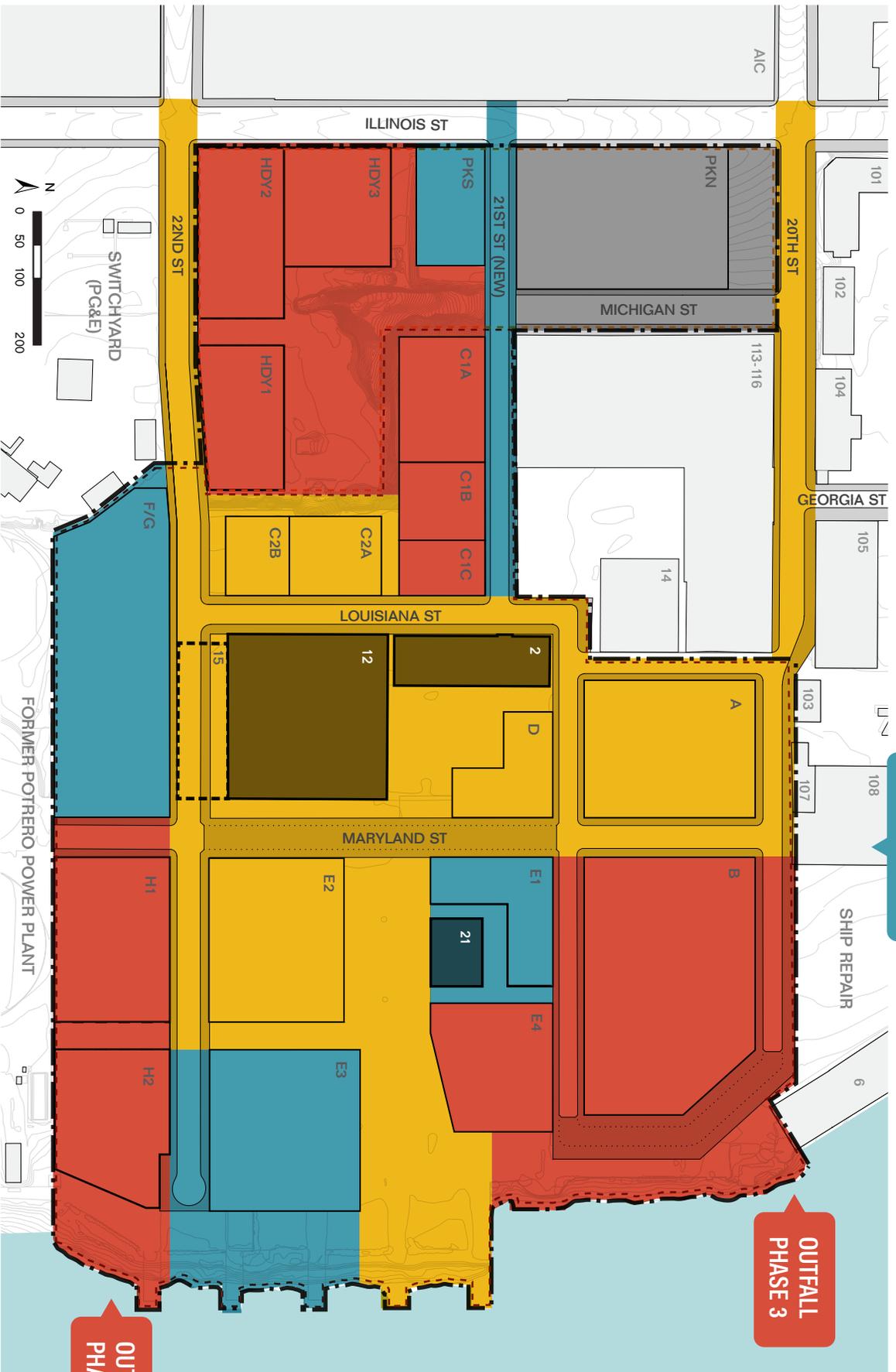
(7) As a planning estimate, approximately 55% is assumed to represent direct construction costs.

Sources: City of San Francisco; IMPLAN 2014; Berkson Associates.

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Attachment 4:

Phasing Plan and Phase 1 Submittal Exhibits
(See Attached)

