

File No. 180773

Committee Item No. _____

Board Item No. 14

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: September 11, 2018

Cmte Board

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OTHER

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Draft Infrastructure Financing Plan |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Appendix G-2 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | BOS Reso Nos. 123-13, 110-12, 227-12, 421-15, 232-18 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Planning Motion Nos. 19976, 19977 |
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Prepared by: Lisa Lew

Date: September 6, 2018

Prepared by: _____

Date: _____

[Establishing Sub-Project Areas G-2, G-3 and G-4 and Adopting Appendix G-2 to Infrastructure Financing Plan (Port of San Francisco, Pier 70)]

Ordinance establishing 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, Pier 70); affirming the Planning Department's determination and making findings under the California Environmental Quality Act; and approving other matters in connection therewith.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in single-underline italics Times New Roman font.
Deletions to Codes are in ~~strikethrough italics Times New Roman font~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

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

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

(2) Under California Government Code Sections 53395 et seq. ("IFD Law"), the Board of Supervisors is authorized to establish an infrastructure financing district and to act as the legislative body for such an infrastructure financing district. More specifically, the Board of Supervisors is authorized to establish "waterfront districts" under IRFD Law Section 53395.8, including a waterfront district for approximately 65 acres of waterfront land in

1 the area known as Pier 70 ("Pier 70 District"), and approve "Pier 70 enhanced financing plans"
2 pursuant to IFD Law Section 53395.81.

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

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

11 (5) By Resolution No. 110-12, which the Board of Supervisors adopted on
12 March 27, 2012, and signed by the Mayor on April 5, 2012 ("Original Resolution of Intention to
13 Establish IFD"), the City declared its intention to establish a waterfront district to be known as
14 "City and County of San Francisco Infrastructure Financing District No. 2 (Port of San
15 Francisco)" (IFD), and designated initial proposed project areas within the IFD ("Project
16 Areas").

17 (6) By Resolution No. 227-12, which the Board of Supervisors adopted on
18 June 12, 2012 and signed by the Mayor on June 20, 2012 ("First Amending Resolution"), the
19 City amended the Original Resolution of Intention to Establish IFD to propose, among other
20 things, an amended list of Project Areas.

21 (7) By Resolution No. 421-15, which the Board of Supervisors adopted on
22 November 17, 2015, and signed by the Mayor on November 25, 2015 ("Second Amending
23 Resolution", and together with the Original Resolution of Intention to Establish IFD and the
24 First Amending Resolution, the "Resolution of Intention to Establish IFD"), the Board of
25 Supervisors amended the Original Resolution of Intention, as amended by the First Amended

1 Resolution, to propose, among other things, a further amended list of project areas, including
2 Project Area G (Pier 70), as a Pier 70 District, and Sub-Project Area G-1 (Pier 70 – Historic
3 Core), as a Pier 70 District within Project Area G (Pier 70).

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

9 (9) In accordance with the IFD Law, at the direction of the Board of
10 Supervisors, the Executive Director prepared the Infrastructure Financing Plan.

11 (10) By Ordinance No. 27-16, which the Board of Supervisors adopted on
12 February 23, 2016, and signed by the Mayor on March 11, 2016 ("Ordinance Establishing
13 IFD"), the Board of Supervisors, among other things, declared the IFD to be fully formed and
14 established with full force and effect of law and adopted the Infrastructure Financing Plan.

15 (11) By Resolution No. 232-18, which the Board of Supervisors adopted on
16 July 24, 2018, and signed by the Mayor on July 26, 2018) ("Resolution of Intention to
17 Establish Sub-Project Areas G-2, G-3 and G-4"), the Board of Supervisors declared its
18 intention to establish three additional sub-project areas within Project Area G (Pier 70) of the
19 IFD designated Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 -
20 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site) collectively, the ("Sub-Project
21 Areas").

22 (12) The Sub-Project Areas are within the Pier 70 District and are anticipated
23 to be rehabilitated pursuant to a Disposition and Development Agreement (the DDA), by and
24 between the City, acting by and through the Port, and FC Pier 70, LLC (Forest City).

25 (13) The Sub-Project Areas are within the Pier 70 Mixed-Use District Project

1 (Project), for which the Planning Commission certified a Final Environmental Impact Report
2 (FEIR) for the Pier 70 Mixed-Use District Project pursuant to the California Environmental
3 Quality Act (CEQA) (California Public Resources Code Sections 21000 et seq.), the CEQA
4 Guidelines (14 Cal. Code Reg. Sections 15000 et seq.), and Chapter 31 of the Administrative
5 Code.

6 (14) In the Resolution of Intention to Establish Sub-Project Areas G-2, G-3
7 and G-4, the Board of Supervisors concurred with the FEIR conclusions, affirmed the
8 Planning Commission's certification of the FEIR, and found that the actions contemplated in
9 the Resolution of Intention to Establish Sub-Project Areas G-2, G-3 and G-4 are within the
10 scope of the Project described and analyzed in the FEIR.

11 (15) In recommending the proposed Planning Code Amendments for approval
12 by the Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the
13 Planning Commission also adopted findings under CEQA, including a statement of overriding
14 consideration, and a Mitigation Monitoring and Reporting Program (MMRP).

15 (16) In the Resolution of Intention to Establish Sub-Project Areas G-2, G-3
16 and G-4, the Board of Supervisors also adopted the Planning Commission's CEQA approval
17 findings and adopted the Project's MMRP.

18 (17) The Resolution of Intention to Establish Sub-Project Area G-2, G-3 and
19 G-4 directed the Executive Director to prepare Appendix G-2 to the Infrastructure Financing
20 Plan relating to the Sub-Project Areas that complies with the requirements of the IFD Law.

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

22 (A) Prepared Appendix G-2 to the Infrastructure Financing Plan,
23 proposing an allocation of property tax increment from the Sub-Project Areas to finance the
24 public facilities described in Appendix G-2 to the Infrastructure Financing Plan, which
25 development and public facilities have been analyzed under CEQA in the FEIR; and,

1 (B) Sent the Infrastructure Financing Plan, including Appendix G-2,
2 along 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 G-2, 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 September 11, 2018, relating to the
7 proposed Appendix G-2 to the Infrastructure Financing Plan.

8 (21) At the hearing any persons having any objections to the proposed
9 Appendix G-2 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 G-2 to the Infrastructure Financing Plan, were heard and
12 considered, and a full and fair hearing was held.

13 (22) Pursuant to the DDA, Forest City and the City anticipate forming one or
14 more 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 the Sub-Project Areas, including facilities for shoreline protection, and (ii) the operation and
17 maintenance of such infrastructure.

18 (23) Appendix G-2 (i) contemplates the potential issuance of bonds by the
19 Special Tax Districts that are secured by tax increment from the Sub-Project Areas to help
20 finance the public facilities described in Appendix G-2, and (ii) expects that 100% of the cost
21 of maintaining and operating spaces/facilities within and around the Sub-Project Areas will be
22 funded by special taxes levied within the Special Tax Districts, not the City's general fund.

23 (b) CEQA. The Board of Supervisors has reviewed and considered the FEIR and
24 finds that the FEIR is adequate for its use for the actions taken by this Ordinance and
25 incorporates the FEIR and the CEQA findings contained in the Resolution of Intention to

1 Establish Sub-Project Areas G-2, G-3 and G-4 herein by this reference.

2 (c) Formation of IFD and Approval of Appendix G-2. By the passage of this
3 Ordinance, the Board of Supervisors hereby (i) declares the Sub-Project Areas to be fully
4 formed and established with full force and effect of law, (ii) approves Appendix G-2 to the
5 Infrastructure Financing Plan, subject to amendment as permitted by IFD Law, and
6 (iii) establishes the respective base years for the Sub-Project Areas as set forth in Appendix
7 G-2 to the Infrastructure Financing Plan, all as provided in the proceedings for the formation of
8 Sub-Project Area G-2 within the IFD and in the IFD Law. It is hereby found that all prior
9 proceedings and actions taken by the Board of Supervisors with respect to the IFD, including
10 the Sub-Project Areas, were valid and in conformity with the IFD Law and the Port IFD
11 Guidelines.

12 (d) Port as Agent with respect to the Sub-Project Areas. The Board of Supervisors
13 hereby appoints the Port Commission to act as the agent of the IFD with respect to the Sub-
14 Project Areas, which agency shall include the authority to: (1) disburse tax increment from the
15 Sub-Project Areas as provided in Appendix G-2; (2) enter into one or more acquisition
16 agreements that would establish the terms and conditions under which the Port and other City
17 agencies would acquire the public facilities described in Appendix G-2; (3) determine in
18 collaboration with the Office of Public Finance whether and in what amounts the IFD will issue
19 or incur indebtedness for the purposes specified in Appendix G-2 and enter into agreements
20 related to such indebtedness; (4) if the IFD issues or incurs indebtedness, direct the
21 disbursement of the debt proceeds in conformance with Appendix G-2; and (5) prepare the
22 annual statement of indebtedness required by the IFD Law for each of the Sub-Project Areas.

23 (e) Special Tax Districts. Consistent with the provisions of the DDA, the Board of
24 Supervisors hereby directs the Executive Director to bring, when the Executive Director
25 determines the time is appropriate, a request to the Board of Supervisors to form the Special

1 Tax Districts to help finance the construction, operation and maintenance of the public
2 facilities described in Appendix G-2.

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

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

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

18
19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA, City Attorney

21
22 By:

23 MARK D. BLAKE
24 Deputy City Attorney

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LEGISLATIVE DIGEST

[Establishing Sub-Project Areas G-2, G-3 and G-4 and Adopting Appendix G-2 to Infrastructure Financing Plan (Port of San Francisco, Pier 70)]

Ordinance establishing 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, Pier 70); affirming the Planning Department's determination and making findings under the California Environmental Quality Act; and approving other matters in connection therewith.

Existing Law

This is new legislation.

Background Information

Under California Government Code Sections 53395 *et seq.* ("IFD Law"), the Board of Supervisors is authorized to establish an infrastructure financing district and to act as the legislative body for such an infrastructure financing district. Specifically, the Board of Supervisors is authorized to establish "waterfront districts" under the IFD Law, including a waterfront district for approximately 65 acres of waterfront land in the area known as Pier 70 (a "Pier 70 district"), and approve "Pier 70 enhanced financing plans" under the IFD Law. Under the IFD Law, a waterfront district may be divided into project areas, each with distinct limitations under IFD Law.

