

1 [Resolution of Intention to Issue Bonds - Not To Exceed \$273,900,000 for Sub-Project Area
2 G-2, \$196,100,000 for Sub-Project Area G-3, and \$323,300,000 for Sub-Project Area G-4 -
Infrastructure Financing District No. 2 (Port of San Francisco)]

3
4 **Resolution of Intention to issue bonds in an amount not to exceed \$273,900,000 for**
5 **Sub-Project Area G-2, \$196,100,000 for Sub-Project Area G-3, and \$323,300,000 for Sub-**
6 **Project Area G-4, for the City and County of San Francisco Infrastructure Financing**
7 **District No. 2 (Port of San Francisco).**

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

13 WHEREAS, Under Government Code Section 53395 et seq. (IFD Law), this Board of
14 Supervisors is authorized to establish an infrastructure financing district and to act as the
15 legislative body for an infrastructure financing district; and,

16 WHEREAS, Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be
17 divided into project areas; and,

18 WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of
19 Intention to Establish IFD), this Board of Supervisors declared its intention to establish a
20 waterfront district to be known as "City and County of San Francisco Infrastructure Financing
21 District No. 2 (Port of San Francisco)" (IFD), and designated initial proposed project areas
22 within the IFD, including Project Area G (Pier 70); and,

23 WHEREAS, On June 12, 2012, by Resolution No. 227-12 (First Amending Resolution),
24 this Board of Supervisors amended the Original Resolution of Intention to propose, among
25 other things, an amended list of project areas; and,

1 WHEREAS, On November 17, 2015, by Resolution 421-15 (Second Amending
2 Resolution, and together with the Original Resolution of Intention to Establish IFD and the
3 First Amending Resolution, the Resolution of Intention to Establish IFD), this Board of
4 Supervisors amended the Original Resolution of Intention, as amended by the First Amended
5 Resolution, to propose, among other things, a further amended list of project areas; and,

6 WHEREAS, In the Resolution of Intention to Establish IFD, this Board of Supervisors
7 directed the Executive Director of the Port of San Francisco (Executive Director) to prepare an
8 infrastructure financing plan for the IFD (Infrastructure Financing Plan) that would comply with
9 the IFD Law, and reserved the right to establish infrastructure financing plans in the future
10 specific to other project areas and sub-project areas within the IFD; and,

11 WHEREAS, In accordance with the IFD Law, at the direction of this Board of Directors,
12 the Executive Director prepared the Infrastructure Financing Plan; and,

13 WHEREAS, On February 23, 2016, by Ordinance No. 27-16 (Ordinance Establishing
14 IFD), this Board of Supervisors, among other things, declared the IFD to be fully formed and
15 established with full force and effect of law and adopted the Infrastructure Financing Plan;
16 and,

17 WHEREAS, On _____, 2017, by Resolution No. _____, this Board of Supervisors
18 declared its intention to establish Sub-Project Area G-2 (Pier 70 - Waterfront Site), Sub-
19 Project Area G-3 (Pier 70 - Waterfront Site) and Sub-Project Area G-4 (Pier 70 - Waterfront
20 Site), each a Pier 70 district and a sub-project area within Project Area G (Pier 70); and,

21 WHEREAS, Pursuant to Section 53397.1 of the IFD Law, this Board of Supervisors
22 may initiate proceedings to issue bonds pursuant to the IFD Law by adopting a resolution by
23 majority vote stating its intention to issue the bonds; and,
24
25

1 WHEREAS, United States Income Tax Regulations section 1.150-2 generally requires
2 this Board of Supervisors to declare its official intent to reimburse with proceeds of tax-exempt
3 debt expenditures made by the City prior to the date of issuance of such debt; and,

4 WHEREAS, It is in the public interest and for the public benefit that the City declares its
5 official intent to reimburse the expenditures referenced herein; now, therefore, be it