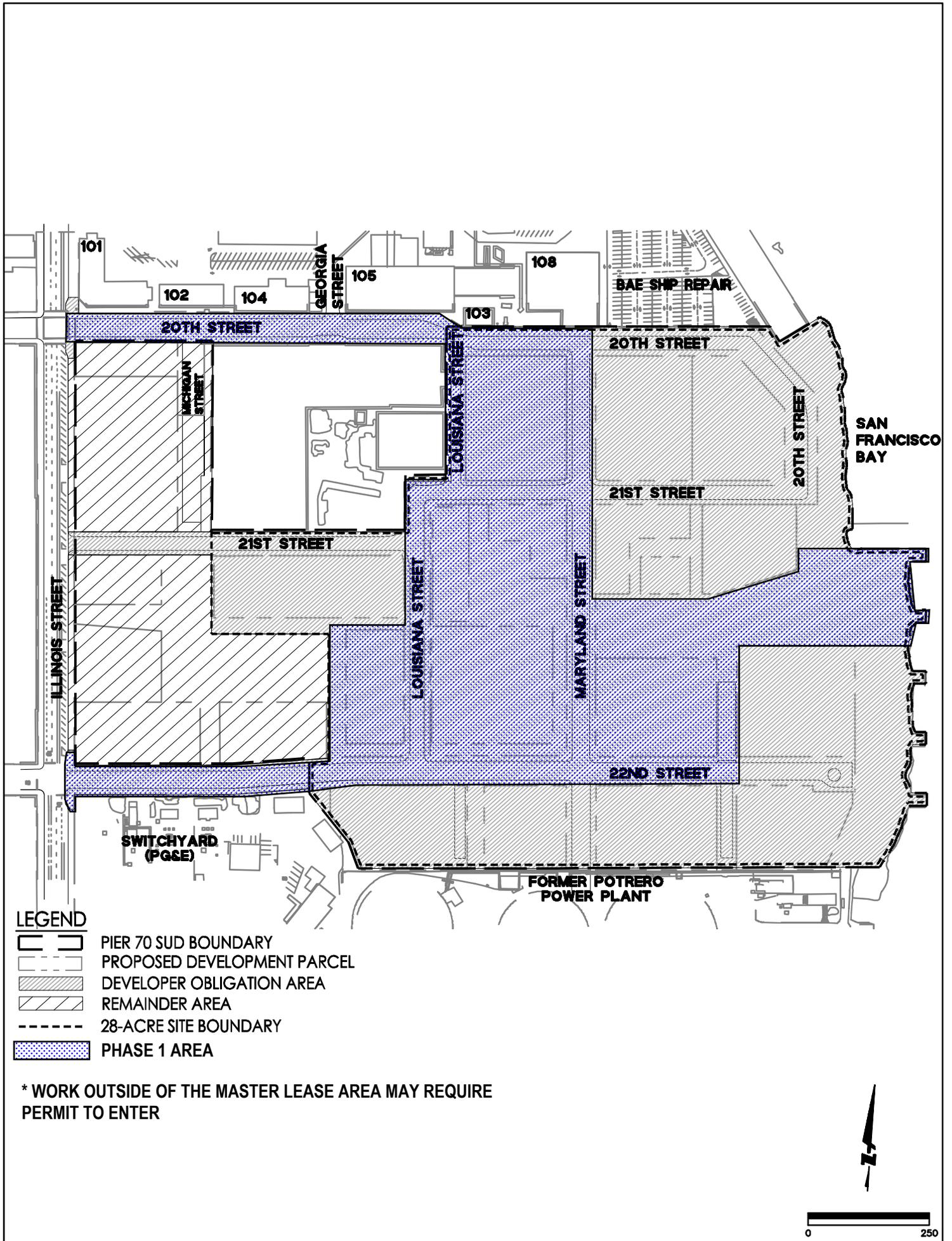


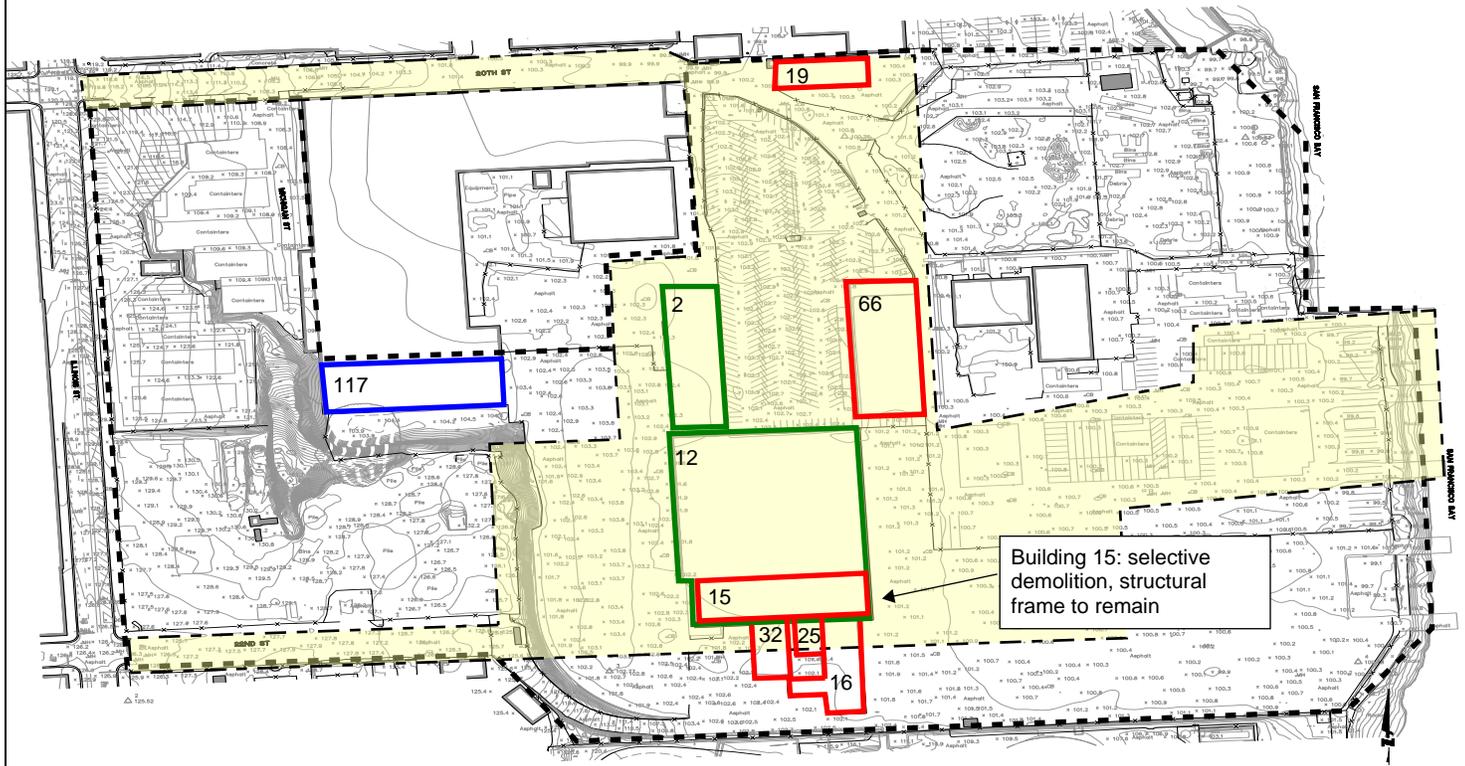
PIER 70 SUD

PHASING PLAN

SITELAB urban studio 08/21/2017

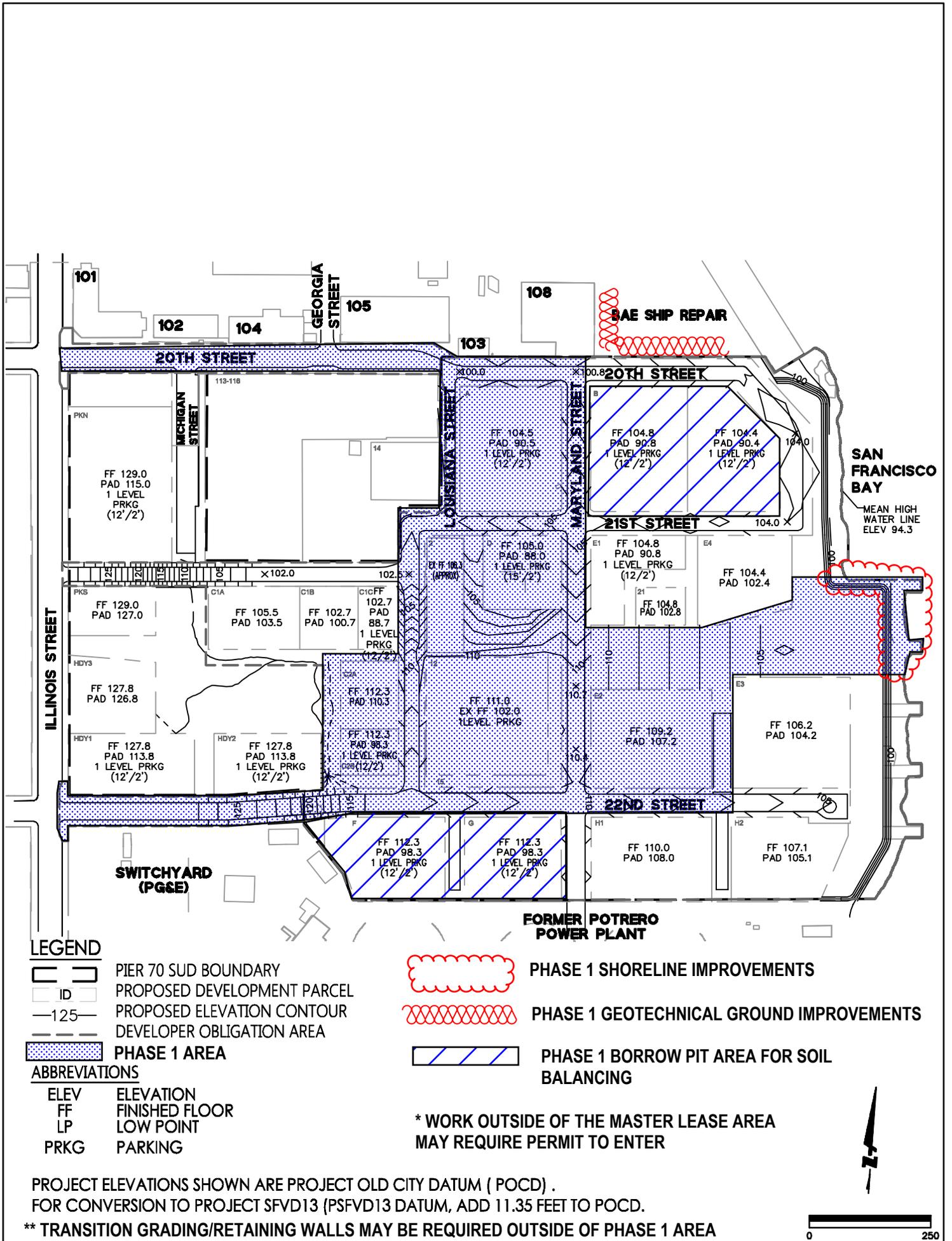
- SITE BOUNDARIES**
- Pier 70 SUD
 - - - 28-Acre Site
 - - - Illinois Parcels
- PHASES**