By the passage of this Ordinance, the Board of Supervisors will (i) declare the Sub-Project Areas (i.e. defined in the Ordinance as Sub Project Areas G-2, G3 and G-4) to be fully formed and established with full force and effect of law, (ii) approve Appendix G-2 to the Infrastructure Financing Plan, subject to amendment as permitted by IFD Law, and (iii) establishes the respective base years for the Sub-Project Areas as set forth in Appendix G-2 to the Infrastructure Financing Plan.

Under the Ordinance, the Board of Supervisors will appoint the Port Commission to act as the agent of the IFD with respect to the Sub-Project Areas with authority to: (1) disburse tax increment from the Sub-Project Areas as provided in Appendix G-2 to the Infrastructure Financing Plan; (2) enter into one or more acquisition agreements to establish the terms and conditions under which the Port and other City agencies would acquire the public facilities described in Appendix G-2 to the Infrastructure Financing Plan; (3) determine in collaboration with the Controller's Office of Public Finance whether and in what amounts the IFD will issue or incur indebtedness for the purposes specified in Appendix G-2 to the Infrastructure Financing Plan and enter into agreements related to such indebtedness; (4) if the IFD issues or incurs indebtedness, direct the disbursement of the debt proceeds in conformance with

FILE NO. 180773

Appendix G-2 to the Infrastructure Financing Plan; and (5) prepare the annual statement of indebtedness required by the IFD Law for each of the Sub-Project Areas.

The Board of Supervisors confirms CEQA findings of the Planning Department related to the IFD.

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**CITY AND COUNTY OF SAN FRANCISCO
Infrastructure Financing District No. 2
(Port of San Francisco)**

INFRASTRUCTURE FINANCING PLAN

Originally adopted:

Date: _____, 2016
Ordinance No.: _____

Schedule of Amendments

[illegible]

LIST OF APPENDICES

| Appendix | Related Project Area |
|----------|------------------------------------------------|
| A | A (Seawall Lot 330) |
| B | B (Piers 30-32) |
| C | C (Pier 28) |
| D | D (Pier 26) |
| E | E (Seawall Lot 351) |
| F | F (Pier 48) |
| G | G (Pier 70) |
| G-1 | Sub-Project Area G-1 (Pier 70 - Historic Core) |
| H | H (Rincon Point-South Point Project Area) |

TABLE OF CONTENTS

Introduction

- I. Boundaries of Proposed IFD
- II. Description of Public Facilities
- III. Financing Section
- IV. Amendments

Conclusion

Exhibit A – Proposed Boundaries of Infrastructure Financing District

Exhibit B – Description of Public Improvements and Facilities Required to Serve the Development Proposed in the IFD

Project Area-Specific Appendices

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CITY AND COUNTY OF SAN FRANCISCO
Infrastructure Financing District No. 2
(Port of San Francisco)

INTRODUCTION

IFD. On March 27, 2012, the Board of Supervisors (the “**Board of Supervisors**”) of the City and County of San Francisco (the “**City**”), pursuant to the provisions of Government Code Section 53395 et seq. (the “**IFD Law**”), and for the public purposes set forth therein, adopted its Resolution No. 110-12 (the “**Original Resolution of Intention**”), pursuant to which it declared its intention to conduct proceedings to establish the “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (the “**IFD**”), including project areas within the IFD (each, a “**Project Area**”).

Subsequently, (i) on June 12, 2012, the Board of Supervisors adopted its Resolution No. 227-12 (the “**First Amending Resolution**”), pursuant to which it ratified and amended the Original Resolution of Intention and (ii) on November 17, 2015, the Board of Supervisors adopted its Resolution No. 421-15 (the “**Second Amending Resolution**”), pursuant to which it ratified and amended the Original Resolution of Intention as previously amended by the First Amending Resolution. Together, the Original Resolution of Intention, the First Amending Resolution and the Second Amending Resolution are referred to in this Infrastructure Financing Plan as the “**Resolution of Intention**.”

In the Resolution of Intention, the Board of Supervisors declared its intention that the IFD will constitute a waterfront district (as defined in Section 53395.8 of the IFD Law), and that one or more of the Project Areas will constitute Pier 70 districts (as defined in Section 53395.8 of the IFD Law) or special waterfront districts (as defined in Section 53395.81 of the IFD Law).

Project Areas. Pursuant to Section 53395.8(g) of the IFD Law, an infrastructure financing district may be divided into project areas, each of which may be subject to distinct time limitations.

In the Resolution of Intention, the Board of Supervisors declared its intention to establish the following initial Project Areas:

- a. Project Area A (Seawall Lot 330). The Board of Supervisors declared its intent to establish Project Area A as a special waterfront district.
- b. Project Area B (Piers 30-32). The Board of Supervisors declared its intent to establish Project Area B as a special waterfront district.
- c. Project Area C (Pier 28). The Board of Supervisors declared its intent to establish Project Area C as a special waterfront district.
- d. Project Area D (Pier 26). The Board of Supervisors declared its intent to establish Project Area D as a special waterfront district.

- e. Project Area E (Seawall Lot 351). The Board of Supervisors declared its intent to establish Project Area E as a waterfront district.
- f. Project Area F (Pier 48). The Board of Supervisors declared its intent to establish Project Area F as a waterfront district.
- g. Project Area G (Pier 70). The Board of Supervisors declared its intent to establish Project Area G as a Pier 70 district.
- h. Sub-Project Area G-1 (Pier 70 - Historic Core). The Board of Supervisors declared its intent to establish Sub-Project Area G-1 as a Pier 70 district.
- i. Project Area H (Rincon Point-South Point Project Area). The Board of Supervisors declared its intent to establish Project Area H as a waterfront district.

In the Resolution of Intention, the Board of Supervisors also declared its intention to establish additional Project Areas within the boundaries of the IFD from time to time in compliance with the IFD Law. The Board of Supervisors will only allocate tax increment to the IFD with respect to territory that is in a Project Area after the Board of Supervisors has approved an appendix to this Infrastructure Financing Plan for the Project Area and with respect to which the Port and the City have entered into a memorandum of understanding relating to the Project Area.

Infrastructure Financing Plan Requirements. Pursuant to the Resolution of Intention, the Board of Supervisors ordered the Executive Director of the Port of San Francisco to prepare a proposed infrastructure financing plan that is consistent with the General Plan of the City. The Board of Supervisors also directed preparation of a Pier 70 enhanced financing plan (as such term is used in Section 53395.8 of the IFD Law) for Sub-Project Area G-1.

Pursuant to Sections 53395.8 and 53395.81 of the IFD Law, the infrastructure financing plan must include all of the following:

(a) A map and legal description of the proposed IFD, which may include all or a portion of the IFD designated by the Board of Supervisors in the Resolution of Intention.

(b) A description of the public improvements and facilities required to serve the development proposed in the IFD including those to be provided by the private sector, those to be provided by governmental entities without assistance under the IFD Law, those public facilities to be financed with assistance from the proposed IFD (the "**Facilities**"), and those to be provided jointly. The description shall include the proposed location, timing, and projected costs of the public improvements and facilities. The description may consist of a reference to the capital plan for the territory in the IFD that is approved by the Board of Supervisors, as amended from time to time.

(c) A financing section, which must contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the City and of any affected taxing entity proposed to be committed to the IFD, and an affirmation that the infrastructure financing plan will not allocate any portion of the incremental tax revenue of the local educational agencies to the IFD. In the Resolution of Intention, the Board of Supervisors declared that the IFD will not use incremental

property tax revenue from any affected taxing entities to finance the Facilities, except to the extent permitted by Section 53395.8(h) of the IFD Law.

(2) Limitations on the use of levied taxes allocated to and collected by the IFD that are consistent with the IFD Law.

The IFD Law establishes certain set-aside requirements.

(a) For waterfront districts, Section 53395.8 requires that not less than 20% of the amount allocated to the IFD shall be set aside to be expended solely on shoreline restoration, removal of bay fill, or waterfront public access to or environmental remediation of the City's waterfront.

(b) For special waterfront districts that include one or more of Seawall Lot 330, Pier 19, Pier 23 and Pier 29, Section 53395.81 establishes a different set-aside in lieu of the set-aside requirement described in the previous sentence: it requires 20% in the aggregate of the special waterfront district Education Revenue Augmentation Fund ("ERAF") share allocated to a Port America's Cup district under Section 53395.81 to be set aside to finance costs of 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. Any improvements listed in the previous sentence do not need to be located in the IFD.

(3) A projection of the amount of incremental tax revenues expected to be received by the IFD, assuming that the IFD receives incremental tax revenues for a period ending no later than 45 years after the City projects that the IFD will have received \$100,000 in incremental tax revenues under the IFD Law.

(4) Projected sources of financing for the Facilities, including debt to be repaid with incremental tax revenues, projected revenues from future leases, sales, or other transfers of any interest in land within the IFD, and any other legally available sources of funds. The projection may refer to the capital plan for the territory in the IFD that is approved by the Board of Supervisors, as amended from time to time.

(5) A limitation on the aggregate number of dollars of levied taxes that may be divided and allocated to the IFD; subject to amendment of the infrastructure financing plan. The Project Areas may share this limit and the limit may be divided among any Project Areas or a separate limit may be established for a Project Area.

(6) The following time limits: (A) a date on which the effectiveness of the infrastructure financing plan and all tax allocations to the IFD will end and (B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues under the IFD Law.

(7) An analysis of (A) the costs to the City for providing facilities and services to the IFD while the IFD is being developed and after the IFD is developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City as a result of expected development in the IFD.

(8) An analysis of the projected fiscal impact of the IFD and the associated development upon any affected taxing entity. If no affected taxing entities exist within the IFD because the plan does not provide for collection by the IFD of any portion of property tax revenues allocated to any taxing entity other than the City, the IFD has no obligation to any other taxing entity.

(9) A statement that the IFD will maintain accounting procedures in accordance, and otherwise comply, with Section 6306 of the Public Resources Code for the term of the infrastructure financing plan.

(d) Section 53395.8(g)(3)(D) establishes additional requirements for a "Pier 70 enhanced financing plan." A Pier 70 enhanced financing plan must contain all of the following:

(1) A time limit on the issuance of new ERAF-secured debt to finance the Pier 70 district, which 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. The ERAF-secured debt may be repaid over the period of time ending on the time limit established under paragraph (6) above. This time limit on the issuance of new ERAF-secured debt will not prevent a Pier 70 district from subsequently refinancing, refunding, or restructuring ERAF-secured debt as described in the IFD Law.