6 RESOLVED, By the Board of Supervisors as follows:

7 1. Purposes of Bonds. This Board of Supervisors proposes that the IFD issue one
8 or more series of bonds of the IFD payable from and secured by a pledge of available tax
9 increment allocated to the IFD with respect to Sub-Project Area G-2 (Pier 70 - Waterfront Site)
10 (Sub-Project Area G-2 Bonds) and other sources identified by this Board of Supervisors for
11 the purpose of financing the costs of the facilities specified in Appendix G-2 (Sub-Project Area
12 G-2 Facilities), including acquisition and improvement costs and all costs incidental to or
13 connected with the accomplishment of said purposes and of the financing thereof. This Board
14 of Supervisors further proposes that the IFD issue one or more series of bonds of the IFD
15 payable from and secured by a pledge of available tax increment allocated to the IFD with
16 respect to Sub-Project Area G-3 (Pier 70 - Waterfront Site) (Sub-Project Area G-3 Bonds) and
17 other sources identified by this Board of Supervisors for the purpose of financing the costs of
18 the facilities specified in Appendix G-3 (Sub-Project Area G-3 Facilities), including acquisition
19 and improvement costs and all costs incidental to or connected with the accomplishment of
20 said purposes and of the financing thereof. This Board of Supervisors further proposes that
21 the IFD issue one or more series of bonds of the IFD payable from and secured by a pledge
22 of available tax increment allocated to the IFD with respect to Sub-Project Area G-4 (Pier 70 -
23 Waterfront Site) (Sub-Project Area G-4 Bonds, and together with the Sub-Project Area G-2
24 Bonds and the Sub-Project Area G-3 Bonds, the Bonds) and other sources identified by this
25 Board of Supervisors for the purpose of financing the costs of the facilities specified in

1 Appendix G-4 (Sub-Project Area G-4 Facilities), including acquisition and improvement costs
2 and all costs incidental to or connected with the accomplishment of said purposes and of the
3 financing thereof.

4 This Board of Supervisors hereby declares that it reasonably expects (i) to pay certain
5 costs of the Sub-Project Area G-2 Facilities prior to the date of issuance of the Sub-Project
6 Area G-2 Bonds and (ii) to use a portion of the proceeds of the Sub-Project Area G-2 Bonds
7 for reimbursement of expenditures for the Sub-Project Area G-2 Facilities that are paid before
8 the date of issuance of the Sub-Project Area G-2 Bonds. This Board of Supervisors hereby
9 further declares that it reasonably expects (i) to pay certain costs of the Sub-Project Area G-3
10 Facilities prior to the date of issuance of the Sub-Project Area G-3 Bonds and (ii) to use a
11 portion of the proceeds of the Sub-Project Area G-3 Bonds for reimbursement of expenditures
12 for the Sub-Project Area G-3 Facilities that are paid before the date of issuance of the Sub-
13 Project Area G-3 Bonds. This Board of Supervisors hereby further declares that it reasonably
14 expects (i) to pay certain costs of the Sub-Project Area G-4 Facilities prior to the date of
15 issuance of the Sub-Project Area G-4 Bonds and (ii) to use a portion of the proceeds of the
16 Sub-Project Area G-4 Bonds for reimbursement of expenditures for the Sub-Project Area G-4
17 Facilities that are paid before the date of issuance of the Sub-Project Area G-4 Bonds.

18 2. Estimated Cost. This Board of Supervisors hereby estimates that the cost of the
19 Sub-Project Area G-2 Facilities, Sub-Project Area G-3 Facilities and the Sub-Project Area G-4
20 Facilities will be approximately \$273.9 million (2017 dollars), \$196.1 million (2017 dollars) and
21 \$323.3 million (2017 dollars), respectively, and that the estimated costs of preparing and
22 issuing each series of the Bonds (not including underwriter's discount) will be equal to
23 approximately 2% of the principal amount of such series of Bonds. Prior to the issuance of
24 any Bonds authorized hereby, this Board of Supervisors will approve the payment of the
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1 actual costs of preparing and issuing each series of Bonds, including the underwriter's
2 discount.

