



**CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR**

**MEMORANDUM OF UNDERSTANDING
(PIER 70 - HISTORIC CORE)**

BY AND AMONG

**THE CONTROLLER OF THE CITY AND COUNTY OF SAN FRANCISCO,
THE TREASURER AND TAX COLLECTOR OF THE CITY AND COUNTY
OF SAN FRANCISCO**

AND

THE SAN FRANCISCO PORT COMMISSION

BEN ROSENFELD, CONTROLLER

JOSE CISNEROS, TREASURER AND TAX COLLECTOR

MONIQUE MOYER, PORT EXECUTIVE DIRECTOR

SAN FRANCISCO PORT COMMISSION

**WILLIE ADAMS, PRESIDENT
KIMBERLY BRANDON, VICE PRESIDENT
LESLIE KATZ, COMMISSIONER
DOREEN WOO HO, COMMISSIONER**

_____, 2016

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MEMORANDUM OF UNDERSTANDING
(Sub-Project Area G-1 (Pier 70 - Historic Core))

This **MEMORANDUM OF UNDERSTANDING** (Sub-Project Area G-1 (Pier 70 - Historic Core) (this “**MOU**”) is dated and effective as of the last date set forth below, by and among the City and County of San Francisco (the “**City**”) acting by and through the San Francisco Controller (the “**Controller**”), the City acting by and through the San Francisco Treasurer and Tax Collector (the “**Treasurer-Tax Collector**”), and the City acting by and through the San Francisco Port Commission (the “**Port**”). This MOU was approved by the Port Commission by Resolution No. 15-43 on November 10, 2015, and the Board of Supervisors (the “**Board**”) by Resolution No. ____, effective ____, 20__ (the “**MOU Resolution**”).

RECITALS

A. California Government Code Section 53395 *et seq.* (the “**IFD Law**”) authorizes the Board to form one or more infrastructure financing districts within its jurisdictional boundaries for the purpose of financing public infrastructure.

B. Under the IFD Law, the Board, by approval of an infrastructure financing plan, may (i) allocate to an infrastructure financing district all or a portion of the tax increment generated in the district for the period specified in the infrastructure financing plan, (ii) irrevocably allocate tax increment to pay bonds or other debt (as defined in the IFD Law) pursuant to contracts approved by the Board, (iii) reserve the right to make discretionary annual appropriations and (iv) reserve the right to amend any adopted infrastructure financing plan to terminate its allocation to the infrastructure financing district of any tax increment not irrevocably allocated to pay bonds or other debt pursuant to contracts approved by the Board.

C. On ____, 201X, the Board adopted Ordinance No. ____ (the “**IFD Ordinance**”), by which it established a waterfront district under Section 53395.8 of the IFD Law over all waterfront property under Port jurisdiction, named *City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)* (the “**IFD**”), and designated project areas and sub-project areas within the IFD, including Project Area G (Pier 70) (“**Project Area G**”) and Sub-Project Area G-1 (Pier 70 - Historic Core) (“**Sub-Project Area G-1**”). In the IFD Ordinance, the Board also approved an Infrastructure Financing Plan for the IFD (the “**IFP**”) and an infrastructure financing plan for Sub-Project Area G-1 that is designated as “**Appendix G-1**” to the IFP.

D. Project Area G consists of approximately 65 acres of uplands, filled lands, and submerged lands known as Pier 70, which is listed in the National Register as the Union Iron Works Historic District. Sub-Project Area G-1 consists of approximately 7 acres in Pier 70 covering seven significant historic buildings commonly referred to as Buildings 101, 102, 104, 113, 114, 115, 116, and 14 located on 20th Street within Pier 70 commonly known as the “**Historic Core**.” Historic Pier 70, LLC, a California limited liability company (“**Developer**”), has obtained certain project approvals for the rehabilitation and reuse of the historic buildings within the Historic Core (the “**Project**”).

E. Among other Project approvals, the Port approved a Lease Development and Disposition Agreement, dated as of September 16, 2014 (the “**LDDA**”), by and between Developer and the City, acting by and through the Port, and the Port and the

Board approved Lease No. L-15814 dated as July 29, 2015, between the City, operating by and through the Port, and Developer (the “**Lease**”).

F. Appendix G-1 authorizes the IFD to use Tax Increment and to issue Debt (as defined herein) for the purposes and subject to the limitations described in Appendix G-1.