(2) A statement that the Pier 70 district shall be subject to a limitation on the number of dollars of the ERAF share that may be divided and allocated to the Pier 70 district pursuant to the Pier 70 enhanced financing plan, including any amendments to the plan, which shall be established in consultation with the county tax collector. The ERAF share will not be divided and shall not be allocated to the Pier 70 district beyond that limitation.

(e) Section 53395.81 requires the infrastructure financing plan for a special waterfront district to contain a provision substantially similar to a Pier 70 enhanced financing plan under Section 53395.8(g)(3)(D), with only those changes deemed necessary by the Board of Supervisors, as the legislative body of the special waterfront district, to implement the financing of the improvements described in Section 53395.81(c)(1). Accordingly, a special waterfront district enhanced financing plan must contain all of the following:

(1) A time limit on the issuance of new special waterfront district ERAF-secured debt, which may not exceed 20 fiscal years from the fiscal year in which the special waterfront district subject to a special waterfront district enhanced financing plan first issues debt. The special waterfront district ERAF-secured debt may be repaid over the period of time ending on the time limit established under paragraph (6) above. The 20-year time limit does not prevent a special waterfront district from subsequently refinancing, refunding, or restructuring special waterfront district ERAF-secured debt as described in the IFD Law.

(2) A statement that the special waterfront district is subject to a limitation on the number of dollars of the special waterfront ERAF share (as defined in Section 53395.81 of the IFD Law) that may be divided and allocated to the special waterfront district pursuant to the special waterfront district enhanced financing plan, including any amendments to the plan, which must be established in consultation with the county tax collector. Section 53395.81 declares that the maximum amount of the county ERAF portion of incremental tax revenues that may be committed to a special waterfront district

under Section 53395.81 may not exceed \$1,000,000 in any fiscal year, and declares that the special waterfront district ERAF share may not be divided and may not be allocated to the special waterfront district beyond that limitation.

In addition, Section 53395.81 of the IFD Law requires a special waterfront district enhanced financing plan for a Port America's Cup district to provide that the proceeds of special waterfront district ERAF-secured debt (as defined in Section 53395.81 of the IFD Law) are restricted for use to finance directly, reimburse the Port for its costs related to, or refinance other debt incurred in, the construction of the Port's maritime facilities at Pier 27, including public access and public open-space improvements, and for any other purposes for which the ERAF share can be used, subject to the set-aside requirements under the IFD Law (described above).

This Infrastructure Financing Plan for the IFD, including all exhibits and appendices (the "Infrastructure Financing Plan"), is intended to comply with the requirements of the IFD Law.

Infrastructure Financing Plan for Project Areas. This Infrastructure Financing Plan will include certain provisions that apply to only one or a limited subset of the Project Areas, some of which may conflict with or be supplemental to the more general provisions of this Infrastructure Financing Plan. Therefore, this Infrastructure Financing Plan shall include Project Area-specific appendices. This approach will allow the City to establish infrastructure financing plans and unique time limits on a Project Area-specific basis. In the event of any inconsistency between the general provisions of this Infrastructure Financing Plan and an appendix, the provisions of the appendix shall govern with respect to the affected Project Area.

The Board of Supervisors may, at various times, amend or supplement this Infrastructure Financing Plan by ordinance to establish new Project Areas, to address the unique details of an existing Project Area and for other purposes permitted by the IFD Law.

I. Boundaries of Proposed IFD

The boundaries of the proposed IFD, including the boundaries of the initial proposed Project Areas, are described in the map attached to this Infrastructure Financing Plan as Exhibit A. The legal description of the proposed IFD is also attached to this Infrastructure Financing Plan as Exhibit A.

Exhibit A also includes a map and a legal description of Sub-Project Area G-1 (Pier 70 - Historic Core). Similar maps and legal descriptions of other Project Areas will be added to Exhibit A at the same time as appendices for those Project Areas are added to this Infrastructure Financing Plan with the approval of the Board of Supervisors.

Exhibit A may be amended from time to time to reflect the Board's establishment of new Project Areas. In addition, the Board authorizes the Executive Director of the Port, without any further review or approval by the Board, to amend Exhibit A from time to time to correct the map and any legal descriptions to the extent necessary to accurately describe the boundaries of the IFD, a Project Area or a Sub-Project Area.

II. Description of Public Improvements and Facilities

Exhibit A to the Resolution of Intention lists the type of public facilities proposed to be financed by the IFD. The public improvements and facilities required to serve the development proposed in the area of the IFD are described in Exhibit B, which initially consists of the Port of San Francisco 10-Year Capital Plan (FY 2015-2024). All of the public improvements and facilities listed in the 10-Year Capital Plan are public capital facilities of communitywide significance and provide significant benefits to an area larger than the area of the IFD.

The improvements and facilities described in the 10-Year Capital Plan (FY 2015-2024) are likely to change as development plans for the area of the IFD change, and, consequently, the Board of Supervisors may amend the Infrastructure Financing Plan to incorporate the changes in the Port's capital planning.

Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, the following information will be included in the appendix for any Project Area but is not included in this Infrastructure Financing Plan for the area of the IFD that is not in a Project Area:

- A. Public improvements and facilities to be provided by the private sector.
- B. Public improvements and facilities to be provided by governmental entities without assistance under the IFD Law.
- C. Facilities to be financed with assistance from the proposed IFD.
- D. Public improvements and facilities to be provided jointly by the private sector and governmental entities.

III. Financing Section

The following is the financing section for the proposed IFD.

A. Special Fund. Pursuant to Section 53396 of the IFD Law, the IFD will establish a special fund into which tax increment revenues allocated to the IFD will be deposited. In order to separately account for the tax increment revenues allocated to the IFD from each Project Area, the IFD will establish a sub-account within the special fund for each Project Area and, within each sub-account, an account to hold funds that are required to be set-aside for use for specific purposes, as set forth in Section 53395.8(g)(3)(C)(ii) and Section 53395.81(c)(3).

B. Base Year; Commencement of Tax Increment Allocation. The Base Year for each Project Area and the date on which tax increment from the Project Area will begin to be allocated to the IFD will be specified in the appendix for such Project Area. Because the Board of Supervisors will only allocate tax increment revenues to the IFD with respect to territory that is in a Project Area and after the Board of Supervisors has approved an appendix to this Infrastructure Financing Plan for the Project Area, this Infrastructure Financing Plan does not establish a base year for any territory that is not in a Project Area.

C. Maximum Portion of Incremental Tax Revenue.

The financing section must specify the maximum portion of the incremental tax revenue of the City and of each affected taxing entity proposed to be committed to the IFD. The maximum portion of incremental tax revenue of the City specified below is the maximum amount

that may be allocated to the IFD; the actual amount of incremental tax revenue to be allocated to the IFD with respect to a specific Project Area will be specified in the appendix for the Project Area.

Maximum portion of incremental tax revenue of the City for each year: 100%

Maximum portion of incremental tax revenue of other taxing entities for each year (not including any ERAF share (as defined in the IFD Law) that is allocated by the IFD Law to a Project Area): 0%

This Infrastructure Financing Plan does not allocate any portion of the incremental tax revenue of the local educational agencies to the IFD.

Nothing in this Section III.C will prevent the IFD from exercising its rights under Section 53395.8(h) of the IFD Law or with respect to the ERAF share as permitted by the IFD Law.

Under the IFD Law, the Board of Supervisors may (i) allocate to the IFD all or a portion of the incremental tax revenue generated in a Project Area for the period specified in the applicable appendix, (ii) irrevocably allocate incremental tax revenue generated in a Project Area to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors, (iii) reserve the right to make discretionary annual appropriations to the IFD of the incremental tax revenue generated in a Project Area and (iv) reserve the right to amend the appendix for a Project Area to terminate its allocation to the IFD of any incremental tax revenue not irrevocably allocated to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors.

D. Limitations on the Use of Incremental Tax Revenue.

Incremental tax revenue allocated to the IFD will be used within the IFD for the purposes authorized under the IFD Law and this Infrastructure Financing Plan.

There are two set-aside requirements established by the IFD Law:

(i) Pursuant to Section 53395.8(g)(3)(C)(ii), 20% of the tax increment generated in a Project Area that is a waterfront district that is allocated to the IFD 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. Except as described in clause (ii) below, this set-aside requirement applies to waterfront districts and Pier 70 districts. In order to comply with this set-aside requirement, an appendix for a Project Area may provide for setting aside less than 20% of the allocated tax increment on an annual basis as long as the appendix demonstrates that, in the aggregate, the Project Area will satisfy the set-aside requirement during the term of the IFD.

(ii) Pursuant to Section 53395.81(c)(3), 20% in the aggregate of the special waterfront district ERAF share generated in a special waterfront district that includes one or more of Seawall Lot 330, Pier 19, Pier 23 and Pier 29 that is allocated to the IFD must be set aside to finance costs of 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. Any improvements listed in the previous sentence do not need to be located in the IFD.

To the extent permitted by law, and as set forth in the appendices for the affected Project Areas, the IFD may satisfy the set-aside requirements on a cross-Project Area basis.

E. Projection of Incremental Tax Revenue.

General. The financing section must include a projection of the amount of incremental tax revenues expected to be received by the IFD, assuming that the IFD receives incremental tax revenues for a period ending no later than 45 years after the City projects that the IFD will have received \$100,000 in incremental tax revenues under the IFD Law.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, this Infrastructure Financing Plan does not contain a projection for that portion of the IFD that is not in an initial Project Area.

Project Areas. For the initial Project Areas and all subsequent Project Areas, the appendix for a Project Area includes the projection for such Project Area.

F. 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 incremental tax revenues, projected revenues from future leases, sales, or other transfers of any interest in land within the IFD, and any other legally available sources of funds.

Because of the speculative nature of any future development and sources of financing in that portion of the IFD that is not in a Project Area, this Infrastructure Financing Plan only includes information about the projected sources of financing for the Facilities with respect to the Project Areas in each Project Area's respective appendix.

G. Incremental Property Tax Revenue Limit.

General. The financing section must include a limit on the total number of dollars of levied taxes that may be allocated to the IFD pursuant to the Infrastructure Financing Plan, subject to amendment of the Infrastructure Financing Plan.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not in a Project Area, the limit for the portion of the IFD that is not initially in a Project Area is initially established at \$0.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes the limit on the total number of dollars of levied taxes that may be allocated to the IFD with respect to such Project Area.

H. Time Limits.

General. The financing section must include the following time limits: (A) a date on which the effectiveness of the infrastructure financing plan and all tax allocations to the IFD will end and (B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues under the IFD Law.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not initially in a Project Area, this Infrastructure Financing Plan does not establish time limits applicable to such territory.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes the time limits for such Project Area.