3 3. Terms of Bonds. This Board of Supervisors intends to authorize the issuance
4 and sale of (i) Sub-Project Area G-2 Bonds in one or more series in the maximum aggregate
5 principal amount of not to exceed \$273,900,000, (ii) Sub-Project Area G-3 Bonds in one or
6 more series in the maximum aggregate principal amount of not to exceed \$196,100,000 and
7 (ii) Sub-Project Area G-4 Bonds in one or more series in the maximum aggregate principal
8 amount of not to exceed \$323,300,000; provided however, that such maximum aggregate
9 principal amounts do not include the principal amount of (i) any bonds issued for the sole
10 purpose of refinancing the Bonds, funding a reserve fund for such refunding bonds and paying
11 related costs of issuance and (ii) any bonds issued for the sole purpose of refunding such
12 refunding bonds, funding a reserve fund and paying related costs of issuance. The Bonds will
13 bear interest payable semi-annually or in such other manner as this Board of Supervisors
14 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by
15 applicable law at the time of sale of the Bonds. The maximum underwriter's discount for each
16 series of the Bonds (excluding original issue discount) shall be 2%. As permitted by Section
17 53397.71 of the IFD Law, this Board of Supervisors may increase the maximum aggregate
18 principal amount described above by adopting a resolution and complying with the publication
19 requirements specified in the IFD Law.

20 4. Available Tax Revenues. This Board of Supervisors estimates, based on the
21 analysis set forth in Appendix G-2, Appendix G-3 and Appendix G-4, that the incremental
22 property tax revenues that will be available to the IFD from Sub-Project Area G-2, Sub-Project
23 Area G-3 and Sub-Project Area G-4 are approximately \$1.04 billion, \$770.5 million and \$1.19
24 billion, respectively. This Board of Supervisors hereby finds that the amount necessary to pay
25 principal of and interest on the Sub-Project Area G-2 Bonds is less than or equal to the

1 incremental property tax revenues that will be available to the IFD from Sub-Project Area G-2
2 to pay principal of and interest on the Sub-Project Area G-2 Bonds. This Board of
3 Supervisors hereby further finds that the amount necessary to pay principal of and interest on
4 the Sub-Project Area G-3 Bonds is less than or equal to the incremental property tax
5 revenues that will be available to the IFD from Sub-Project Area G-3 with respect to pay
6 principal of and interest on the Sub-Project Area G-3 Bonds. This Board of Supervisors
7 hereby further finds that the amount necessary to pay principal of and interest on the Sub-
8 Project Area G-4 Bonds is less than or equal to the incremental property tax revenues that will
9 be available to the IFD from Sub-Project Area G-4 with respect to pay principal of and interest
10 on the Sub-Project Area G-4 Bonds.

11 5. Election. Pursuant to Section 53397.71 of the IFD Law, no election is required
12 prior to issuance of the Bonds.

13 6. Debt. This Board of Supervisors also proposes to incur debt (as defined in the
14 IFD Law) other than the Bonds as set forth in Appendix G-2, Appendix G-3 and Appendix G-4,
15 as Appendix G-2, Appendix-G-3 and Appendix G-4 may be amended from time to time. The
16 limitations on Bonds set forth in this Resolution, including, but not limited to, the respective
17 maximum aggregate principal amounts specified in Section 3, shall apply only to the Bonds
18 and not to other debt (as defined in the IFD Law) payable from available tax increment
19 allocated to the IFD (i) from Sub-Project Area G-2 pursuant to Appendix G-2, (ii) from Sub-
20 Project Area G-3 pursuant to Appendix G-3 and (iii) from Sub-Project Area G-4 pursuant to
21 Appendix G-4, including, without limitation, any bonds issued by the City for and on behalf of a
22 community facilities district related to the territory in Sub-Project Area G-2 (Pier 70 -
23 Waterfront Site), Sub-Project Area G-3 (Pier 70 - Waterfront Site) and Sub-Project Area G-4
24 (Pier 70 - Waterfront Site) secured, in whole or in part, by available tax increment allocated to
25

1 the IFD with respect to Sub-Project Area G-2 (Pier 70 - Waterfront Site), Sub-Project Area G-3
2 (Pier 70 - Waterfront Site) and/or Sub-Project Area G-4 (Pier 70 - Waterfront Site).