- Phase 0.5
 - Phase 1
 - Phase 2
 - Phase 3

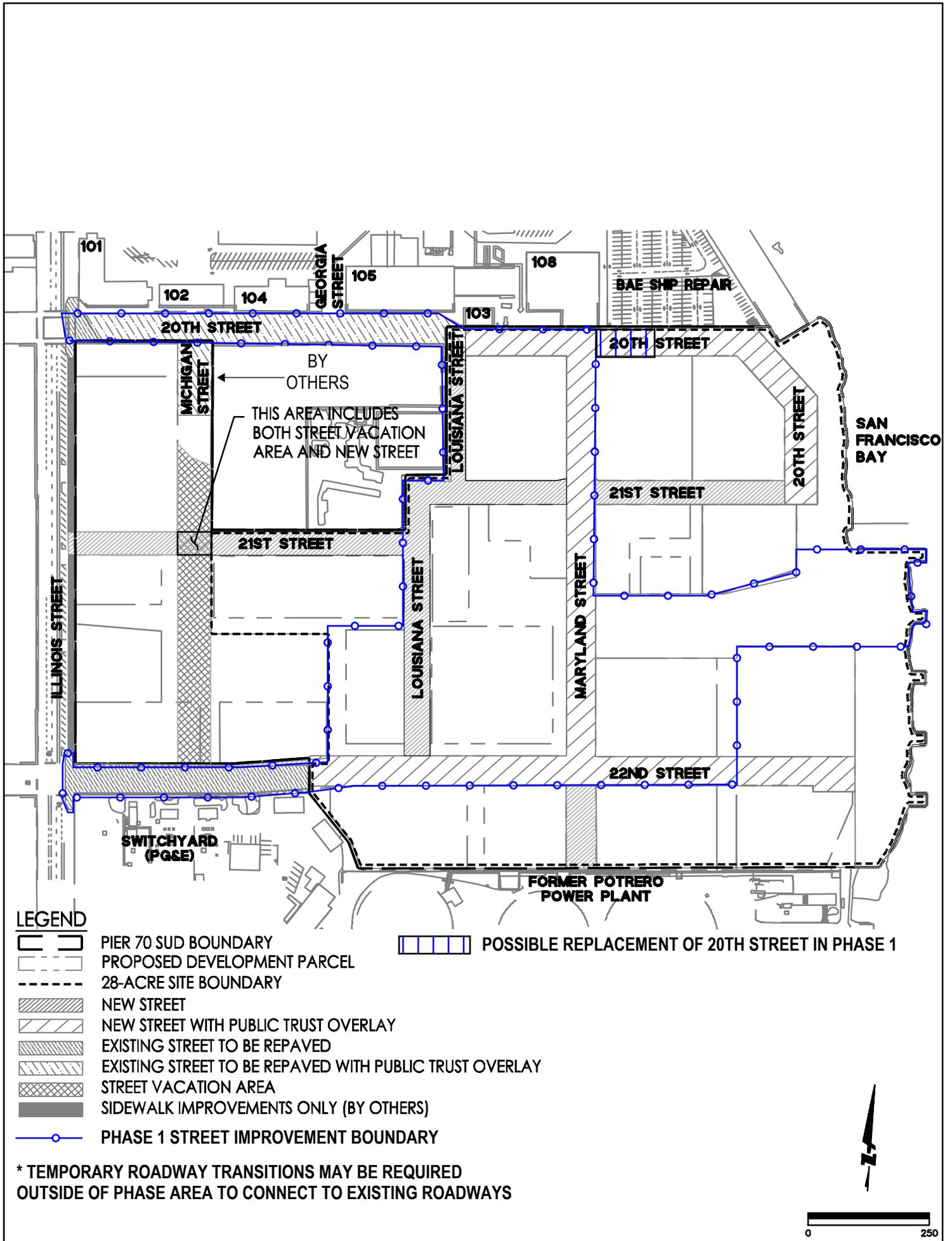




-  PIER 70 SUD BOUNDARY
-  PHASE 1 AREA
-  BUILDING TO BE DEMOLISHED BY DEVELOPER IN PHASE 1
-  BUILDING TO BE DEMOLISHED BY OTHERS PRIOR TO PHASE 1
-  BUILDING TO REMAIN