I. Cost and Revenue Analysis.

General. The financing section must include an analysis of (A) the costs to the City for providing facilities and services to the IFD while the IFD is being developed and after the IFD is developed and (B) the taxes, fees, charges, and other revenues expected to be received by the City as a result of expected development in the IFD.

Portion of the IFD that is not initially in a Project Area. Because the Board of Supervisors will not allocate tax increment to the IFD with respect to any territory that is not initially in a Project Area, this Infrastructure Financing Plan does not include a cost and revenue analysis for such territory.

Project Areas. For the initial Project Areas and all subsequent Project Areas (including territory that initially is in the IFD but is not initially in a Project Area), the appendix for a Project Area includes a cost and revenue analysis. Each appendix will analyze the costs to San Francisco's general fund for providing facilities and services to the Project Area while the Project Area is being developed and after the Project Area is developed, and of the taxes, fees, charges and other revenues expected to be received by the City's general fund as a result of the expected development of the Project Area.

J. Fiscal Impact on Affected Taxing Entities.

The financing section must include an analysis of the projected fiscal impact of the IFD and the associated development upon any affected taxing entity, as that term is defined in Section 53395.8 of the IFD Law.

As explained above, the City is the only taxing entity that will allocate tax increment to the IFD, and the City is excluded from the definition of affected taxing entity. Accordingly, there is no affected taxing entity that will be impacted by the IFD.

Nothing in this Section III.J will prevent the IFD from exercising its rights under Section 53395.8(h) of the IFD Law or with respect to the ERAF share as permitted by the IFD Law.

K. Accounting Procedures.

The IFD will maintain accounting procedures in accordance with and otherwise comply with Section 6306 of the Public Resources Code for the duration of this Infrastructure Financing Plan.

L. Enhanced Financing Plans.

The IFD Law establishes additional requirements for a Pier 70 enhanced financing plan and for special waterfront district enhanced financing plans.

The appendix for each Project Area that is subject to an enhanced financing plan will address the additional requirements.

IV. Amendments

The Board of Supervisors reserves the right to amend this Infrastructure Financing Plan to the extent permitted by the IFD Law.

CONCLUSION

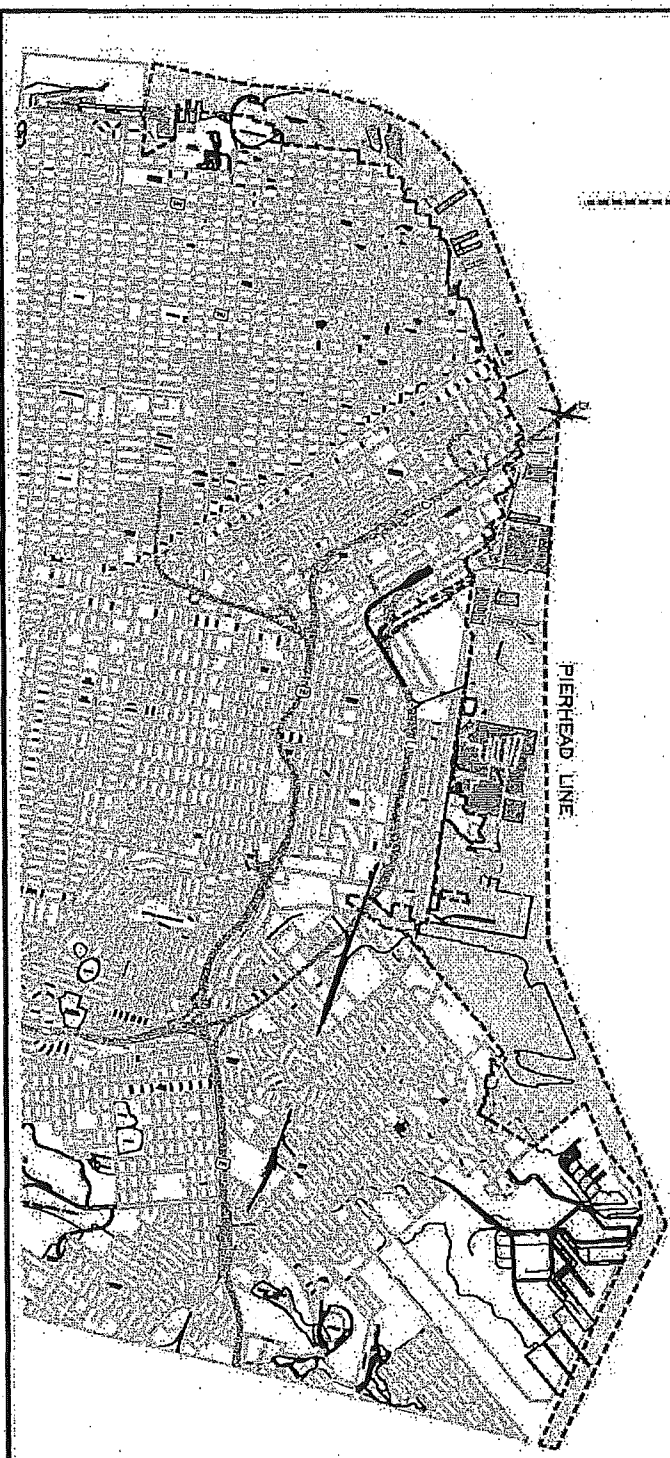
This Infrastructure Financing Plan meets the requirements of the IFD Law and shall be distributed as required by the Resolution of Intention and the IFD Law.

By: _____
Executive Director
Port of San Francisco

EXHIBIT A

PROPOSED BOUNDARIES OF INFRASTRUCTURE FINANCING DISTRICT

(Boundary map and legal descriptions to be attached.)



**INFRASTRUCTURE
FINANCING DISTRICT BOUNDARY**



This boundary map amends the 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, California, which was approved by the Board of Supervisors on March 27, 2012 by Resolution No. 110-12, and this boundary map was filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco

on this ____ day of _____, 201__

Clerk of 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" = 2000' SHEET NO. 1 OF 11 SHEETS |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|

Exhibit A-Legal Description of Proposed Boundaries of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)

THE LAND REFERRED TO HEREIN IS VESTED IN THE "PORT OF SAN FRANCISCO," "THE SAN FRANCISCO PORT COMMISSION" OR THE "SAN FRANCISCO PORT" (COLLECTIVELY, THE "PORT") AND IS SITUATE IN THE STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO, CITY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

PARCEL "A" AS SAID PARCEL IS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO," FILED IN BOOK "W" OF MAPS, PAGES 66 THROUGH 72, INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND AS PARCEL "A" IS FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976 IN BOOK C169, PAGE 573, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, ALL AS CONTAINED IN THE LEGISLATIVE GRANTS AND BY LAW AS TO THE LAND OR ANY PORTION THEREOF ACQUIRED BY THE CITY AND COUNTY OF SAN FRANCISCO, BY CHAPTER 1333 OF THE STATUTES OF 1968, AS AMENDED BY CHAPTERS 1296 AND 1400, STATUTES OF 1969 AND BY CHAPTER 670, STATUTES OF 1970, AND CHAPTER 1253, STATUTES OF 1971, AND AS MAY BE FURTHER AMENDED, AND SUCH REVERSIONARY RIGHTS AND INTERESTS AS MAY BE POSSESSED BY THE STATE OF CALIFORNIA UNDER THE TERMS AND PROVISIONS OF SAID LEGISLATIVE GRANTS, OR BY LAW, ALSO KNOWN AS "THE BURTON ACT";

AND AS FURTHER AMENDED THROUGH THE EXECUTED TERMS OF THE AMENDED AND RESTATED CITY LAND TRANSFER AGREEMENT, BY AND BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND CATELLUS DEVELOPMENT CORPORATION, RECORDED JULY 9, 1999, INSTRUMENT NO. G622149, AT REEL H429, IMAGE NO. 501 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA WITH CORRESPONDING LAND TRANSFERS EXECUTED THROUGH THE MERGER AND RESUBDIVISION OF LANDS AS SHOWN ON THAT CERTAIN FINAL MAP ENTITLED, "MAP OF MISSION BAY" FILED FOR RECORD IN BOOK Z OF MAPS AT PAGES 97 - 119 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA. (ATTACHED)

TOGETHER WITH THE FOLLOWING PARCELS:

A. ALL THAT CERTAIN REAL PROPERTY GRANTED FROM BETHLEHEM STEEL CORPORATION TO THE CITY AND COUNTY OF SAN FRANCISCO THROUGH GRANT DEED, FILED ON DECEMBER 16, 1982, IN BOOK

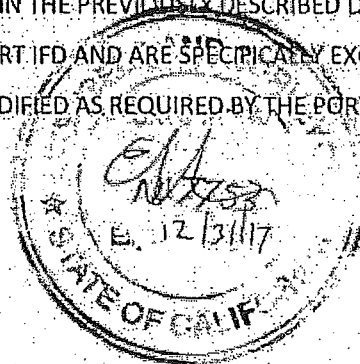
D464, PAGE 628-- 630 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA. (ATTACHED DEED 1)

B. ALL THAT CERTAIN REAL PROPERTY SITUATE WITHIN THE CITY AND COUNTY OF SAN FRANCISCO, KNOWN AS SEAWALL LOT 354, GRANTED FROM WESTERN PACIFIC RAILROAD COMPANY TO THE CITY AND COUNTY OF SAN FRANCISCO THROUGH GRANT DEED, DATED NOVEMBER 24, 1971, IN BOOK B590, PAGE 905-- 908 IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA. (ATTACHED DEED 2)

EXCEPTING THEREFROM THE FOLLOWING PARCEL:

C. PORTION OF SEAWALL LOT 330: ALL THAT CERTAIN REAL PROPERTY SITUATE WITHIN THE CITY AND COUNTY OF SAN FRANCISCO DEEDED FROM CITY OF SAN FRANCISCO TO THE STATE OF CALIFORNIA THROUGH QUITCLAIM DEED, FILED ON MARCH 2, 2004, DOC-2004-H668591-00 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO. (ATTACHED DEED 3)

THE ABOVE DESCRIBED REAL PROPERTY IS FOR THE PURPOSES OF DESCRIBING THE BOUNDARIES OF THE CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE FINANCING DISTRICT NO. 2 (PORT OF SAN FRANCISCO) (THE "PORT IFD") AND AS SUCH, ONLY PROPERTIES VESTED IN THE PORT ARE INTENDED TO BE INCLUDED WITHIN THIS DESCRIPTION. PROPERTIES VESTED IN THE PORT AND INTENDED TO BE INCLUDED AS PREVIOUSLY DESCRIBED BUT HAVE BEEN OMITTED, ARE NOT SPECIFICALLY OMITTED AND BY REFERENCE ARE INTENDED TO BE INCLUDED WITHIN THE PORT IFD. PROPERTIES THAT ARE NOT VESTED IN THE PORT BUT HAVE BEEN INCLUDED IN THE PREVIOUSLY DESCRIBED DESCRIPTIONS ARE NOT INTENDED TO BE INCLUDED WITHIN THE PORT IFD AND ARE SPECIFICALLY EXCLUDED FROM THE PORT IFD. THIS LEGAL DESCRIPTION MAY BE MODIFIED AS REQUIRED BY THE PORT'S CHIEF HARBOR ENGINEER.