G. In Appendix G-1, the Board irrevocably allocated Tax Increment from Sub-Project Area G-1 to the IFD to the extent that Tax Increment was necessary to repay bonds or related agreements (including Pledge Agreements, as defined below) or meet contractual obligations that the IFD or the Port is obligated to satisfy with Tax Increment, in each case to the extent such bonds, agreements or obligations were approved by the Board. **[confirm]**

In addition, the Board reserved the discretion to make annual appropriations for the allocation of Tax Increment to the IFD to pay directly for the public capital improvements described in Appendix G-1.

H. Under the terms of the LDDA, Developer is required to advance funds for the costs of certain Required Port Benefit Tasks and certain other Port Benefit Tasks, which, at the request of the Port, Developer elects to perform on behalf of the Port. Port Benefit Tasks consist of certain capital improvements including improvements to certain streets and sidewalks and relocation of electrical systems as more fully described in the LDDA, on behalf of the Port, to satisfy the Port’s obligations to construct or acquire such capital improvements under the LDDA. [see question above]

I. The Mello-Roos Community Facilities Act of 1982 (California Government Code §§ 53311 - 53368) (the “**Mello-Roos Act**”) and the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) (the “**City Special Tax Law**”; collectively with the Mello-Roos Act, the “**CFD Law**”) authorize the Board to form one or more community facilities districts within its jurisdictional boundaries and to levy and collect special taxes to finance public facilities. In furtherance of the LDDA, the Port expects to ask the City to establish one or more community facilities districts that would include the territory in the Historic Core using the Mello-Roos Act or the City Special Tax Law; for purposes of this MOU, it is assumed there would be two: (i) a community facilities district (the “**Facilities CFD**”) that would levy special taxes (“**Facilities Special Taxes**”) pursuant to a rate and method of apportionment of special tax (a “**RMA**”) to provide financing for the acquisition and construction of Pier 70 Facilities (as defined in Section 10) and (ii) a community facilities district (the “**Services CFD**”) that would levy special taxes (“**Services Special Taxes**”; together with Facilities Special Taxes, “**Special Taxes**”) pursuant to an RMA to finance ongoing operation and maintenance costs for Pier 70 Facilities financed by the Facilities CFD (the “**Maintained Facilities**”).

J. In the IFD Ordinance, the Board appointed the Port to act as the agent of the IFD with respect to the administration of Tax Increment after it has been allocated in accordance with the City’s budget procedures and this MOU. In this role, the Port will be responsible for directing the disbursement of Tax Increment and any proceeds of Debt secured by any such funds to implement the IFP, Appendix G-1, this MOU, the Tax Administration Agreement (defined below), the Pledge Agreement(s) and all ordinances and resolutions of the Board adopted by the Board in connection with the formation of the IFP (collectively, the “**IFD Documents**”).

K. The City wishes to designate the Port as the agent of the City with respect to the Facilities CFD and the Services CFD and the administration of the Facilities Special Taxes and the Services Special Taxes and any proceeds of bonds secured by any the Facilities Special Taxes. In this role, the Port will be responsible for directing the disbursement of the Facilities Special Taxes and the Services Special Taxes and any proceeds of bonds secured by the Facilities Special Taxes to implement this MOU, the Tax Administration Agreement and all ordinances and resolutions of the Board adopted by the Board in connection with the formation of the Facilities CFD and the Services CFD (the “**CFD Documents**”; together with the IFD Documents, the “**Financing Documents**”).

L. In the IFD Ordinance, the Board authorized the Port, as the agent of the IFD with respect to Sub-Project Area G-1, and the City wishes to authorize the Port, if designated as the agent of the Facilities CFD, to enter into a Tax Administration Agreement with a third-party trustee (the “**Tax Administration Agreement**”) that would govern the receipt, deposit and expenditure of Tax Increment, Facilities Special Taxes and, if determined to be necessary by the Port, Services Special Taxes.

M. In the IFD Ordinance, the Board authorized the Port, as the agent of the IFD with respect to Sub-Project Area G-1, and the City wishes to designate the Port, as the agent of the Facilities CFD, to enter into one or more acquisition agreements (each, an “**Acquisition Agreement**”) with the Developer and other private parties that would establish the terms and conditions under which the Port and other City agencies would acquire Pier 70 Facilities with proceeds of Debt, Tax Increment and Facilities Special Taxes, if applicable.