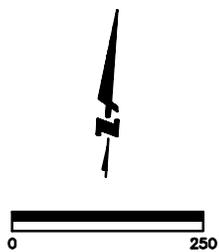


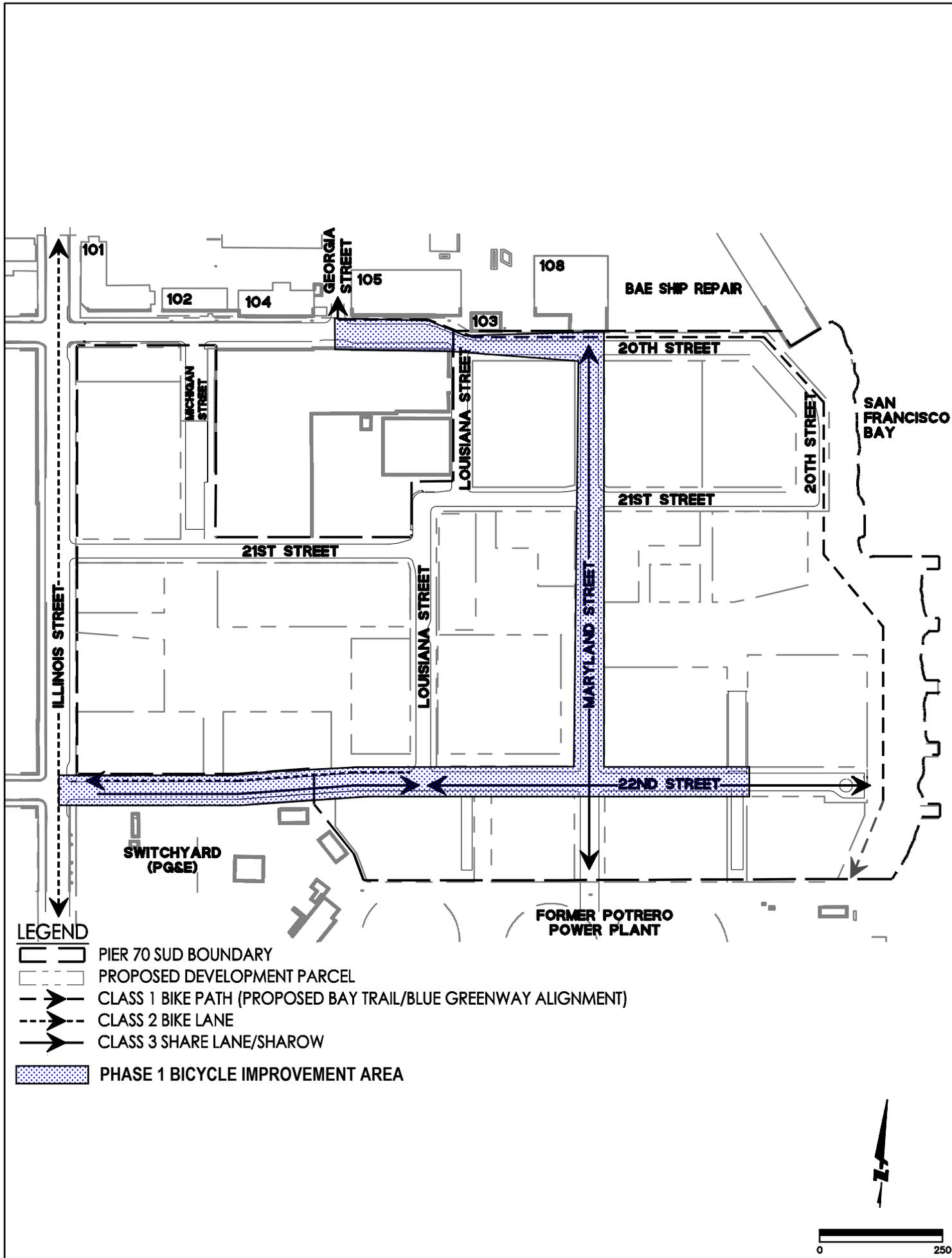


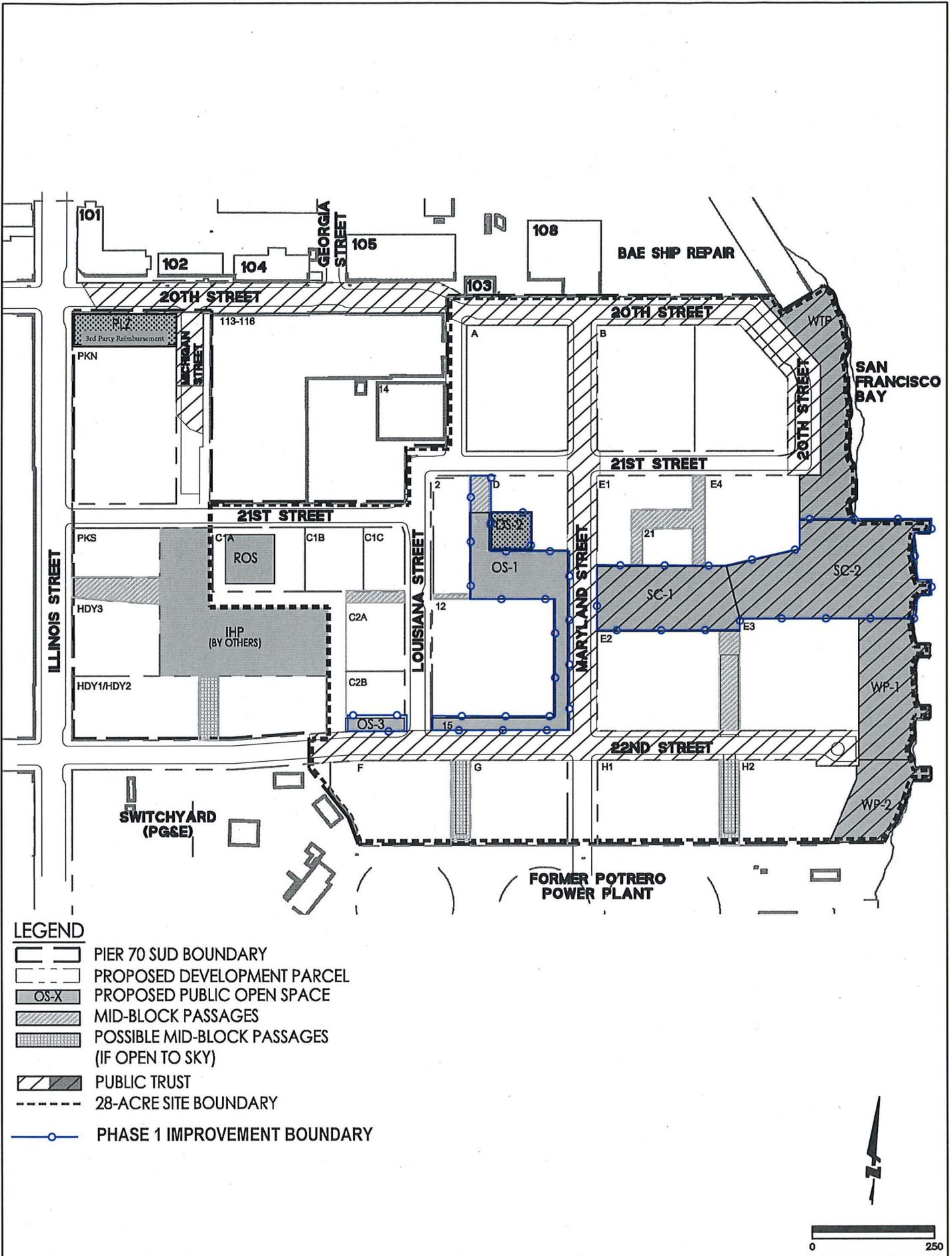
LEGEND

- PIER 70 SUD BOUNDARY
- PROPOSED DEVELOPMENT PARCEL
- 28-ACRE SITE BOUNDARY
- NEW STREET
- NEW STREET WITH PUBLIC TRUST OVERLAY
- EXISTING STREET TO BE REPAVED
- EXISTING STREET TO BE REPAVED WITH PUBLIC TRUST OVERLAY
- STREET VACATION AREA
- SIDEWALK IMPROVEMENTS ONLY (BY OTHERS)
- PHASE 1 STREET IMPROVEMENT BOUNDARY
- POSSIBLE REPLACEMENT OF 20TH STREET IN PHASE 1