Deed 1

D464 1456 628

WILE INSURANCE & TRUST CO.

0275576

1907 DEC 16 PM 1:00

CITY OF SAN FRANCISCO, CALIF.

RECORDED

CITY AND COUNTY OF SAN FRANCISCO
Real Estate Department

Director of Property
City and County of San Francisco
450 McAllister Street, Rm. 600
San Francisco, California 94102

DOCUMENTARY TRANSFER TAX: None-transferee
☐ COMMUNO OR FULL VALUE OF PROPERTY COLLECTED, OF GRAN
☐ COMMUNO OR FULL VALUE LESS LICEN & FEE COLLECTED
ATTACHED THEREON AT TIME OF SALE.

Wile Insurance & Trust Co.
Signature of Director or Agent for Transfer Tax - (Not a Notary)
CORPORATION GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby
acknowledged,

Bethlehem Steel Corporation, a corporation organized under the
laws of the State of Delaware, hereby GRANTS to the City and County
of San Francisco, a municipal corporation, the following described
real property in the City and County of San Francisco, State of
California:

PARCEL ONE: BEGINNING at the point of intersection of the
northerly line of Twentieth Street with the easterly line of
Illinois Street; running thence easterly along said northerly line
of Twentieth Street 800 feet; thence at a right angle southerly 33
feet; thence at a right angle easterly 280 feet; thence at a right
angle northerly 450 feet; thence at a right angle easterly 240
feet; thence at a right angle northerly 433 feet to a point in the
former southerly line of Eighteenth Street, now vacated, which
point is also at the northeasterly corner of Tide Land Block No.
485; thence at a right angle westerly along said former southerly
line of Eighteenth Street and its extension, 1320 feet to the
easterly line of Illinois Street; thence at a right angle southerly
along said easterly line of Illinois Street 466 feet and to the
point of beginning.

PARCEL TWO: BEGINNING at the point of intersection of the
southerly line of Twentieth Street with the easterly line of
Michigan Street; running thence easterly along said southerly line
of Twentieth Street 520 feet; thence at a right angle southerly 131
feet and 8 inches; thence at a right angle westerly 135 feet and
5-1/2 inches; thence southwesterly 273 feet and 5-1/2 inches to a
point which is perpendicularly distant 400 feet southerly from the
southerly line of Twentieth Street, and also perpendicularly
distant easterly 332 feet from the easterly line of Michigan
Street; thence southerly and parallel with said line of Michigan
Street 33 feet; thence at a right angle westerly 92 feet; thence at
a right angle southerly 213 feet; thence at a right angle westerly
140 feet; thence at a right angle northerly 5 feet and 6-1/2
inches; thence at a right angle westerly 100 feet to the easterly
line of Michigan Street; and thence northerly along the easterly
line of Michigan Street 640 feet and 5-1/2 inches to the point of
beginning.

EXCEPTING THEREFROM the following described parcel:

COMMENCING at the point of intersection of the southerly line
of Twentieth Street with the easterly line of Michigan Street;
thence easterly along said southerly line of Twentieth Street North
85 degrees 30 minutes East 520 feet; thence South 4 degrees 30
minutes East 131.667 feet; thence South 85 degrees 30 minutes West

135.292 feet; thence South 6 degrees 36 minutes 47 seconds West along a line which if produced southwesterly will intersect a point which is South 4 degrees 30 minutes East 400 feet from the southerly line of said Twentieth Street and North 85 degrees 30 minutes East 332 feet from the easterly line of Michigan Street, a distance of 8.785 feet to the true point of beginning; thence running South 85 degrees 30 minutes West 43.535 feet; thence South 4 degrees 30 minutes East 122.86 feet; thence North 85 degrees 30 minutes East 19.402 feet, more or less, to a point on a line, which said line if produced southwesterly from the true point of beginning will intersect a point which is South 4 degrees 30 minutes East 400 feet from said southerly line of Twentieth Street and North 85 degrees 30 minutes East 332 feet from said easterly line of Michigan Street; thence North 6 degrees 36 minutes 47 seconds East along said line so drawn 125.208 feet, more or less, to the true point of beginning.

ALSO, EXCEPTING THEREFROM the following described parcel:

BEGINNING at a point on the easterly line of Michigan Street, distant thereon 640 feet and 5-1/2 inches southerly from the southerly line of Twentieth Street; running thence at a right angle easterly and parallel with said southerly line of Twentieth Street 100 feet; thence at a right angle southerly 5 feet and 6-1/2 inches; thence at a right angle easterly 140 feet to the former center line of Georgia Street, now vacated; thence at a right angle northerly 50 feet; thence at a right angle westerly 240 feet to the easterly line of Michigan Street; thence southerly along said line of Michigan Street 44 feet and 5-1/2 inches to the point of beginning.

PARCEL THREE: BEGINNING at the point of intersection of the southerly line of Twentieth Street with the easterly line of Illinois Street; running thence easterly along said southerly line of Twentieth Street 200 feet to the westerly line of Michigan Street; thence at a right angle southerly along said westerly line of Michigan Street 537 feet; thence at a right angle westerly 200 feet to the easterly line of Illinois Street; thence at a right angle northerly along said easterly line of Illinois Street 537 feet to the point of beginning.

SUBJECT, HOWEVER, to liens for general and special county and city taxes for the fiscal year July 1, 1982, to June 30, 1983.

SUBJECT, MOREOVER, to all easements, covenants, conditions and restrictions of record.

SUBJECT, FURTHER, to any matters that could be ascertained by an up-to-date survey, by making inquiry of persons in possession or by an inspection of the real property herein described.

SUBJECT, FURTHER, to any rights and easements for commerce, navigation, and fishery in favor of the public or the federal or state governments.

SUBJECT, FURTHER, to the effect of the following unrecorded instrument: Grant of Right of Way dated September 30, 1966, from Bethlehem Steel Corporation to The United States of America.

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Doc 0464 FILE 630

In Witness Whereof, said corporation has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its Vice President and Assistant Secretary thereunto duly authorized by corporate resolution attached hereto.
Dated: November 24, 1982

COMMONWEALTH OF Pennsylvania)
COUNTY OF LEHIGH) SS.

J. S. Kegg Vice President
ATTEST: (Assistant Secretary)

On November 24, 1982 before me, the undersigned, a Notary Public in and for said Commonwealth and county personally appeared

(Signature)
known to me to be the Vice President and (Signature) known to me to be Assistant Secretary of the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature (Signature)

My Commission Expires
January 2, 1981
City of Bethlehem
Lehigh County

This is to certify that the interest in real property conveyed by this deed dated 11-24-82 (from Bethlehem Steel Corporation, a Delaware corporation, to the City and County of San Francisco, a California municipal corporation, is hereby accepted by order of its Board of Supervisors' Resolution No. 18110, Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated November 15, 1982 By Walter Hartman
Director of Property

Description Approved:

By (Signature)
RAYMOND WONG
Bureau of Engineering

11/22/82

1220P

MEMORANDUM OF UNDERSTANDING

This memorandum of understanding dated August 25, 1952, by and among Bethlehem Steel Corporation, a Delaware Corporation ("Bethlehem"), Todd Shipyard Corporation, a New York Corporation ("Todd") and the City and County of San Francisco, a municipal corporation, acting by and through its Port Commission (the "Port").

WITNESSETH

WHEREAS:

1. Bethlehem desires to sell its San Francisco shipyard facility ("Facility") and to cease operations therein; and
2. Todd desires to enhance its commercial and naval ship repair ship building capability in the Port of San Francisco; and
3. The Port desires to further develop the general maritime capabilities of the Port of San Francisco as well as acquire the Facility real property; and
4. Todd is prepared to enter into a 30 year lease of the Facility real property; and
5. Todd is prepared to commit a minimum of \$10.0 million of capital improvements and replacements within the first five years of its operation at this location; and
6. Todd further intends to expend approximately \$1.5 million annually on maintenance and repair at the Facility; and
7. The Port and Todd look forward to an expansion of employment opportunities through Todd's operations of the Facility including the implementation by Todd of job training programs.

NOW THEREFORE, Bethlehem, Todd and the Port hereby express the following understanding:

ARTICLE I

Real Estate Transactions

1. For \$1 and other good and valuable consideration, Bethlehem shall sell to the Port the land, piers and buildings, so generally within the area of dark shading on the plan entitled "San Francisco Shipyard of Bethlehem Steel Corporation in the City of San Francisco County of San Francisco State of California", numbered No. 1, dated March 8, 1945 and revised 2-3-81, a copy of which is attached hereto as Exhibit A and made a part hereof, together with the buildings and structures owned by Bethlehem as generally shown within the area of light shading on Exhibit A. Title to the property shall be conveyed by a corporation grant deed convey such title as may be insurable under a California Standard Company Policy of Title Insurance. The cost of title insurance shall be borne equally by Bethlehem and Todd.

2. Pending the closing of title, Bethlehem shall afford representative of the Port full and continuous physical access to the Facility.
3. Pending the closing of title, Bethlehem shall retain the risk of loss to the Facility subject to normal wear and tear due to Bethlehem's continued operations until closing. At the closing Bethlehem shall convey the piers, buildings and structures in "as is, where is" condition.
4. Bethlehem and the Port shall give each other the customary representations and warranties in the conveyance of real estate.
5. Upon the closing of title, the Port shall provide to Bethlehem recordable release of the Lease, dated September 3, 1969, between Bethlehem and the Port, including an express release of the Port granted in Paragraph 6 of the Lease.