N. In the IFD Ordinance, the Board authorized the Port to enter into one or more pledge agreements (each, a “**Pledge Agreement**”) pursuant to which the Port, as agent of the IFD with respect to Sub-Project Area G-1, would pledge Tax Increment to bonds issued by the Board of Supervisors for and on behalf of the Facilities CFD.

O. This MOU describes procedures to which the Controller and the Port have agreed to implement the IFD, Sub-Project Area G-1, the CFD and the Financing Documents and enable the Port to finance Port Benefit Costs, Qualified Port Costs and Pier 70 Facilities Costs (as those terms are defined in Section 10).

AGREEMENT

1. Term.

(a) Commencement. The term of this MOU will begin on the date it is fully executed.

(b) Expiration. The term of this MOU will end automatically on the date of the latest of the following to occur:

i. When all of the Tax Increment has been disbursed in accordance with IFD Law and Appendix G-1.

ii. The date specified in the CFD Documents as the last date on which Special Taxes may be levied within the Facilities CFD and the Services CFD.

iii. When all debt issued under the Financing Documents has been defeased and the proceeds of such debt have been expended.

2. Purpose; Cooperation.

(a) Purpose Related to the IFD, Project Area G and Sub-Project Area G-1. The Controller, the Treasurer-Tax Collector and the Port agree that a purpose of this MOU is to implement the IFP and Appendix G-1, which is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws.

(b) Purpose Related to the Facilities CFD and the Services CFD. The Controller, the Treasurer-Tax Collector and the Port agree that a further purpose of this MOU is to implement the Facilities CFD and the Services CFD, as more completely described in this MOU, the LDDA and the Lease, which is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws.

(c) MOU as Complementary Instrument. The City and the Port intend this MOU to complement, and not to conflict with, the Financing Documents, which will prevail over any conflicting provision in this MOU.

(d) Cooperation. The Controller and the Treasurer-Tax Collector agree to aid the Port, and the Controller, the Treasurer-Tax Collector and the Port agree to cooperate with one another, to implement the Financing Documents expeditiously and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the purposes of the Financing Documents are met during the term of this MOU.

(e) Validation. The City agrees to cooperate with the Port to file and prosecute to completion one or more validation actions associated with the formation of the IFD, Project Area G and Sub-Project Area G-1 and the issuance of related Debt.

(f) Consistent with Applicable Law. The Controller, the Treasurer-Tax Collector and the Port agree that nothing in this MOU is intended to obligate any party to take any action that is not consistent with applicable law.

3. Provisions Relating to the IFD, Project Area G-1 and Sub-Project Area G-1.

(a) Levy and Collection of Tax Increment. The Controller agrees to levy and the Treasurer-Tax Collector agrees to collect Tax Increment as required under and in accordance with applicable law. The Treasurer-Tax Collector will charge the IFD for any costs that the Treasurer-Tax Collector incurs in connection with issuance of bonds by the IFD for Sub-Project Area G-1 and any investment of bond proceeds for which the Treasurer-Tax Collector is responsible, and reserves the right to seek reimbursement of additional costs incurred in the collection of property taxes in Sub-Project Area G-1 that it will bill to the IFD. The Controller will deduct from the Tax Increment a cost recovery amount for its reasonable costs related to work performed for the IFD with respect to Sub-Project Area G-1.

(b) Allocation of Tax Increment. The Controller acknowledges that Revenue & Taxation Code Section 96.1 provides that the apportionment of property tax revenues from Sub-Project Area G-1 will be subject to the allocation and payment of Tax Increment to the IFD as set forth in the IFP. As set forth in this MOU, and subject to limitations under IFD Law and the IFD Documents, the Controller agrees to implement the MOU Resolution, to deposit Tax Increment when received into a segregated fund and to budget and appropriate Tax Increment to the IFD in the manner allocated by the City for the purpose of (a) financing Port Benefit Costs and Qualified Port Costs; (b) financing Pier 70 Facilities Costs; and (c) achieving other purposes authorized in the IFP and Appendix G-1. The Controller agrees to pay the Tax Increment allocated in Appendix G-1 to the IFD with respect to Sub-Project Area G-1 with the next allocation following receipt of a report from the Treasurer-Tax Collector on the amount of gross tax increment collected from Sub-Project Area G-1.