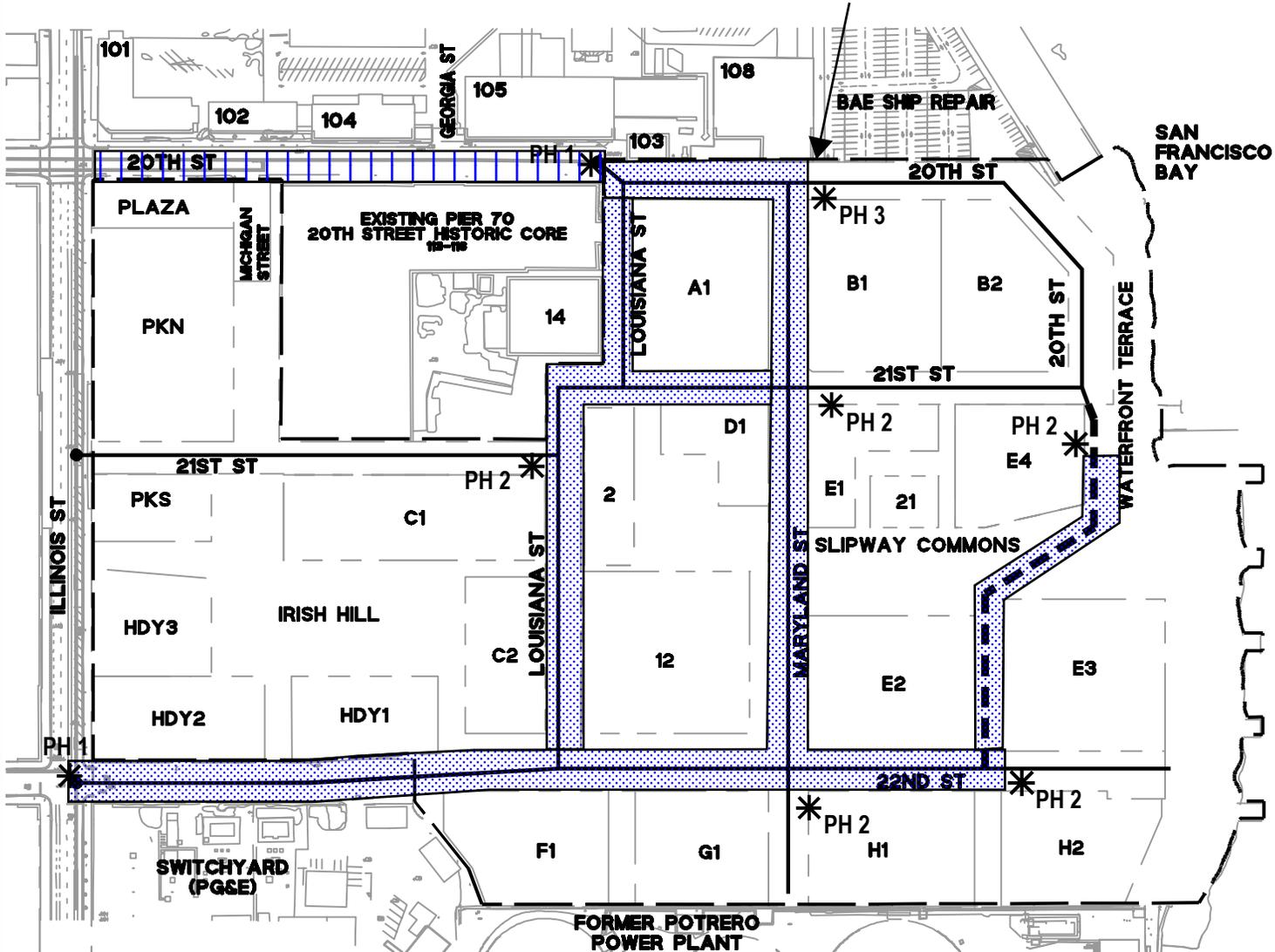
* TEMPORARY ROADWAY TRANSITIONS MAY BE REQUIRED OUTSIDE OF PHASE AREA TO CONNECT TO EXISTING ROADWAYS







POSSIBLE CONNECTION TO DISTRICT WASTEWATER TREATMENT AND RECYCLING SYSTEM (WTRS) FACILITY



LEGEND

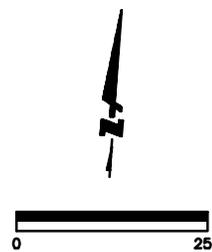
- PIER 70 SUD BOUNDARY
- PROPOSED DEVELOPMENT PARCEL
- EXISTING LOW PRESSURE WATER MAIN
- PROPOSED LOW PRESSURE WATER MAIN IN PUBLIC RIGHT OF WAY
- PROPOSED LOW PRESSURE WATER MAIN OUTSIDE OF PUBLIC RIGHT OF WAY
- POINT OF CONNECTION