3 7. No Obligation. This Resolution shall in no way obligate this Board of Supervisors
4 to issue Bonds for the IFD with respect to Sub-Project Area G-2, Sub-Project Area G-3 or
5 Sub-Project Area G-4. Issuance of the Bonds shall be subject to the approval of this Board of
6 Supervisors.

7 8. California Environmental Quality Act. This Board of Supervisors hereby finds that,
8 pursuant to Title 14, California Code of Regulations, Sections 15378 and 15060(c)(2),
9 adoption of this Resolution is not a "project" under the California Environmental Quality Act
10 because it does not result in a physical change in the environment.

11
12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA
City Attorney

14
15
16 By: _____

17 MARK D. BLAKE
Deputy City Attorney

18 n:\egana\as2017\1800030\01209118.docx

Pier 70 Mixed Use Project Overview

July 25, 2017

Between 2007 and 2010 the Port led an extensive community process to develop the Pier 70 Preferred Master Plan, with the goal of redeveloping the site to bring back its historic activity levels through infill and economic development, and increasing access to the water and creating new open spaces, while maintaining the area's historic character and supporting its ship repair activities. The Pier 70 Preferred Master Plan was endorsed by the Port Commission in 2010. The Port then issued a Request for Developer Qualifications for the Waterfront Site infill development opportunity, representing a 28 acre portion of Pier 70. In 2011, after a competitive solicitation process, Forest City was named as master developer. In 2013, the Port Commission and the Board of Supervisors each unanimously endorsed a term sheet, outlining the proposed land plan and transaction terms for future development of Pier 70. In 2014, 73% of voters supported Proposition F, the 2014 ballot measure supporting Forest City's proposed vision for reuse of the area and enabling the Board of Supervisors to increase height limits at the project. Throughout this process, Forest City and the Port have undertaken extensive engagement and outreach efforts, hosting workshops, open houses, markets, tours, presentations and family events – more than 135 events at last count engaging over 75,000 people. These activating events have allowed visitors to experience Pier 70, and share their input as to its future, today rather than wait for Project improvements.

After a decade of outreach and concept development, the Pier 70 project has developed into a clear vision to reintegrate and restore the 28-Acre Site into the fabric of San Francisco, creating an active, sustainable neighborhood that recognizes its industrial past. As contemplated in the proposed Pier 70 SUD Design for Development, the future of the 28-Acre Site is envisioned as an extension of the nearby Dogpatch neighborhood that joins community and industry, engaging residents, workers, artists, and manufacturers into a lively mix of uses and activities. The Project will reflect this diversity and creativity, inviting all to the parks, which are lined with local establishments, restaurants, arts uses, and event spaces, each with individual identities. And as a fundamental premise, the Project will create public access to the San Francisco Bay where it has never previously existed, opening up the shoreline for all to enjoy.

New buildings within the site will complement the industrial setting and fabric in size, scale, and material, with historic buildings repurposed into residential use, spaces for local manufacturing and community amenities. The Project will include a diversity of open spaces at multiple scales, shaped by nearby buildings, framing the waterfront, and creating a platform for a range of experiences.