The manner in which the Board allocated Tax Increment to the IFD in Appendix G-1 is summarized below:

i. The Board irrevocably allocated Tax Increment from Sub-Project Area G-1 to the IFD to the extent the Tax Increment was necessary to repay bonds or related agreements (including Pledge Agreements) or meet contractual obligations that the Port is obligated to satisfy with Tax Increment, in each case to the extent such bonds, agreements or obligations were approved by the Board. **[confirm]**

ii. The Board reserved the discretion to make annual appropriations for the allocation of Tax Increment to the IFD to pay directly for the public capital improvements described in Appendix G-1.

(c) Statement of Indebtedness. The Port, the Controller and the Treasurer-Tax Collector agree that the IFD's obligations to use the funds for the purposes specified in the IFP and Appendix G-1 is a financial obligation under the IFD Law that the Port, as agent of the IFD with respect to Sub-Project Area G-1, will include in each Statement of Indebtedness. The Treasurer-Tax Collector and the Controller hereby agree that they will not dispute the amount of the debts shown on a Statement of Indebtedness prepared by the Port so long as the debts are consistent with the IFP and Appendix G-1. At the Controller's request, the Port, as agent of the IFD, will consult with the Controller in connection with the preparation of each Statement of Indebtedness.

(d) **Disbursement of Taxes; Port Direction.** The Controller agrees to disburse Tax Increment to the IFD with respect to Sub-Project Area G-1 to the extent collected and allocated in Appendix G-1 during each fiscal year.

(e) **Cooperation.** The Controller agrees to collaborate with the Port on any issuance of Debt secured by Tax Increment to implement the Financing Documents subject to IFD Law. The City also agrees that it will approve a request that the Port makes under IFD Law section 53395.8(h) on behalf of the IFD to use Subordinated Increment to pay debt service on Debt issued under this MOU.

(f) **Port Appointment as Agent with Respect to the IFD, Project Area G and Sub-Project Area G-1; Duration.**

In the IFD Ordinance, the Board, acting as the legislative body for the IFD under IFD Law, appointed the Port as the agent of the IFD with respect to Sub-Project Area

G-1 with the authority to: (1) disburse Tax Increment as provided in Appendix G-1; (2) determine whether and in what amounts the IFD will issue bonds in collaboration with the Office of Public Finance; (3) execute and deliver a Pledge Agreement for bonds issued by the Board of Supervisors for and on behalf of the Facilities CFD; (4) if bonds are issued, direct the indenture trustee's disbursement of the Debt proceeds; (5) incur Qualified Port Costs and Port Benefit Costs; and (6) prepare an annual Statement of Indebtedness on behalf of the IFD with respect to Sub-Project Area G-1 that lists the following forms of indebtedness by October 1 of each fiscal year: (A) the financial obligation of the IFD with respect to Sub-Project Area G-1 to apply Tax Increment in compliance with the IFP and Appendix G-1; (B) the obligation to reimburse Developer for any Port Benefit Costs; and (C) any other Debt authorized by Appendix G-1.

In accordance with Charter section B7.320 and the MOU Resolution, the Controller's obligation under this MOU to disburse Tax Increment as set forth in Appendix G-1 will continue until the Board passes and the Mayor approves a resolution revoking the Port's agency and terminating the Controller's authority to continue making disbursements as authorized by the IFP Ordinance, but in any event as long as any Debt payable from Tax Increment is outstanding or any obligations to Developer that are payable from Tax Increment have not been satisfied.

To the extent that the term of Sub-Project Area G-1 extends beyond revocation of the Port's agency, the Port's obligations as landowner will continue.

(g) No Unilateral Changes Affecting IFD. The City agrees to the following measures with respect to the IFD:

i. Except to the extent required under the IFD Law or other controlling state or federal law, City will not change the *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* in any way that would adversely affect the Port's ability to finance Port Benefit Costs, Qualified Port Costs or Pier 70 Facilities Costs. The City will not to initiate any changes to the boundaries of the IFD, Project Area G or Sub-Project Area G-1 without consulting with the Port and providing the Port the opportunity to review and object to the proposed changes.

ii. Except at the request of the Port, City will not initiate any amendments to Appendix G-1 that would adversely affect the timing or amount of Tax Increment or that would adversely affect the Port's ability to finance Port Benefit Costs, Qualified Port Costs or Pier 70 Facilities Costs.

iii. The City agrees not to form any additional land-secured financing districts over any portion of Sub-Project Area G-1 except at the request of the Port.