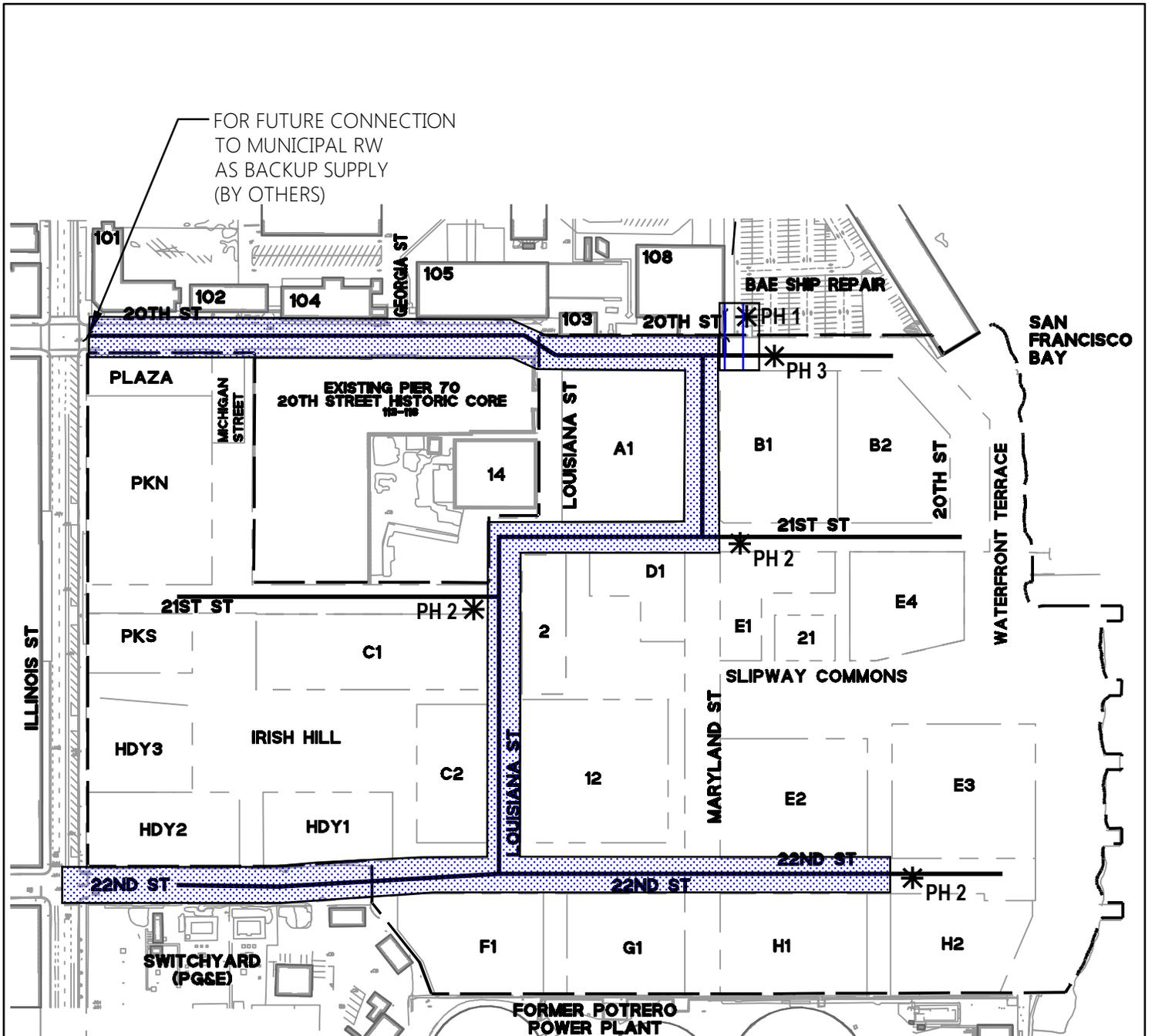
PHASE 1 LPW IMPROVEMENT AREA

PH X UTILITY CONNECTION INDICATING PHASE

POSSIBLE REPLACEMENT OF LPW MAIN IN 20th STREET BETWEEN ILLINOIS AND LOUISIANA IN PHASE 1 PENDING CONDITION ASSESSMENT

* WORK OUTSIDE OF THE MASTER LEASE AREA MAY REQUIRE PERMIT TO ENTER



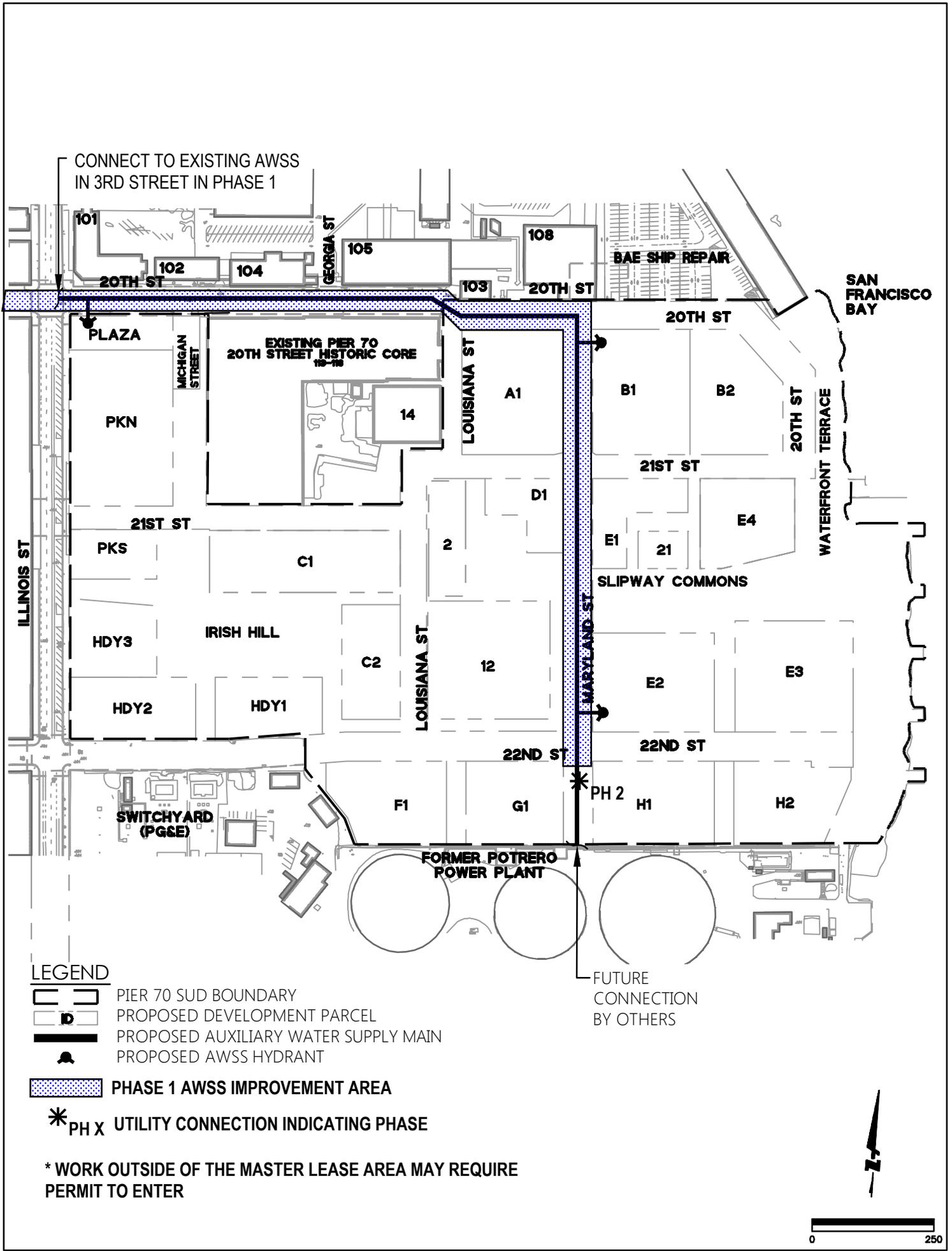


LEGEND

- PIER 70 SUD BOUNDARY
- ID PROPOSED DEVELOPMENT PARCEL
