

1 [Term Sheet Endorsement - Forest City Development - Development of Pier 70 Waterfront  
2 Site - Fiscal Feasibility]

3 **Resolution finding the proposed development of the Pier 70 Waterfront Site, an**  
4 **approximately 28-acre site located in the southeast corner of Pier 70, fiscally feasible**  
5 **under Administrative Code, Chapter 29, and endorsing the Term Sheet between Forest**  
6 **City Development California, Inc., a California corporation and the Port Commission.**

7  
8 WHEREAS, The San Francisco Port Commission (the "Port" or "Port Commission") has  
9 jurisdiction over Pier 70, a 69-acre historic shipyard property situated along San Francisco's  
10 Central Waterfront, just south of Mission Bay, generally bounded by Mariposa Street to the  
11 north, Illinois Street to the west, 22nd Street to the south, and San Francisco Bay to the east;  
12 and

13 WHEREAS, From 2007 to 2010, the Port conducted a community process that  
14 evaluated the unique site conditions and opportunities at Pier 70 and built a public consensus  
15 for Pier 70's future that nested within the policies established for the Eastern Neighborhoods-  
16 Central Waterfront and resulted in a strong policy framework that also set forth strategies for  
17 Port development offerings and implementation initiatives; and

18 WHEREAS, On May 11, 2010, by Resolution 10-27, the Port Commission endorsed  
19 the Pier 70 Master Plan which contains goals that complement and expand on policies  
20 contained in the San Francisco Planning Department's Central Waterfront Area Plan, part of  
21 the City's Eastern Neighborhoods Plan; and

22 WHEREAS, the Port offered an approximately 28-acre site located in the southeastern  
23 corner of Pier 70, known as the "Waterfront Site" (a map of which is on file with the Clerk of  
24 the Board of Supervisors in File No. 130495) for development through a public solicitation  
25 process in August 2010; and

1           WHEREAS, the Port Commission in April 2011 awarded the development opportunity  
2 to Forest City Development California, Inc., a California corporation (“Developer” and “Forest  
3 City”) and authorized exclusive negotiations for a proposed mixed-use development project at  
4 the Site (the “Project”); and

5           WHEREAS, On July 12, 2011, by Resolution 11-49, the Port Commission authorized  
6 the Port’s Executive Director or her designee to execute an Exclusive Negotiating Agreement  
7 (the “ENA”) between the Port and Developer for the Project; and

8           WHEREAS, The ENA anticipated a first phase of project planning that would culminate  
9 in a term sheet between Forest City and the Port that outlined the proposed development  
10 program, land use plan and a summary of general terms for negotiating the final project  
11 approval documents (the “Term Sheet”); and

12           WHEREAS, Forest City has engaged in an extensive community outreach process that  
13 has included more than 1,000 persons and organizations in community workshops, focus  
14 groups, art events, formal and informal presentations, open houses and site tours to develop  
15 the proposed concept plan that is included as part of the Term Sheet; and

16           WHEREAS, Forest City has conducted extensive due diligence on site conditions,  
17 infrastructure requirements, real estate market conditions and other key factors that have  
18 guided the development of the proposed concept plan; and

19           WHEREAS, The proposed project would provide significant public benefits to the City  
20 and Port including a new mixed-use waterfront district on the Central Waterfront, rehabilitation  
21 of Buildings 2, 12, and 21 consistent with Secretary of the Interior Standards for Rehabilitation  
22 , new infrastructure that will remove the liability of aging and unfunded infrastructure and  
23 buildings from the Port’s 10 Year Capital Plan, a major waterfront open space network,  
24 thousands of construction and permanent jobs, including a robust commitment to a local  
25 hiring; hundreds of affordable housing units and significant long-term revenue streams to the

1 Port's Harbor Fund consistent with the purposes of AB 418 (Chapter 477 of the statutes of  
2 2011); and

3 WHEREAS, On May 28, 2013, by Resolution No. 13-20, the Port Commission  
4 endorsed a term sheet that describes the fundamental deal terms for the Project (the "Term  
5 Sheet") and directed Port staff to present the Term Sheet to the Board of Supervisors for  
6 endorsement and to submit a request that the Board of Supervisors review the proposed  
7 Project under San Francisco Administrative Code Chapter 29 and determine whether the  
8 Project is fiscally feasible and responsible; and

9 WHEREAS, The Term Sheet is on file with the Clerk of the Board of Supervisors in File  
10 No. 130495, which is hereby declared to be a part of this resolution as if set forth fully herein;  
11 and