(h) To the extent necessary, the Port is hereby authorized to enter into one or more Acquisition Agreements to establish the terms and conditions under which the Port and other City agencies would acquire Pier 70 Facilities with proceeds of Debt and Tax Increment.

(i) The Port will use good faith efforts to confirm each year with the Assessor-Recorder that the parcels within Sub-Project Area G-1 are labeled with a unique identifier for the purpose of assisting the Controller with its duties under this Section 3.

4. Provisions Relating to the Facilities CFD.

(a) Cooperation. The City agrees to undertake proceedings for the formation of the Facilities CFD under the CFD Law, to issue bonds and to levy Facilities Special Taxes in the manner, for the purposes, in the circumstances and subject to the limitations in the CFD Documents and the LDDA.

(b) Port as Agent of the Facilities CFD. In the MOU Resolution, the Board approved this MOU and appointed the Port as the agent of the Facilities CFD with the authority to: (1) disburse Facilities Special Taxes as provided in the CFD Documents and the LDDA; (2) determine whether and in what amounts the Facilities CFD will issue bonds in collaboration with the Office of Public Finance; (3) if bonds are issued, direct the indenture trustee's disbursement of the proceeds of such bonds; and (4) on behalf of the Facilities CFD file all reports required by applicable law. The Port's appointment will continue until revoked by a Board resolution. To the extent that the term of the Facilities CFD extends beyond revocation of the Port's agency, the Port's obligations as landowner will continue.

(c) Levy and Collection of Facilities Special Taxes. The CFD (if the Facilities Special Taxes are collected on the unsecured property tax roll) or the Controller (if the Facilities Special Taxes are collected on the secured property tax roll), as applicable, will levy and the Treasurer-Tax Collector will collect Facilities Special Taxes. The Treasurer-Tax Collector will bill the Facilities CFD for its reasonable costs of collecting the Facilities Special Taxes; it will also charge the Facilities CFD for any costs that the Treasurer-Tax Collector incurs in connection with issuance of bonds by the Facilities CFD and any investment of bond proceeds for which the Treasurer-Tax Collector is responsible.

(d) Disbursement of Taxes. As set forth in this MOU, and subject to limitations under CFD Law and the Financing Documents, the Controller agrees to implement the MOU Resolution and to allocate, budget, appropriate and disburse to the Facilities CFD, Facilities Special Taxes collected on the annual secured property tax roll from the Facilities CFD to finance Port Benefit Costs, Qualified Port Costs and Pier 70 Facilities Costs.

(e) Duration. In accordance with Charter section B7.320 and the MOU Resolution, the Controller's authority under this MOU to disburse funds will continue until the Board passes and the Mayor approves a resolution revoking the Port's agency and terminating the Controller's authority to continue making disbursements as authorized in this MOU, but in any event as long as any bonds payable from Facilities Special Taxes is outstanding or any obligations to Developer that are payable from Facilities Special Taxes have not been satisfied.

(f) Bonds. The City agrees to collaborate with the Port upon request to issue on behalf of the Facilities CFD bonds secured by Special Taxes to implement the CFD Documents subject to CFD Law.

(g) No Unilateral Changes Affecting CFD. The City agrees to the following measures with respect to the Facilities CFD:

- i. Except to the extent required under the CFD Law or other controlling state or federal law, the City will not change the *Local Goals and Policies for Community Facilities Districts* in any way that would adversely affect

the Port's ability to finance Port Benefit Costs, Qualified Port Costs and Pier 70 Facilities Costs.

ii. The City will not initiate any changes to the boundaries of the Facilities CFD without consulting with the Port and providing the Port with the opportunity to review and object to the proposed changes.

iii. Once a Facilities CFD has been established, and except at the request of the Port, City will not initiate any amendments to the CFD Financing Documents that would adversely affect the timing or amount of Facilities Special Taxes or that would adversely affect the Port's ability to finance Port Benefit Costs, Qualified Port Costs and Pier 70 Facilities Costs.