Project Statistics (Mid Point Program – Pier 70 SUD):

- 1,400,000 square feet of new office space
- 2150 new housing units (Approximately 1200 rentals and 950 condos)
- 400,000 square feet of active ground floor uses (traditional retail, arts uses, and PDR)
- Over nine acres of new public open space
- Preservation and rehabilitation of three historic buildings on site (2, 12, and 21)

Public Benefits:

The Supervisor's Office, OEWD, Port, and Forest City have negotiated a public benefit package that reflects the goals of the Southern Bayfront, and represents over \$750M dollars of public benefits. Key benefits include:

- **Affordable Housing:** Overall the project will result in 30% onsite affordability, with the following components:
 - Approximately 150 or more units of onsite rental inclusionary housing, representing 20% of the units in all onsite rental buildings. These units will be affordable to households from 55% TO 110% of area median income, with the maximum number possible at the time of their lottery rented to applicants under the Neighborhood Resident Housing Preference program.
 - Approximately 320 or more fully-funded units of permanently affordable family and formerly homeless housing, in three buildings developed by local nonprofits located close to transit and a children’s playground.
 - Estimated \$15- \$20M in revenue dedicated to HOPE SF projects, including Potrero Rebuild.
- **Transportation Funding and On-Site Services:** Transportation demand management on-site, facilities to support a new bus line through the project, an open-to-the-public shuttle service, and almost \$50 million in funding that will be used to support neighborhood-supporting transportation infrastructure. Commitment to reducing total auto trips by 20% from amount analyzed in Project environmental review document.
- **Workforce Development Program:** 30% local hiring commitment, local business enterprise (“LBE”) utilization, participation in OEWD’s “First Source” hiring programs, and funding to support expansion of CityBuild and TechSF with outreach to District 10 residents.
- **Rehabilitation of Historic Structures at Pier 70:** The Project will rehabilitate three key historic structures (Buildings 2, 12, 21) and include interpretive elements to enhance public understanding of the Union Iron Works Historic District in open space, streetscape and building design.
- **Parks:** The project will provide over 9 acres of new open space for a variety of activities, including an Irish Hill playground, a market square, a central commons, public art, a minimum 20k square feet active rooftop recreation, and waterfront parks along 1,380 feet of shoreline. Project will pay for maintenance of its own parks.
- **Retail and Industrial Uses:** The project will provide a 60,000 square foot local market hall supporting local manufacturing, is committing to a minimum of 50,000 square feet of on-site PDR space, and is developing a small business attraction program with OEWD staff.
- **A Centerpiece For the Arts:** The project will include an up to 90,000 square foot building that will house local performing and other arts nonprofits, as well as providing replacement, permanently affordable studio space for the Noonan building tenants. The development will provide up to \$20 million through fee revenue and a special tax for development of the building.
- **Community Facilities:** The Project will contribute up to \$2.5M towards creating new space to serve the education and recreational needs of the growing community from Central Waterfront, from Mission Bay to India Basin and Potrero Hill, as well as include on-site childcare facilities.
- **Site Sea Level Rise Protection:** The Project’s waterfront edge will be designed to protect buildings against the high-end of projected 2100 sea-level-rise estimates established by the state, and the grade of the entire site will be raised to elevate buildings and ensure that utilities function properly.
- **City Seawall Improvement Funding Stream:** The Project will include a perpetual funding stream of between \$1 and \$2 billion to finance future sea level rise improvements anywhere along the San Francisco waterfront.

The Project's commitment to these benefits will be memorialized in the Development Agreement, which must be recommended for approval by the Planning Commission, and the Disposition and Development Agreement, which will be approved by the Port Commission, before seeking final approval from the Board of Supervisors.