ARTICLE 11 Personal Property Transactions

1. Bethlehem shall sell to Todd all cranes, machinery and other equipment (including dry docks) which are present at the Facility and used in Bethlehem's ship repair operations in San Francisco (excluding two crawler cranes, Bethlehem Nos. 304 and 307) and are not included within the sale to the Port set forth in Article 10 above. Bethlehem and Todd shall conduct a joint physical inventory of the major items of property to be listed in a schedule to be attached to the definitive purchase agreement between the parties. Additionally, Bethlehem shall sell to Todd the normal inventory supplies, pertinent to the operation at Bethlehem's San Francisco Shipyard, on hand at the closing of title. The purchase price \$14 million cash, payable in full on the closing. Personal property to be sold hereunder shall be conveyed at the closing "as is, where is" condition.
2. Pending the closing of title, Bethlehem shall afford Todd full continuous physical access to the Facility.
3. Pending the closing of title, Bethlehem shall retain the risk of loss to the personal property to be sold hereunder, subject to normal wear and tear due to Bethlehem's continued operations until closing. If any of these items of property listed in the schedule referred to in Article 11, 1, above, become lost, destroyed or damaged, Bethlehem may at its option replace or repair the item falling which the purchase price shall be reduced in a manner satisfactory to both Bethlehem and Todd or if no satisfactory reduction can be negotiated, the amount of the reduction of the purchase price shall be submitted to immediate arbitration.

4. Bethlehem and Todd shall give each other the customary representations and warranties in connection with an asset acquisition and sale.
5. Bethlehem will not book any work in the facility which might extend beyond the closing of title without first obtaining Todd's consent.
6. Todd will assume no liabilities of Bethlehem with respect to the facility arising out of events occurring prior to the closing of title.

ARTICLE III Lease Transactions

1. The Port will lease to Todd for a period of 30 years the land, (including land under water), piers and buildings upon which the facility is located.
2. The rental for the land under water shall be the same as set forth in the lease of that land to Bethlehem dated September 3, 1957. Rental for the remaining land shall be predicated on appraisals that land satisfactory to Todd and the Port and the annual rental shall be equal to 10% of that appraised value with adjustment at each five-year period of operation under the lease to reflect a current increase or decrease in the cost of living index for the local area. The lease will provide that upon an accounting the costs incurred by Todd for capital improvements will be offset against the rental sums due the Port over the term of the lease.
3. For the full term of the lease, Todd will use the leased premises solely for the purposes of operating a ship building and ship repair facility. During the term of the lease, Todd shall maintain all facility including the premises leased hereunder and the persons properly involved in this transaction in a state of good repair, normal wear and tear excepted.
4. In the event of default by Todd upon any of the provisions of the lease, the Port shall have the right to purchase all the personal property in this transaction at the then current book value of the property.
5. During the full term of the lease, Todd shall have the right to assign this lease, subject to the terms of this Memorandum of Understanding, to a financially responsible party upon the prior written consent of the Port which consent shall not unreasonably be withheld.
6. The lease shall be subject to an easement from Bethlehem to the Port dated July 9, 1959 relating to a railroad spur curvatures.

7. The lease shall also contain the standard terms and conditions contained in Port leases.
- d. The lease, when executed, shall supersede and render null and void the lease between the Port and Bethlehem dated September 3, 1982.

ARTICLE IV Effectiveness

1. This Memorandum of Understanding shall be effective upon its execution by Bethlehem, Todd and the Port. This agreement represents the further implementation of (i) the July 15, 1982 letter agreement between Bethlehem and Todd and the respective rights and duties thereunder and (ii) the July 30, 1982 offer by Bethlehem to the Port and the respective rights and duties thereunder.
2. There shall be a simultaneous closing of the above real property transaction, personal property transaction and lease transaction. The parties herunder estimate that the closing shall be on or before September 30, 1982 and, in no event, later than December 31, 1982.
3. The parties hereto agree that (i) in the event that Todd is unable or unwilling to close the transactions contemplated hereunder, on or before December 31, 1982, the Port shall have the right to exercise for itself or its assignee, all of Todd's rights hereunder and (ii) in the event the Port is unable or unwilling to close the transactions contemplated hereunder on or before December 31, 1982, Todd shall have the right and obligation, for itself or its assignee, to exercise all of the Port's rights and obligations hereunder.
4. As between Bethlehem and the Port (and without affecting in any manner whatsoever Todd's rights with respect to the facility), ~~pending the complete and final consummation of the Memorandum of Understanding~~, Bethlehem agrees to extend by sixty (60) additional days that certain right of first refusal contained in the agreement between Bethlehem and the Port dated September 3, 1982 and that certain offer to sell dated July 30, 1982. ~~The consummation of this Memorandum of Understanding shall supersede and supplement each of said rights.~~
agreement
is by Todd
5. Consummation of this Memorandum of Understanding is subject to approval by the San Francisco Port Commission and the Boards of Directors or Executive Committees of Bethlehem and Todd of definitive purchase agreements containing such terms and conditions as may be mutually acceptable to the parties and their respective counsel.

6. State and local taxes, other than property taxes and taxes on income, imposed on the sale and transfer of property hereunder be borne and paid by Todd and the Port, and shall be in addition to the consideration stated herein; property taxes paid or payable with respect to such property shall be prorated among Bethlehem, Todd and the Port.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum Understanding on the day and year first above written.

TODD SHIPYARDS CORPORATION

By

J. F. Hill

ATTEST

Charles F. Palmer

BETHELEHEM STEEL CORPORATION

By

Ed A. ...
Vice Chairman

ATTEST:

Ed A. ...