(h) To the extent necessary, the Port is hereby authorized to enter into one or more Acquisition Agreements to establish the terms and conditions under which the Port and other City agencies would acquire Pier 70 wide Facilities with proceeds of bonds and Facilities Special Taxes.

5. Provisions Relating to the Services CFD.

(a) Cooperation. The City agrees to undertake proceedings for the formation of the Services CFD under the CFD Law and to levy Services Special Taxes in the manner, for the purposes, in the circumstances and subject to the limitations in the CFD Documents and the LDDA. The parties agree that the Services CFD may provide for the levy of the Services Special Taxes on a perpetual basis.

(b) Port as Agent of the Services CFD. In the MOU Resolution, the Board approved this MOU and appointed the Port as the agent of the Services CFD with the authority to (i) disburse Services Special Taxes as provided in the CFD Documents and the LDDA and (ii) on behalf of the Facilities CFD file all reports required by applicable law. The Port's appointment will continue until revoked by a Board resolution. To the extent that the term of the Services CFD extends beyond revocation of the Port's agency, the Port's obligations as landowner will continue.

(c) Levy and Collection of Services Special Taxes. The CFD (if the Facilities Special Taxes are collected on the unsecured property tax roll) or the Controller (if the Facilities Special Taxes are collected on the secured property tax roll), as applicable, will levy and the Treasurer-Tax Collector agrees to collect Services Special Taxes. The Treasurer-Tax Collector will bill the Services CFD for its reasonable costs of collecting the Services Special Taxes.

(d) Disbursement of Taxes. As set forth in this MOU, and subject to limitations under CFD Law and the Financing Documents, the Controller agrees to implement the MOU Resolution and to allocate, budget, appropriate and disburse to the Services CFD, Services Special Taxes collected on the annual secured property tax roll to finance ongoing maintenance and capital repairs of Maintained Facilities.

(e) Duration. In accordance with Charter section B7.320 and the MOU Resolution, the Controller's authority under this MOU to disburse funds will continue until the Board passes and the Mayor approves a resolution revoking the Port's agency and terminating the Controller's authority to continue making disbursements as authorized in this MOU.

(f) No Unilateral Changes Affecting CFD. The City agrees to the following measures with respect to the Services CFD:

iv. Except to the extent required under the CFD Law or other controlling state or federal law, the City will not change the *Local Goals and Policies for Community Facilities Districts* in any way that would adversely affect the Port's ability to finance ongoing maintenance and capital repairs of Maintained Facilities.

v. The City will not initiate any changes to the boundaries of the Services CFD without consulting with the Port and providing the Port with the opportunity to review and object to the proposed changes.

vi. Once a Services CFD has been established, and except at the request of the Port, City will not initiate any amendments to the CFD Financing Documents that would adversely affect the timing or amount of Services Special Taxes or that would adversely affect the Port's ability to finance ongoing maintenance and capital repairs of Maintained Facilities.

6. No General Fund Commitment; Limited Funding Sources.

(a) This MOU is not intended to and does not create any City commitment or obligation to satisfy any portion of Debt from the City's General Fund, nor may this MOU be construed in any manner that would violate the debt limitations under article XVI, section 18 of the State Constitution or under the City's Charter, including section 3.105 of the Charter.

(b) Unless otherwise agreed to by the City, Tax Increment from Sub-Project Area G-1 will be the only IFD sources available to pay debt service on Debt and to finance Qualified Port Costs, Port Benefit Costs and Pier 70 Facilities Costs.

(c) Unless otherwise agreed to by the City, Special Taxes will be the only special taxes available to finance Port Benefit Costs, Qualified Port Costs, Pier 70 Facilities Costs and ongoing maintenance and capital repairs of Maintained Facilities or to pay debt service on Debt.

7. Notices.

(a) Manner of Notice. Any notice, request for consent, or response to a request for consent (any of these documents, a "**notice**") given under this MOU will be effective only if in writing and given by delivering the notice in person or by sending it first-class certified mail with return receipt requested or by overnight courier return receipt requested, with postage prepaid, to the addresses specified below.