- PROPOSED NON-POTABLE WATER MAIN (8 INCH)
- PHASE 1 NPW IMPROVEMENT AREA
- * PH X UTILITY CONNECTION INDICATING PHASE
- POSSIBLE CONNECTION TO DISTRICT WASTEWATER TREATMENT AND RECYCLING SYSTEM (WTRS) FACILITY

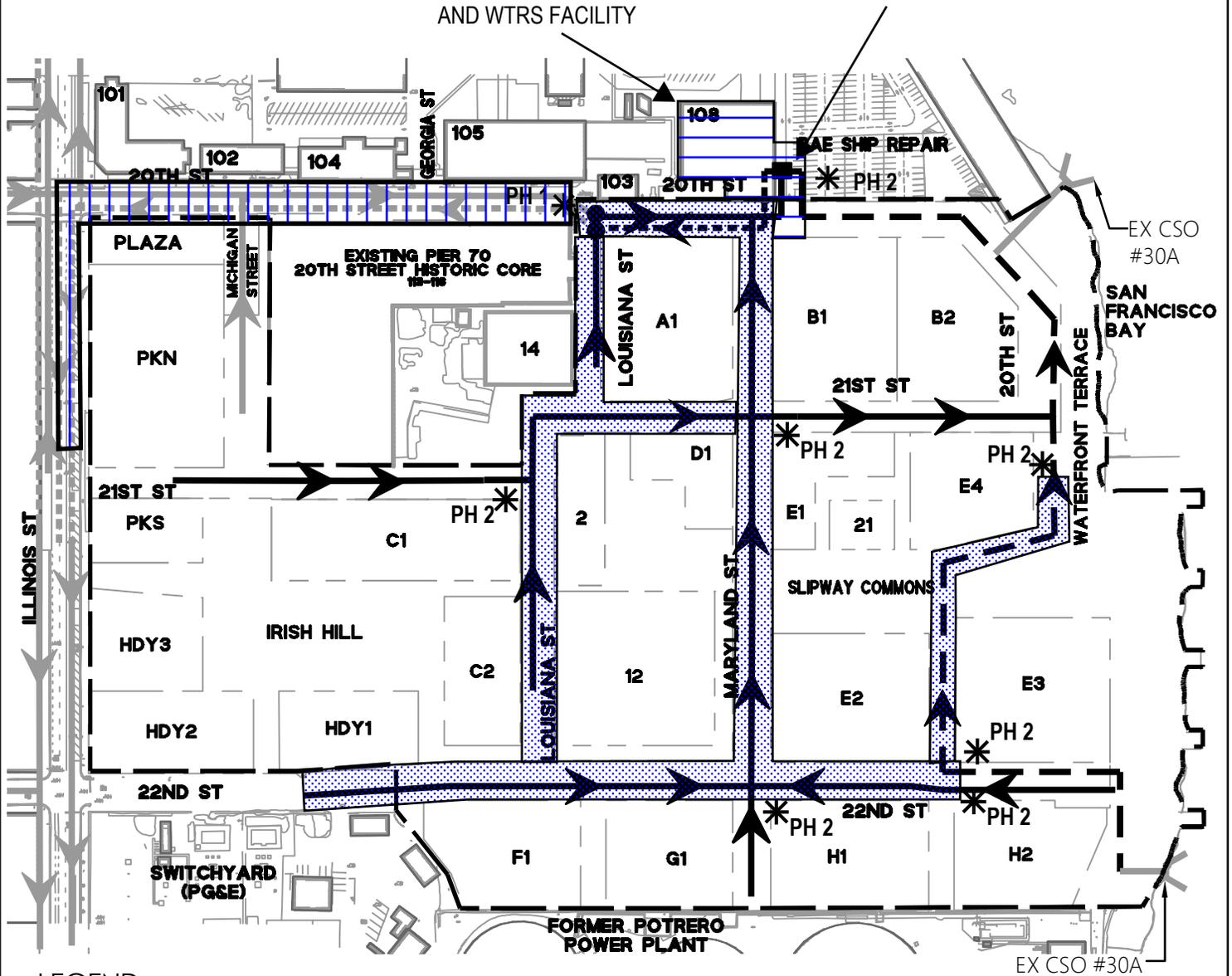
* SHOULD PROJECT SELECT A PARCEL-BY-PARCEL GREYWATER SYSTEM, DEVELOPER WILL REQUEST AN EXEMPTION FOR NON-POTATBLE WATER / RECYCLED WATER DISTRIBUTION FROM SFPUC