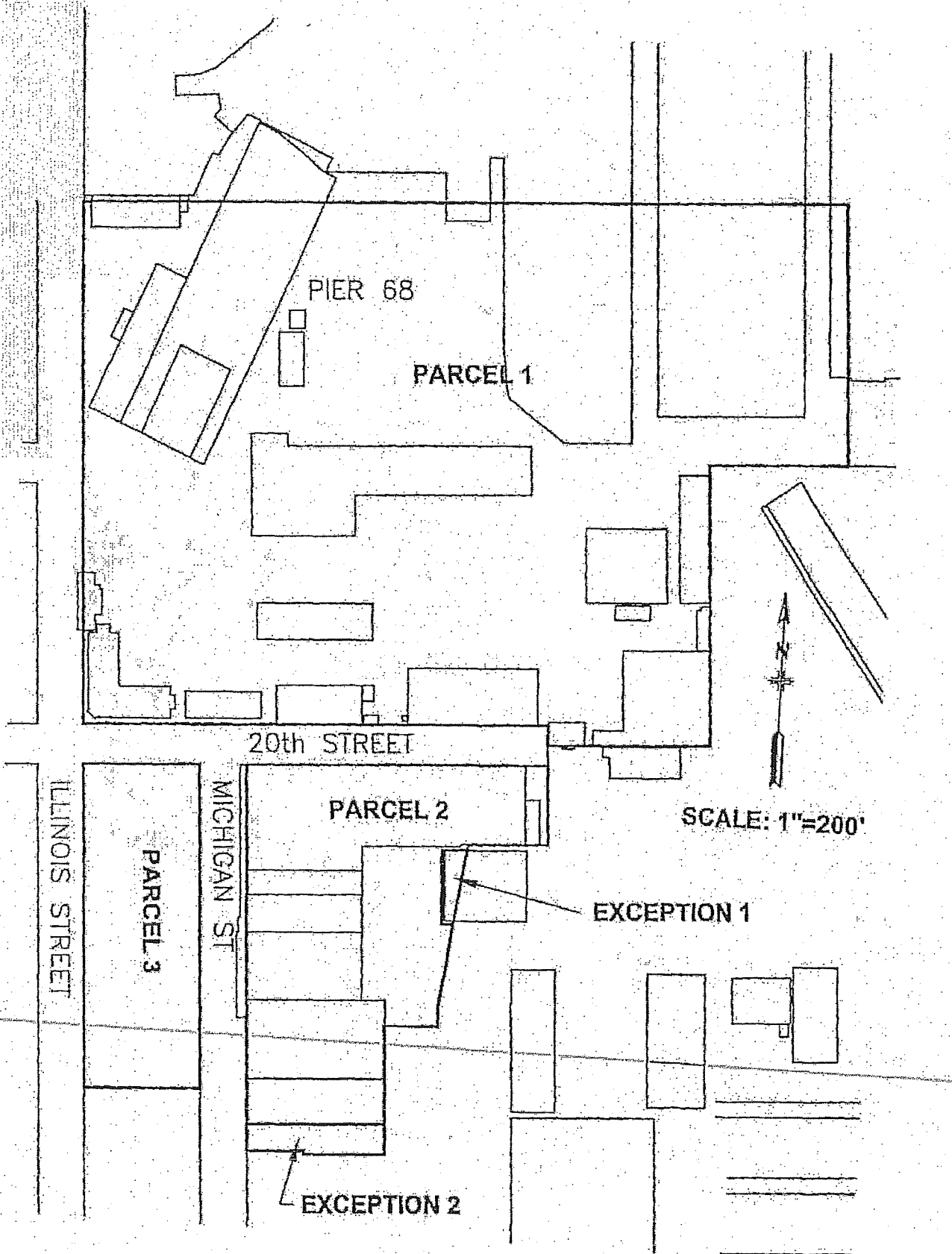
THE CITY AND COUNTY OF SAN FRANCISCO

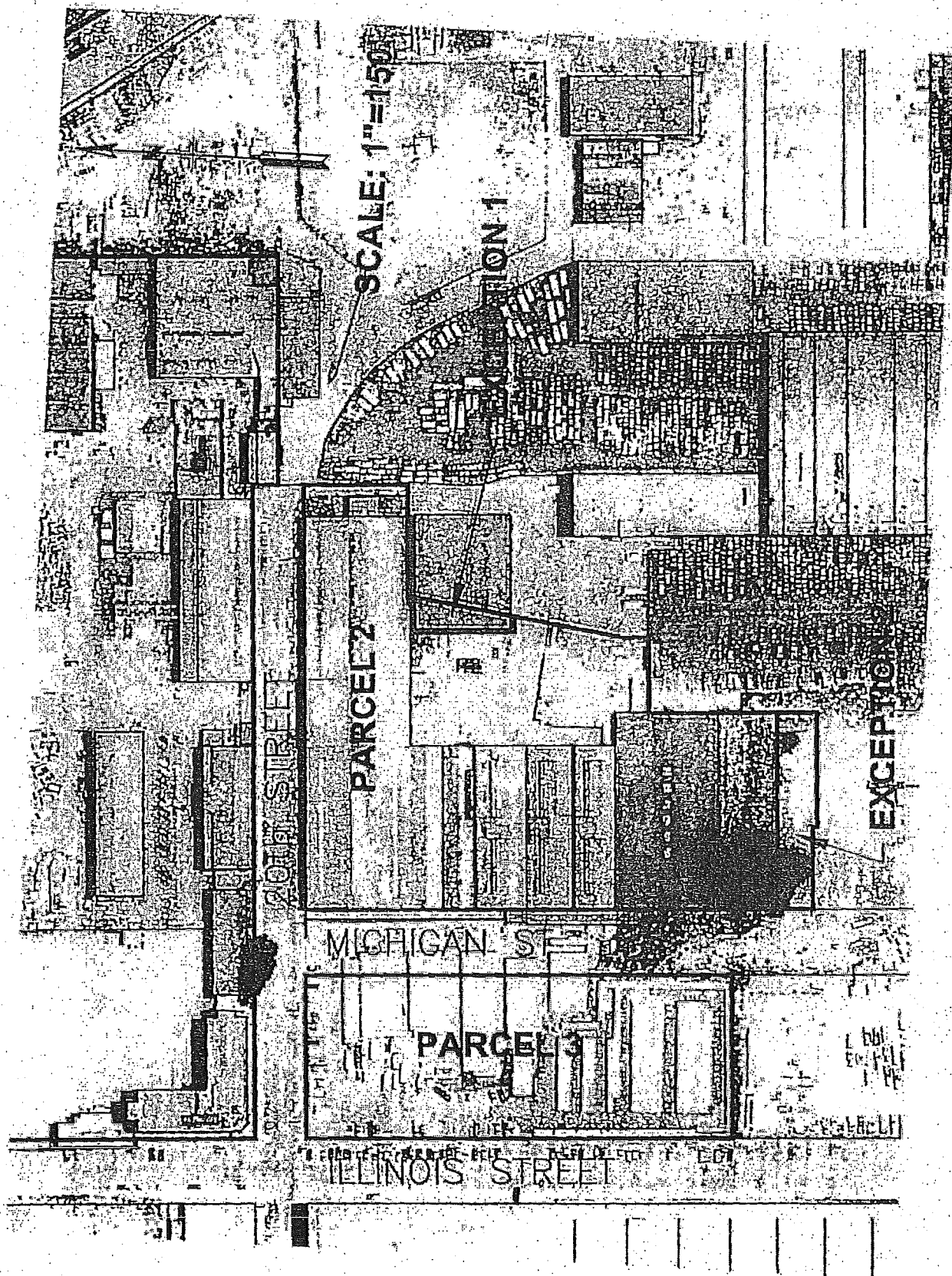
By

Eugene S. ...
Arthur H. ...
Jack ...
Edward H. ...

ATTEST:

...





145512
WHEN RECEIVED RETURN TO:
Director of Property
City And County of San Francisco
450 McAllister Street, Rm. 600
San Francisco, Ca. 94102

BOOK D464 PAGE 631

ORIGINAL
TITLE INSURANCE INVESTMENT
D276577

CITY AND COUNTY OF SAN FRANCISCO NOV 2 DEC 16 PM 1:00

DIANNE FEINSTEIN, MAYOR SAN FRANCISCO, CALIF.

RECORDED

10/1 P.P.

AGREEMENT TERMINATING LEASE
BETWEEN THE
CITY AND COUNTY OF SAN FRANCISCO
BY AND THROUGH THE
SAN FRANCISCO PORT COMMISSION
AND
BETHLEHEM STEEL CORPORATION

Eugene L. Gartland, President
James J. Rudden, Commissioner
Harry Bridges, Commissioner
Jack Morrison, Commissioner
Arthur Coleman, H.D., Commissioner

EDWARD L. DAVID
PORT DIRECTOR

Doc D464 File 632

THIS AGREEMENT is made and entered into on the date of execution by CITY AND COUNTY OF SAN FRANCISCO as set forth below, between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (hereinafter called "City"), by and through the SAN FRANCISCO PORT COMMISSION (hereinafter called "Port"), and BETHLEHEM STEEL CORPORATION, a Delaware corporation (hereinafter called "Bethlehem").

WITNESSETH

WHEREAS, pursuant to the Lease between the Port and Bethlehem, dated September 3, 1969, and recorded on September 29, 1969, as Instrument No. 815790 in the Official Records of the City and County of San Francisco, California, in Book 8369, at page 915, the Port leased to Bethlehem certain premises situate in the City and County of San Francisco, in the State of California; and

WHEREAS, Bethlehem and the Port desire to terminate said Lease prior to the expiration date set forth therein;

NOW, THEREFORE, the Port and Bethlehem, each in consideration of the covenants and agreements to be kept and performed by the other party as hereinafter set forth and each on behalf of itself and its successors and assigns, hereby agree as follows:

1. Said lease is hereby terminated as of the date of the closing of said transaction (hereinafter, "the Closing") of the Agreement of Purchase and Sale of Real Estate between the Port and Bethlehem, which Agreement is incorporated herein by reference as though fully set forth.

500 D404 REC 633

2. Any rents payable under said lease shall be prorated as of the Closing.

3. The Port shall return to Bethlehem the amount of Six Thousand Seven Hundred Sixty-two and Forty-eight one-hundredths Dollars (\$5,762.48), being the amount of the deposit to guarantee future payments of rent being held by the Port pursuant to the provisions of Paragraph 3 of said lease.

4. All real improvements to said leased premises belonging to Bethlehem that shall remain thereon at the Closing shall be deemed abandoned and shall become the property of the Port in "as is" and "where is" condition; provided, that nothing herein shall be deemed to convey to the Port any interest in the personal property, including without limitation the drydocks and cranes, of Bethlehem located on said leased premises; the parties hereto acknowledging that said personal property is being sold to Todd Shipyard Corporation by Bill of Sale.

5. Bethlehem is hereby released of any obligation to remove any real improvements from, and to restore, said leased premises pursuant to the provisions of Paragraph 7 of said lease.

6. Bethlehem and the Port hereby each release the other from any and all obligations under said lease that otherwise would have accrued on or after the closing.

7. The Port hereby acknowledges and agrees that Bethlehem has performed all of its obligations, including without limitation its obligation under Paragraph 6 of said lease, related to the Port's right or rights of first refusal.

NOV 1964 634

B. This Agreement of Termination shall be deemed to be made in and shall be governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Termination as of the dates set forth below:

BETHLEHEM STEEL CORPORATION, a Delaware corporation

By: [Signature]
Title: Vice President
Date Executed: 11/8/82

COMMONWEALTH OF PENNSYLVANIA,)
COUNTY OF LEHIGH) SS.

On this 8th day of November, 1982, before me, the undersigned, a Notary Public in and for said County and Commonwealth, personally appeared [Signature] who acknowledged himself to be a Vice President of Bethlehem Steel Corporation, a corporation organized and existing under the laws of the State of Delaware, that he, as such officer, being authorized so to do, executed the foregoing Agreement for the purposes therein contained, by signing his name thereto as Vice President of said Bethlehem Steel Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

[Signature]
Notary Public

My Commission Expires January 2, 1983

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, by and through the SAN FRANCISCO PORT COMMISSION,

By: [Signature]
Title: Port Director
Date Executed: Dec. 9, 1982

600 D484 PAGE 635

APPROVED AS TO FORM:

GEORGE AGHOST
City Attorney

By: Don H. Sherman
Deputy City Attorney

Authorization by Port Commission

Resolution No: 82-125

Adopted: November 10, 1982

Attest:

By: [Signature]
Secretary, Port Commission

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NOV 04 64 EXT 636

SAN FRANCISCO PORT COMMISSION

RESOLUTION NO. 82-175

WHEREAS, the San Francisco Port Commission (hereinafter "this Commission") and the Bethlehem Steel Corporation (hereinafter "Bethlehem") entered into Lease No. L-7130, dated September 3, 1969, and

WHEREAS, the term of said Lease L-7130 (hereinafter, the "Lease") is for a period of sixty (60) years; and

WHEREAS, on August 25, 1982, this Commission approved a Memorandum of Understanding among Bethlehem, Todd Shipyards Corporation (hereinafter "Todd") and the City and County of San Francisco (hereinafter the "City"), acting by and through this Commission; and

WHEREAS, said MOU contemplates, among other things, (1) the sale by Bethlehem to the City of certain real estate located contiguous to the property which is the subject of the Lease and (2) the lease from this Commission to Todd of both said contiguous real estate and the property which is the subject of the Lease; and

WHEREAS, on November 10, 1982, this Commission adopted Resolution No. 82-174, approving an Agreement for the Purchase and Sale of said contiguous property; and

WHEREAS, on October 18, 1982, this Commission adopted Resolution No. 82-108, approving Lease No. L-10658 to Todd of both the contiguous property and the property which is the subject of

WD464 637

the Lease, which Lease No. L-10658 commences on the closing of the sale of said contiguous property to the City; and


WHEREAS, this Commission desires to terminate the Lease effective as of the date of the closing of the sale of said property and commencement of the term of said Lease No. L-10658; now, therefore, be it

RESOLVED, that this Commission hereby approves the Agreement Terminating Lease, which Agreement is contained in this Commission's File Number 27-92; and be it

FURTHER RESOLVED, that this Commission hereby requests the Board of Supervisors to approve said Agreement Terminating Lease; and be it

FURTHER RESOLVED that the Port Director is hereby directed to transmit copies of this Resolution to the Mayor and Board of Supervisors of the City and County of San Francisco.

I hereby certify that the foregoing Resolution was adopted by the San Francisco Port Commission at its meeting on November 10, 1983.


Secretary

SAN FRANCISCO PORT COMMISSION

12637

Deed 2

KMG:pma 1-6 11/8/71 100-1590 111-905 8998

Recording requested by
Title Insurance and Trust Company

When recorded mail to
City and County of San Francisco
Recorder's Office
1000 Market Street
San Francisco, California 94102

U42150

Official

Return and mail tax statements to:
San Francisco

Space above this line
for Recorder's use

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby
acknowledged, THE WESTERN PACIFIC RAILROAD COMPANY, a California
corporation, Grantor, hereby GRANTS to the CITY AND COUNTY OF
SAN FRANCISCO, a body corporate and politic, Grantee, all that
certain real property situate in the City and County of San
Francisco, State of California, more particularly described in
Exhibit "A", Attached hereto and hereby made a part hereof as
fully as is herein set forth at length.

EXCEPTING AND RESERVING THEREFROM to Grantor, its
successors and assigns forever, all minerals, oil, gas and
other hydrocarbon substances below a depth of 500 feet of said
real property, without the right of surface entry.

SUBJECT TO the lien of current taxes and assessments.