12 WHEREAS, The construction cost of the Project will exceed \$25 million and more than  
13 \$1 million in public funds will be used for construction of the Project, thus triggering review by  
14 the Board of Supervisors to determine the fiscal feasibility of the Project under Administrative  
15 Code Section 29.1; and

16 WHEREAS, Pursuant to Administrative Code Section 29.3, Port and Developer have  
17 submitted to the Board of Supervisors a general description of the Project, the general  
18 purpose of the Project, and a fiscal plan, copies of which are file with the Clerk of the Board of  
19 Supervisors in File No. 130495; and

20 WHEREAS, Pursuant to Administrative Code Section 29.2, prior to submittal to the  
21 Planning Department of an environmental evaluation application ("Environmental Application")  
22 required under Administrative Code Chapter 31 and the California Environmental Quality Act  
23 ("CEQA") related to the Project, it is necessary for the Port to procure from the Board of  
24 Supervisors a determination that the plan to undertake and implement the Project is fiscally  
25 feasible and responsible; and

1           WHEREAS, The Board of Supervisors has reviewed and considered the general  
2 description of the Project, the general purpose of the Project, the fiscal plan and other  
3 information submitted to it, and has considered the direct and indirect financial benefits of the  
4 Project to the City of San Francisco, the cost of construction, the available funding for the  
5 Project, the long-term operating and maintenance costs of the Project, and the public debt for  
6 the Project; and

7           WHEREAS, The Board of Supervisors has reviewed and considered the proposed  
8 terms for the Project as set forth in the Term Sheet; and

9           WHEREAS, The Term Sheet is not itself a binding agreement that commits the City,  
10 including the Port, or Developer to proceed with the approval or implementation of the Project;  
11 rather, the Project will first satisfy environmental review requirements under CEQA and will be  
12 subject to public review in accordance with the processes of the City and other government  
13 agencies with approval rights over the Project before any binding agreements, entitlements or  
14 other regulatory approvals required for the Project will be considered; now, therefore, be it

15           RESOLVED, That the Board of Supervisors finds that the plan to undertake and  
16 implement the Project is fiscally feasible and responsible as set forth in San Francisco  
17 Administrative Code Chapter 29 (“Fiscal Feasibility Finding”); and, be it

18           FURTHER RESOLVED, That pursuant to San Francisco Administrative Code  
19 Chapter 29, the Environmental Application may now be filed with the Planning Department  
20 and the Planning Department may now undertake environmental review of the Project as  
21 required by Administrative Code Chapter 31 and CEQA; and, be it

22           FURTHER RESOLVED, That the Board of Supervisors endorses the Term Sheet and  
23 urges the Port with the assistance of the Office of Economic and Workforce Development,  
24 the City Attorney's Office and other City officials as appropriate, to make evaluation and  
25 further negotiation of the proposed Project among its highest priorities; and be it

1           FURTHER RESOLVED, That Board of Supervisors' endorsement of the Term Sheet  
2 and its Fiscal Feasibility Finding do not commit the Board of Supervisors, the Port or any other  
3 public agency with jurisdiction over any part of the Project to approve the terms of final leases  
4 or other transactions or grant any entitlements to Developer, nor does either the Term Sheet  
5 endorsement or Fiscal Feasibility Finding foreclose the possibility of considering alternatives  
6 to the Project or mitigation measures to reduce or avoid significant environmental impacts or  
7 preclude the City, after conducting appropriate environmental review under CEQA, from  
8 deciding not to grant entitlements or approve or implement the Project, and while the Term  
9 Sheet identifies certain essential terms of a proposed transaction with the City through the  
10 Port Commission, it does not set forth all of the final, material terms and conditions of the  
11 transaction documents for the Project; and, be it

12           FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary  
13 actions committing the City to implement the Project, and the provisions of the Term Sheet  
14 are not intended to and will not become contractually binding on the City, unless and until:  
15 (1) the Planning Department has reviewed and considered environmental documentation  
16 prepared in compliance with Administrative Code Chapter 31 and CEQA for the Project and  
17 has determined that the environmental documentation complies with Administrative Code  
18 Chapter 31 and CEQA; (2) the Port Commission has adopted appropriate CEQA findings in  
19 compliance with CEQA and has approved the terms of the final transaction documents for the  
20 Project consistent with the Term Sheet provisions; and (3) the Board of Supervisors has  
21 adopted appropriate CEQA findings in compliance with CEQA and approved a development  
22 agreement and the terms of the final leases and any other property transfers for the Project  
23 consistent with the Term Sheet.

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