(b) Addresses for Notice. Notices must be delivered to the following addresses, or at any other address designated by a party's notice as a new address for notices:

Address for Port:

Port of San Francisco
Pier 1
San Francisco, CA 94111
Attn: Deputy Director of Finance
Telephone: (415) 274-0400
Re: SF/Port MOU
(Pier 70 - Historic Core)

And to: Office of the City Attorney
Pier 1, Port of San Francisco
San Francisco, CA 94102
Attn: Port General Counsel
Telephone: (415) 274-0400
Re: SF/Port MOU
(Pier 70 - Historic Core)

Address for Controller: Office of the Controller
City and County of San Francisco
City Hall, Room 316
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Ben Rosenfield, Controller
Email: ben.rosenfield@sfgov.org
Telephone: 415-554-7500
Fax No.: 415-554-7466
Re: SF/Port MOU
(Pier 70 - Historic Core)

Address for Treasurer-Tax Collector: Office of the Treasurer and Tax Collector
City and County of San Francisco
City Hall, Room 140
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn:
Email:
Telephone: 415-554-_____
Fax No.: 415-554-_____
Re: SF/Port MOU
(Pier 70 - Historic Core)

And to: Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place, Room 232
San Francisco, CA 94102
Attn: Real Estate/Finance
Re: SF/Port MOU
(Pier 70 - Historic Core)

(c) Effective Date. Any notice under this MOU will be deemed to have been given two business days after the date it is mailed if sent by first-class certified mail, one business day after the date it is mailed if sent by overnight courier, or on the date personal delivery is made or refused. Attempts to provide notice by email, telephone, or facsimile will not bind or be effective against any party.

8. Successors and Assigns; No Third-Party Beneficiary.

This MOU binds the City's and the Port's respective successors and assigns. This MOU is for the exclusive benefit of the City and the Port and not for the benefit of

any other person and may not be deemed to have conferred any rights, express or implied, upon any other person.

9. Amendments to MOU.

This MOU may be amended or modified only by a written instrument executed by the Controller, the Treasurer-Tax Collector and the Port. The Mayor, the Controller and the Treasurer-Tax Collector (or any successor City officer as designated by law) may consent on the City's behalf to any change that does not increase or decrease the pledge of Tax Increment or Facilities Special Taxes that is the subject of this MOU or otherwise materially increase the City's liabilities or obligations or materially decrease the availability of Tax Increment, Facilities Special Taxes or Services Special Taxes for the purposes specified in this MOU. In accordance with Charter section B7.340, the Board must approve any other change by resolution approved by the Mayor.

10. Definitions.

The following terms have the following meanings in this MOU.

“**Appendix G-1**” is defined in the Recitals of this MOU.

“**Board**” is defined in the preamble.

“**Building 102 Electrical Work**” means (i) the removal and remediation of all polychlorinated biphenyl and other Hazardous Materials now or hereafter present in the electrical transformers, switches and other equipment located on the basement level and the main level of Building 102, and the removal and replacement of all transformers, all in accordance with applicable Environmental Laws to provide electrical service to users within Building 102 and outside the Historic Core, in particular, any operator of the shipyard within Pier 70; and (ii) and the repair or rehabilitation of the remaining equipment and related transmission lines as may be necessary to comply with all applicable state and local codes and to provide electrical service to users outside the Historic Core.

“**CFD Documents**” is defined in the Recitals of this MOU.

“**CFD Law**” is defined in the Recitals of this MOU.

“**City**” is defined in the preamble.

“**Controller**” is defined in the preamble.

“**Debt**” has the meaning given that term in Appendix G-1, and includes any bonds or other forms of indebtedness secured by and payable from either Tax Increment or Tax Increment and Facilities Special Taxes, issued by the IFD or the CFD to implement the Financing Documents.

“**Developer**” is defined in the Recitals of this MOU.

“**Environmental Laws**” is defined in the LDDA.

“**Facilities CFD**” is defined in the Recitals of this MOU.

“Facilities Special Taxes” is defined in the Recitals of this MOU.

“Financing Documents” is defined in the Recitals of this MOU.

“Hazardous Material” is defined in the LDDA.

“Historic Core” is defined in the Recitals of this MOU.

“IFD” is defined in the Recitals of this MOU.

“IFD Documents” is defined in the Recitals of this MOU.

“IFD Law” is defined in the Recitals of this MOU.

“IFP” is defined in the Recitals of this MOU.

“Increment” means the tax increment revenues generated within Sub-Project Area G-1 from and after fiscal year 2016-17.

