

1 [Establishing Project Area I (Mission Rock), and Sub-Project Areas I-1 Through I-13 Therein -
2 Adopting Appendix I to Infrastructure Financing Plan (Port of San Francisco)]

3 **Ordinance establishing Project Area I (Mission Rock), and Sub-Project Areas I-1**
4 **through I-13 therein, of City and County of San Francisco Infrastructure Financing**
5 **District No. 2 (Port of San Francisco); affirming the Planning Department’s**
6 **determination and making findings under the California Environmental Quality Act; and**
7 **approving other matters in connection therewith.**

8
9 Be it ordained by the People of the City and County of San Francisco:

10 (a) Findings. The Board of Supervisors of the City and County of San Francisco
11 hereby finds, determines, and declares based on the record before it that:

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

17 (2) Under California Government Code Sections 53395 et seq. (IFD Law),
18 the Board of Supervisors is authorized to establish an infrastructure financing district and to
19 act as the legislative body for such an infrastructure financing district. More specifically, the
20 Board of Supervisors is authorized to establish “waterfront districts” under Section 53395.8 of
21 the IFD Law.

22 (3) Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be
23 divided into project areas, each with distinct limitations under IFD Law.

24 (4) By Resolution No. 123-13, which the Board of Supervisors adopted on
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1 April 23, 2013 and the Mayor approved on April 30, 2013, the City adopted “Guidelines for the
2 Establishment and Use of Infrastructure Financing Districts on Project Areas on Land under
3 Jurisdiction of the San Francisco Port Commission” (Port IFD Guidelines) relating to the
4 formation of infrastructure financing districts by the City on waterfront property in San
5 Francisco under the jurisdiction of the Port Commission.

6 (5) By Resolution No. 110-12, which the Board of Supervisors adopted on
7 March 27, 2012 and the Mayor approved on April 5, 2012 (Original Resolution of Intention to
8 Establish IFD), the City declared its intention to establish a waterfront district to be known as
9 “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San
10 Francisco)” (IFD), and designated initial proposed project areas within the IFD (Project Areas).

11 (6) By Resolution No. 227-12, which the Board of Supervisors adopted on
12 June 12, 2012 and the Mayor approved on June 20, 2012 (First Amending Resolution), the
13 City amended the Original Resolution of Intention to Establish IFD to propose, among other
14 things, an amended list of Project Areas, including Project Area G (Pier 70).

15 (7) By Resolution No. 421-15, which the Board of Supervisors adopted on
16 November 17, 2015 and the Mayor approved on November 25, 2015 (Second Amending
17 Resolution, and together with the Original Resolution of Intention to Establish IFD and the
18 First Amending Resolution, the “Resolution of Intention to Establish IFD”), the City declared its
19 intention to establish Sub-Project Area G-1 (Pier 70 - Historic Core), as a Pier 70 district,
20 within Project Area G (Pier 70).

21 (8) In the Resolution of Intention to Establish IFD, the Board of Supervisors
22 directed the Executive Director of the Port of San Francisco (Executive Director) to prepare an
23 infrastructure financing plan for the IFD (Infrastructure Financing Plan) that would comply with
24 the IFD Law, and reserved the right to establish infrastructure financing plans in the future
25 specific to other project areas and sub-project areas within the IFD.

1 (9) In accordance with the IFD Law, at the direction of this Board of
2 Directors, the Executive Director prepared the Infrastructure Financing Plan.

3 (10) By Ordinance No. 27-16, which the Board of Supervisors passed on
4 March 1, 2016 and the Mayor approved on March 11, 2016 (Ordinance Establishing IFD), this
5 Board of Supervisors, among other things, declared the IFD to be fully formed and established
6 with full force and effect of law.