** WORK OUTSIDE OF THE MASTER LEASE AREA MAY REQUIRE PERMIT TO ENTER



POSSIBLE BUILDING 108
SEISMIC RETROFIT IN
PHASE 1 TO FACILITATE
FUTURE PUMP STATION
AND WTRS FACILITY

POSSIBLE PUMP STATION
SUBSTRUCTURE AND
DIVERSION FOR WTRS
FACILITY IN PHASE 1



LEGEND

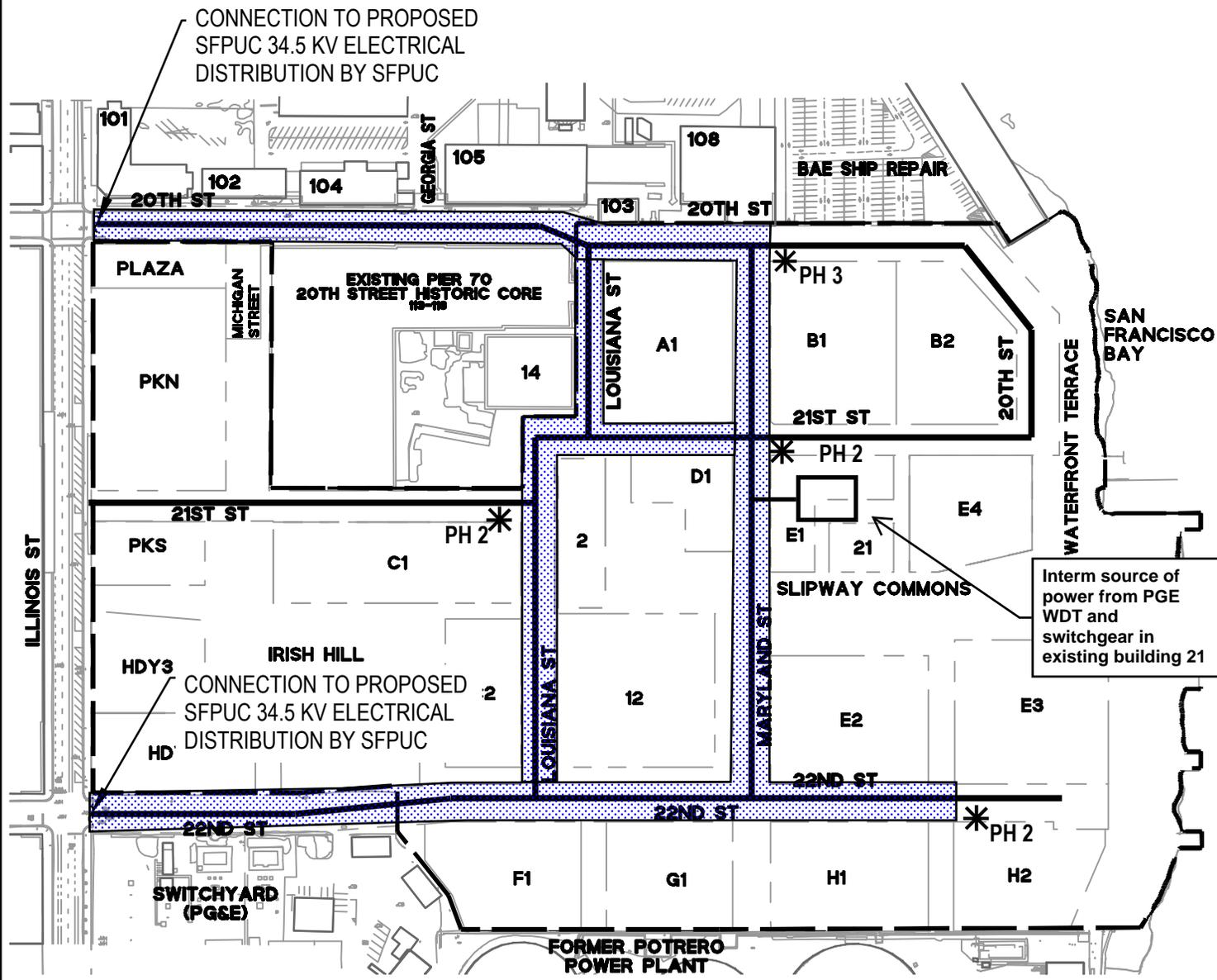
- | | | | |
|--|--------------------------------------|--|---|
| | PIER 70 SUD BOUNDARY | | PHASE 1 CSS IMPROVEMENT AREA |
| | PROPOSED DEVELOPMENT PARCEL | | UTILITY CONNECTION INDICATING PHASE |
| | PROPOSED COMBINED SEWER MAIN | | POSSIBLE REPLACEMENT OF CS FORCE MAIN IN 20th STREET BETWEEN ILLINOIS AND LOUISIANA IN PHASE 1 PENDING CONDITION ASSESSMENT |
| | PROPOSED COMBINED SEWER FORCE MAIN | | POSSIBLE PHASE 1 WORK TO FACILITATE FUTURE PUMP STATION |
| | PROPOSED COMBINED SEWER STORAGE | | |
| | EXISTING COMBINED SEWER FORCE MAIN | | |
| | EXISTING COMBINED SEWER GRAVITY MAIN | | |
| | PROPOSED PUMP STATION | | |
| | POINT OF CONNECTION | | |

NOTES

- HALF OF PKS, HDY3, & HDY2 STORM DRAIN RUNOFF FLOWS DIRECTLY TO 27" GRAVITY MAIN IN ILLINOIS STREET.
- PKS, HDY2, & HDY3 SEWER FLOWS TO 27" GRAVITY MAIN IN ILLINOIS STREET.

* PHASE 1 DOES NOT INCLUDE PROPOSED COMBINED SEWER PUMP STATION. A PORTION OF THE PUMP STATION SUBSTRUCTURE MAY BE ACCELERATING AND PERFORMED IN PHASE 1 FOR CONSTRUCTION SEQUENCING REASONS.

** WORK OUTSIDE OF THE MASTER LEASE AREA MAY REQUIRE PERMIT TO ENTER

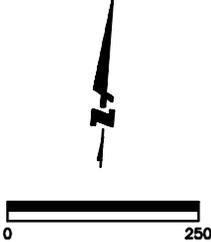


Interm source of power from PGE WDT and switchgear in existing building 21

LEGEND

-  PIER 70 SUD BOUNDARY
-  PROPOSED DEVELOPMENT PARCEL
-  PROPOSED JOINT TRENCH
-  PHASE 1 JOINT TRENCH IMPROVEMENT AREA
-  POSSIBLE PHASE 1 INSTALLATION OF JOINT TRENCH PENDING ELECTRICAL PLANNING DETERMINATION
-  PH X UTILITY CONNECTION INDICATING PHASE

* WORK OUTSIDE OF THE MASTER LEASE AREA MAY REQUIRE PERMIT TO ENTER





TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Levy ad valorem and special taxes on possessory interests on secured roll
- Pier 70 and Mission Rock IFD and Special Tax Districts
DATE: Tuesday, April 7, 2020

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

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