“Infrastructure” means site preparation, including removal of contaminated soils, grading, soil compaction and stabilization, construction and installation of water, sanitary sewer, storm drainage, and utility infrastructure.

“LDDA” is defined in the Recitals of this MOU.

“Lease” is defined in the Recitals of this MOU.

“Maintained Facilities” is defined in the Recitals of this MOU.

“MOU” is defined in the preamble.

“MOU Resolution” is defined in the preamble.

“notice” is defined in Section 9(a).

“Pier 70” is shown in the map attached hereto as Exhibit A.

“Pier 70 Facilities” means, collectively, Pier 70 wide Infrastructure, Shoreline Protection Facilities and Public Facilities.

“Pier 70 Facilities Costs” means the Port’s costs for Pier 70 Facilities to the extent such costs do not otherwise constitute Qualified Port Costs or Port Benefit Costs.

“Port” is defined in the preamble.

“Port Benefit Costs” means the costs incurred by Developer in performing Port Benefit Tasks and that are authorized to be reimbursed to the extent provided in the LDDA and in compliance with Appendix G-1 and applicable laws.

“Port Benefit Tasks” means (i) activities described in Exhibit W attached to the LDDA that are undertaken by Developer on the Port’s behalf at the request of the Port, (ii) the Building 102 Electrical Work if Developer exercises its rights to perform the Building 102 Electrical Work in accordance with Section 2.2(b)(iv) of the LDDA, and (iii) such other activities that are not listed on Exhibit W attached to the LDDA that are outside the scope of Developer’s obligation to Construct the Project but are undertaken by Developer at the request of the Port.

“Project” is defined in the Recitals of this MOU.

“Project Area G” is defined in the Recitals of this MOU.

“Public Facilities” means streets and walkways, transit facilities, public facilities, shoreline improvements including stone columns, pilings, or other structures to stabilize the seawall or shoreline, and parks and public access areas.

“Qualified Port Costs” means the Port’s costs of public improvements and facilities described in Appendix G-1, including without limitation Port Benefit Tasks not otherwise performed by, and subject to reimbursement by the Port to, Developer.

“Required Port Benefit Tasks” means the Port Benefit Tasks identified as “Required Port Benefit Tasks” on Exhibit W attached to the LDDA.

“Services Special Taxes” is defined in the Recitals of this MOU.

“Shoreline Protection Facilities” means the possible future construction of waterfront improvements to protect Port property in the Pier 70 area from perils associated with climate change, including sea level rise and floods.

“Special Taxes” is defined in the Recitals of this MOU.

“Statement of Indebtedness” means the annual statement of indebtedness required by the IFD Law to be filed with the county tax collector (as defined in the IFD Law) for Sub-Project Area G-1.

“Subordinated Increment” means any Increment received by the IFD for the purpose of paying debt service on the Port IFD Bonds as a result of subordination by the City of its right to receive Increment as contemplated by IFD Law § 53395.8(h).

“Sub-Project Area G-1” is defined in the Recitals of this MOU.

“Tax Administration Agreement” is defined in the Recitals of this MOU.

“Tax Increment” means, collectively, (i) that portion of the City’s share of every dollar of Increment allocated to the IFD with respect to Sub-Project Area G-1 under Appendix G-1 and (ii) the county share of the Educational Revenue Augmentation Fund committed to the IFD with respect to Sub-Project Area G-1.

“Treasurer-Tax Collector” is defined in the preamble.

Executed and effective as of the last date set forth below.

CONTROLLER OF THE CITY AND COUNTY OF SAN FRANCISCO,

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation operating by and through the San Francisco Port Commission

By: _____
BEN ROSENFELD

By: _____
MONIQUE MOYER
Executive Director

Date: _____

Date: _____

**TREASURER AND
TAX COLLECTOR
OF THE CITY AND
COUNTY OF SAN
FRANCISCO,**

REVIEWED:

DENNIS J. HERRERA
City Attorney

By: _____
JOSE CISNEROS

By: _____
Grace Park
Deputy City Attorney

Date: _____

REVIEWED:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

CLERK OF THE BOARD,

By: _____
ANGELA CALVILLO

Date: _____

Authorized by:

Port Resolution No. 15-43
Board of Supervisors Resolution No. _____

EXHIBIT A

Map of Pier 70