7 (11) By Resolution No. 426-17, which the Board of Supervisors adopted on
8 November 28, 2017 and the Mayor approved on November 30, 2017, the Board of
9 Supervisors declared its intention to establish (i) "Project Area I (Mission Rock)," (ii) "Sub-
10 Project Area I-1 (Mission Rock)," (iii) "Sub-Project Area I-2 (Mission Rock)," (iv) "Sub-Project
11 Area I-3 (Mission Rock)," (v) "Sub-Project Area I-4 (Mission Rock)," (vi) "Sub-Project Area I-5
12 (Mission Rock)," (vii) "Sub-Project Area I-6 (Mission Rock)," (viii) "Sub-Project Area I-7
13 (Mission Rock)," (ix) "Sub-Project Area I-8 (Mission Rock)," (x) "Sub-Project Area I-9 (Mission
14 Rock)," (xi) "Sub-Project Area I-10 (Mission Rock)," (xii) "Sub-Project Area I-11 (Mission
15 Rock)," (xiii) "Sub-Project Area I-12 (Mission Rock)," and (xiv) "Sub-Project Area I-13 (Mission
16 Rock)" (such sub-project areas collectively referred to herein as, the Sub-Project Areas of
17 Project Area I), each a waterfront district, of the IFD (Resolution of Intention to Establish
18 Project Area I).

19 (12) Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I
20 are anticipated to be rehabilitated pursuant to a Disposition and Development Agreement
21 (DDA), by and between the City, acting by and through the Port Commission, and Seawall Lot
22 337 Associates, LLC (SW Lot 337 Associates).

23 (13) Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I
24 are within the Seawall 337 and Pier 48 Mixed-Use District Project (Project), for which the
25 Planning Commission certified a Final Environmental Impact Report (FEIR) for the Seawall

1 337 and Pier 48 Mixed-Use District Project pursuant to the California Environmental Quality
2 Act (CEQA) (California Public Resources Code Section 21000 et seq.), the CEQA Guidelines
3 (14 Cal. Code Reg. Section 15000 et seq.), and Chapter 31 of the Administrative Code.

4 (14) In the Resolution of Intention to Establish Project Area I, this Board of
5 Supervisors concurred with the FEIR conclusions, affirmed the Planning Commission's
6 certification of the FEIR, and found that the actions contemplated in the Resolution of
7 Intention to Establish Project Area I therein are within the scope of the Project described and
8 analyzed in the FEIR.

9 (15) In recommending the proposed Planning Code Amendments for approval
10 by this Board of Supervisors at its hearing on October 5, 2017, by Motion No. M-20018, the
11 Planning Commission also adopted findings under CEQA, including a statement of overriding
12 consideration, and a Mitigation Monitoring and Reporting Program (MMRP).

13 (16) In the Resolution of Intention to Establish Project Area I, this Board of
14 Supervisors also adopted the Planning Commission's CEQA approval findings and adopted
15 the Project's MMR.

16 (17) The Resolution of Intention to Establish Project Area I directed the
17 Executive Director to prepare Appendix I to the Infrastructure Financing Plan relating to the
18 Project Area I (Mission Rock) and Sub-Project Areas of Project Area I consistent with the
19 requirements of the IFD Law.

20 (18) As required by the IFD Law, the Executive Director:

21 (A) Prepared Appendix I to the Infrastructure Financing Plan,
22 proposing an allocation of property tax increment from the proposed Project Area I (Mission
23 Rock) and the Sub-Project Areas of Project Area I to finance the public facilities described in
24 Appendix I to the Infrastructure Financing Plan, which development and public facilities have
25 been analyzed under CEQA in the FEIR; and,

1 (B) Sent the Infrastructure Financing Plan, including Appendix I, along
2 with the FEIR, to the City's Planning Department and the Board of Supervisors.

3 (19) The Clerk of the Board of Supervisors made the Infrastructure Financing
4 Plan, including Appendix I, available for public inspection.

5 (20) Following publication of notice consistent with the requirements of the IFD
6 Law, the Board of Supervisors held a public hearing on February 13, 2018, relating to the
7 proposed Appendix I to the Infrastructure Financing Plan.

8 (21) At the hearing any persons having any objections to the proposed
9 Appendix I to the Infrastructure Financing Plan, or the regularity of any of the prior
10 proceedings, and all written and oral objections, and all evidence and testimony for and
11 against the adoption of Appendix I to the Infrastructure Financing Plan, were heard and
12 considered, and a full and fair hearing was held.

13 (22) Pursuant to the DDA, SW Lot 337 Associates and the City anticipate
14 forming two special tax districts (Special Tax Districts) under the San Francisco Special Tax
15 Financing Law (Admin. Code ch. 43, art. X) to finance (i) certain public infrastructure within
16 Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I, and (ii) the
17 operation and maintenance of such infrastructure.