Zoning and Design Controls:

The DA and DDA are part of a larger regulatory approvals package that also includes a Planning Code text amendment creating a Special Use District ("SUD") for the Project Site, conforming Zoning Map amendments for height and to establish the Special Use District and a Design for Development (D4D) which will detail development standards and guidelines for buildings, open space and streetscape improvements. Under the Design for Development, the following components of the Project will be subject to review and approval as follows:

- **New Development:** New buildings will be reviewed by Planning Department staff, in consultation with Port staff, for consistency with the standards and guidelines in the Design for Development, with a recommendation to the Planning Director who will approve or deny applications for proposed new buildings;
- **Historic Rehabilitation:** Historic rehabilitation of Buildings 2, 12 and 21 will be reviewed by Port staff, in consultation with Planning Department staff, for consistency with Secretary of the Interior's Standards for Treatment of Historic Properties ("Secretary's Standards") and the standards and guidelines in the Design for Development as part of the Port's building permit process, with a recommendation to the Port Executive Director, who will approve or deny plans for proposed historic rehabilitation projects; and
- **Parks and Open Space:** Design of parks and open space will undergo public design review by a design advisory committee appointed by the Port Executive Director, with a recommendation to the Port Commission, which will approve or deny park schematic designs.

Project Approvals:

The approvals relating to the proposed Project include:


1. Entitlements, including certification and approval of a Final Environmental Impact Report ("EIR"), adoption of a Special Use District and its accompanying Design for Development, amendments to the City's General Plan, Planning Code and Zoning Map, and a Development Agreement.
2. Implementing Documents, including a Disposition and Development Agreement (DDA) governing the transaction between the Port and Forest City, setting forth Forest City's obligations for horizontal development, including infrastructure, affordable housing and jobs, and establishing the timing for vertical development; and a Financing Plan setting forth the financial deal, including public financing and disposition of land proceeds.
3. Public Financing approvals, including establishment of an infrastructure financing district (IFD) project area to support construction of infrastructure and rehabilitation of historic structures, an Infrastructure and Revitalization Financing District (IRFD) to support onsite affordable housing, and a series of community facilities districts (CFD) which will fund construction of infrastructure, maintenance of streets and open space, construction of the arts building, and combat sea level rise along the seawall.
4. a Trust Exchange that requires approval and implementation of a Compromise Title Settlement and Land Exchange Agreement and an amendment to the Burton Act Transfer Agreement with the California State Lands Commission ("State Lands") consistent with the requirements of AB 418.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

RECEIVED
7/25/2017 @ 5:50pm

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee 
RE: Pier 70 Project
DATE: July 25, 2017

SL

Attached for introduction to the Board of Supervisors is legislation for the Pier 70 Project:

- ✓- Resolution of Intention to Issue Bonds in an Amount Not to Exceed \$273,900,000, \$196,100,000 and \$323,300,000 for Sub-Project Area G-2, Sub-Project Area G-3 and Sub-Project Area G-4, respectively, City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).
- ✓ Resolution of Intention to establish Sub-Project Area G-2, Sub-Project Area G-3 and Sub-Project Area G-4 of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).
 - Resolution authorizing and directing the Executive Director of the Port of San Francisco, or designee of the Executive Director of the Port of San Francisco to prepare an infrastructure financing plan for City and County of San Francisco Infrastructure Financing District No. 2 (Hoedown Yard) and determining other matters in connection therewith.
 - Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard) on land within the City and County of San Francisco commonly known as the Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K South; to call a public hearing on October 24, 2017 on the formation of the district and to provide public notice thereof; and determining other matters in connection therewith.
 - Resolution of intention to issue bonds for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard) and determining other matters in connection therewith.
 - Ordinance approving a Development Agreement between the City and County of San Francisco and FC Pier 70, LLC, for 28 acres of real property located in the Pier 70 area; waiving certain provisions of the Administrative Code, Planning Code, and Subdivision Code; and adopting findings under the California Environmental Quality Act, public trust findings, and findings of consistency with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b).

- Ordinance amending the Planning Code and the Zoning Map to add the Pier 70 Special Use District; and making findings, including findings under the California Environmental Quality Act and findings of consistency with the General Plan, the eight priority policies of Planning Code Section 101.1, and Planning Code Section 302.

Please note that the legislation is co-sponsored by Supervisor Cohen.

I respectfully request that these items be calendared in Land Use Committee on October 16, 2017.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.