18 (23) Appendix I (i) contemplates the potential issuance of bonds by the
19 Special Tax Districts that are secured by tax increment from Project Area I (Mission Rock) and
20 the Sub-Project Areas of Project Area I to help finance the public facilities described in
21 Appendix I, and (ii) expects that 100% of the cost of maintaining and operating
22 spaces/facilities within and around Project Area I (Mission Rock) and the Sub-Project Areas of
23 Project Area I will be funded by special taxes levied within the Special Tax Districts, not the
24 City's general fund.

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1 (b) CEQA. This Board of Supervisors has reviewed and considered the FEIR and
2 finds that the FEIR is adequate for its use for the actions taken by this Ordinance and
3 incorporates the FEIR and the CEQA findings contained in the Resolution of Intention to
4 Establish Project Area I (Mission Rock) by this reference.

5 (c) Formation of Project Area I (Mission Rock) and Approval of Appendix I. By the
6 passage of this Ordinance, the Board of Supervisors hereby (i) declares the Project Area I
7 (Mission Rock) and the Sub-Project Areas of Project Area I to be fully formed and established
8 with full force and effect of law, (ii) approves Appendix I to the Infrastructure Financing Plan,
9 subject to amendment as permitted by IFD Law, and (iii) establishes the respective base
10 years for Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I as set
11 forth in Appendix I to the Infrastructure Financing Plan, all as provided in the proceedings for
12 the formation of Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I
13 within the IFD and in the IFD Law. It is hereby found that all prior proceedings and actions
14 taken by the Board of Supervisors with respect to the IFD, including Project Area I (Mission
15 Rock) and the Sub-Project Areas of Project Area I, were valid and in conformity with the IFD
16 Law and the Port IFD Guidelines.

17 (d) Port as Agent with respect to the Project Area I (Mission Rock) and the Sub-Project
18 Areas of Project Area I. The Board of Supervisors hereby appoints the Port Commission to
19 act as the agent of the IFD with respect to Project Area I (Mission Rock) and the Sub-Project
20 Areas of Project Area I, which agency shall include the authority to: (1) disburse tax increment
21 from the Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I as
22 provided in Appendix I; (2) enter into one or more acquisition agreements that would establish
23 the terms and conditions under which the Port and other City agencies would acquire the
24 public facilities described in Appendix I; (3) determine in collaboration with the Office of Public
25 Finance whether and in what amounts the IFD will issue or incur indebtedness for the

1 purposes specified in Appendix I and enter into agreements related to such indebtedness;
2 (4) if the IFD issues or incurs indebtedness, direct the disbursement of the debt proceeds in
3 conformance with Appendix I; and (5) prepare the annual statement of indebtedness required
4 by the IFD Law for Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I.

5 (e) Special Tax Districts. Consistent with the provisions of the DDA, the Board of
6 Supervisors hereby directs the Executive Director to bring, when the Executive Director
7 determines the time is appropriate, a request to the Board of Supervisors to form the Special
8 Tax Districts to help finance the construction, operation and maintenance of the public
9 facilities described in Appendix I.

10 (f) Severability. If any section, subsection, sentence, clause, phrase, or word of
11 this ordinance, or any application thereof to any person or circumstance, is held to be invalid
12 or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not
13 affect the validity of the remaining portions or applications of the ordinance. The Board of
14 Supervisors hereby declares that it would have passed this ordinance and each and every
15 section, subsection, sentence, clause, phrase, and word not declared invalid or
16 unconstitutional without regard to whether any other portion of this ordinance or application
17 thereof would be subsequently declared invalid or unconstitutional.

18 (g) Publication. The Clerk of the Board of Supervisors shall cause this Ordinance to
19 be published within 5 days of its passage and again within 15 days after its passage, in each
20 case at least once in a newspaper of general circulation published and circulated in the City.

21 (h) Effective Date. This ordinance shall become effective 30 days after enactment.
22 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
23 unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of
24 Supervisors overrides the Mayor's veto of the ordinance.

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

3 By: _____
4 MARK D. BLAKE
5 Deputy City Attorney
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