Dated: November 24, 1971

THE WESTERN PACIFIC RAILROAD COMPANY
DOCUMENTARY TRANSFER TAX Exempt
X COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR
Y COMPUTED ON FULL VALUE LESS LIENS & ENCUMBRANCES
REMAINING THEREON AT TIME OF SALE.

Alma Title Insurance and Trust Company

Signature of grantor or agent determining tax — firm signed by

Robert S. Ruler PRESIDENT
John P. Ruler SECRETARY

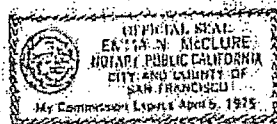
MAIL TAX STATEMENTS AS DIRECTED ABOVE

300 8590 121 906

STATE OF CALIFORNIA.)
CITY AND COUNTY OF SAN FRANCISCO) ss.

On this 24th day of November, 1971, before me,
EMMA W. McCURE, a Notary Public in and for the said City and
County of San Francisco, State of California, residing therein,
duly commissioned and sworn, personally appeared A. E. PERLMAN
and LOGAN PAINE, known to me to be the President and the Secretary,
respectively, of THE WESTERN PACIFIC RAILROAD COMPANY, the
corporation described in and that executed the within instrument,
and they acknowledged to me that such corporation executed the
same pursuant to its by-laws or a resolution of its Board of
Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal at my office in the City and County of
San Francisco, the day and year in this certificate first above
written.



Emma W. McCure
NOTARY PUBLIC

200-B590 1-1-907

... SITUATE in the City and County of San Francisco, State of California, described as follows:

PARCEL NO. 1

Beginning at a point on the easterly line of Indiana Street, distant thereon 477.00 feet southerly from the southerly line of Army Street as widened; thence southerly along said easterly line of Indiana Street, 346.00 feet, to the northerly line of Tulare Street, according to "Map Showing the Widening of Tulare Street between Third and Indiana Streets", recorded June 18, 1932 in Book "M" of Maps at Page 76, in the Office of the Recorder of the City and County of San Francisco; thence at a right angle easterly along said northerly line of Tulare Street, 200.00 feet, to the westerly line of Minnesota Street; thence at a right angle northerly along said westerly line of Minnesota Street, 346.00 feet, to the southerly line of Marin Street, according to "Map Showing the Opening of Marin Street between Indiana and Tennessee Streets", recorded May 10, 1951 in Book "R" of Maps at Page 14, in the Office of said Recorder; thence at a right angle westerly along said southerly line of Marin Street, 200.00 feet, to the point of beginning.

PARCEL NO. 2

Beginning at a point on the westerly line of Tennessee Street, distant thereon 477.00 feet southerly from the southerly line of Army Street as widened; thence southerly along said westerly line of Tennessee Street, 346.00 feet, to the northerly line of Tulare Street, according to "Map Showing the Widening of Tulare Street between Third and Indiana Streets", recorded June 18, 1932 in Book "M" of Maps at Page 76, in the Office of the Recorder of the City and County of San Francisco; thence at a right angle westerly along said northerly line of Tulare Street, 200.00 feet, to the easterly line of Minnesota Street; thence at a right angle northerly along said easterly line of Minnesota Street, 346.00 feet, to the southerly line of Marin Street, according to "Map Showing the Opening of Marin Street between Indiana and Tennessee Streets", recorded May 10, 1951 in Book "R" of Maps at Page 14, in the Office of said Recorder; thence at a right angle easterly along said southerly line of Marin Street, 200.00 feet, to the point of beginning.

EXHIBIT "A"

DESCRIPTION

Checked SYN 12-11-71
Approved ASH 12-11-71

[illegible]

1058

Deed 3

Recording Requested by and
When Recorded Mail to:

CITY AND COUNTY OF SAN FRANCISCO

San Francisco Port Commission
Pier 1

San Francisco, CA 94111

Attn: Neil H. Sekhri

(State of California Official Business)

Document Entitled to Free Recordation

Pursuant to Government Code Section 6103)

San Francisco Assessor-Recorder
Mabel S. Teng, Assessor-Recorder
DOC- 2004-H668591-00

Acct. 1-CHICAGO Title Company

Tuesday, MAR 02, 2004 14:37:00

Ttl Pd \$30.00

Libr-0002420525

REEL 1585 IMAGE 0998

011/JL/1-8

Documentary Transfer Tax is \$0: This instrument is exempt from Documentary Transfer Tax.
(Space above this line for Recorder's use only)

Escrow #60489961
Seawall Lot 330
Porton Lot 1, B/K 3771

QUITCLAIM DEED
(Conveying Portion of SWL 330)

WHEREAS, the STATE OF CALIFORNIA, acting by and through the STATE LANDS COMMISSION ("State" or "Commission"), and the CITY OF SAN FRANCISCO ("City"), acting by and through the SAN FRANCISCO PORT COMMISSION ("Port") (City and Port hereinafter are referred to collectively as "City"), have entered into that certain Seawall Lot 330/Western Pacific Property Exchange Agreement (the "Exchange Agreement"), dated as of November 24, 2003; and

WHEREAS, on October 20, 2003, pursuant to the authority set forth in Section 5, Chapter 310, Statutes of 1987, the Commission approved the Exchange Agreement and authorized the delivery of this Quitclaim Deed on the terms and conditions set forth in the Exchange Agreement; and

WHEREAS, the Exchange Agreement sets forth certain approvals of and conveyances of lands and interests therein by the State of California, acting by and through the State Lands Commission, releasing such lands from the public trust for the purposes of commerce navigation and fisheries in exchange for placing the public trust on certain other lands; and

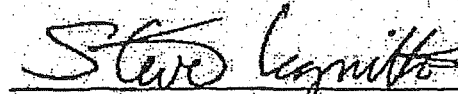
WHEREAS, in furtherance thereof, the City has agreed to convey to the State of California the certain lands as more particularly described hereinafter so that the State may reconvey such lands to the City free of the public trust;

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City hereby releases, remises and quitclaims to the State any and all right, title and interest in and to the real property located in the City and County of San Francisco, State of California, described in Exhibit A attached hereto and depicted in Exhibit B attached hereto, each made a part hereof, to

be held by the State for reconveyance to the City free of the legal character of tide and submerged lands in accordance with the terms of the Exchange Agreement.

Executed this 26th day of February, 2004.

CITY AND COUNTY OF SAN FRANCISCO, a
Charter City and County



Steve Legnitto,
Acting Director of Real Estate

RECOMMENDED:

PORT OF SAN FRANCISCO

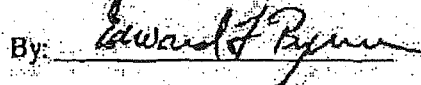

DOUGLAS F. WONG
Executive Director

APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

BY: 
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: 

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Francisco

On February 26, 2004, before me, Kathleen V. Bianchi
Name and title of Officer (e.g., Jane Doe, Notary Public)

personally appeared Steve Legnitte

personally known to me, OR



(Official Seal)

proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Kathleen V. Bianchi
Signature of Notary Public

CERTIFICATE OF ACKNOWLEDGMENT

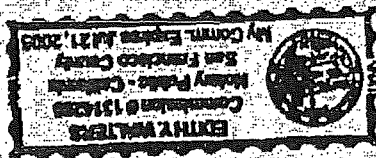
State of California

County of San Francisco

On February 1, 2004, before me, EDITH Y. WALTERS, Notary Public
MARCH

personally appeared DOUGLAS F. WONG

personally known to me, OR



(Official Seal)

proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Edith Y. Walters
Signature of Notary Public

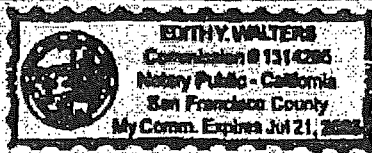


EXHIBIT A

LEGAL DESCRIPTION

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

BEING A PORTION OF PARCEL "A" AS SAID PARCEL IS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO", FILED IN BOOK "W" OF MAPS, PAGES 66 THROUGH 72, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND AS PARCEL "A" IS FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976 IN BOOK C165, PAGE 573, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF BEALE STREET AND THE NORTHWESTERLY LINE OF BRYANT STREET, BEING A POINT ON THE GENERAL WESTERLY LINE OF SAID PARCEL "A"; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF BEALE STREET, 82.50 FEET TO THE SOUTHEASTERLY LINE OF BRYANT STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 62.50 FEET TO THE INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND SAID SOUTHEASTERLY LINE OF BRYANT STREET, BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 158.00 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, LEAVING SAID LINE OF BRYANT STREET, 143.00 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 158.00 FEET TO SAID NORTHEASTERLY LINE OF BEALE STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF BEALE STREET, 143.00 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF SEAWALL 330.

ALSO BEING A PORTION OF LOT 01, ASSESSOR'S BLOCK 3771.

1-2376-DX-A-DX.DOC
1-25-84

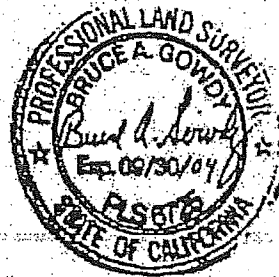


EXHIBIT "B"

PARCEL "C"
(W MAPS 66)
(SEE NOTE NO. 2)

MAIN STREET
(82.50' WIDE)

BEALE STREET
(82.25' WIDE)

NORTHWESTERLY LINE OF BRYANT STREET

PARCEL "A"
(W MAPS 66)
(SEE NOTE NO. 2)

BRYANT STREET (82.50' WIDE)

P.O.C.

82.50'

TRUE
P.O.B.

158.00'

143.00'

LOT

143.00'

158.00'

SOUTHEASTERLY LINE OF BRYANT STREET

SOUTHWESTERLY LINE OF BEALE STREET

BEALE STREET
(82.50' WIDE)

NORTHEASTERLY LINE OF BEALE STREET

AB 3771
LOT 1
(SEAWALL LOT 330)



MAIN STREET
(82.50' WIDE)
(ORDERED VACATED -
SEE NOTE NO. 1)

PARCEL "A"
(W MAPS 66)
(SEE NOTE NO. 2)

AB 3770
LOT 1
(SEAWALL LOT 329)

THE EMBARCADERO

LEGEND:

P.O.C. POINT OF COMMENCEMENT
P.O.B. POINT OF BEGINNING

NOTES:

- 1.) DECLARATION OF INTENTION TO VACATE A PORTION OF MAIN STREET PER RESOLUTION NO. 960-92, NOVEMBER 10, 1992 AND ORDERED TO BE VACATED PER ORDINANCE 14-93, JANUARY 11, 1993 AS APPROVED BY THE BOARD OF SUPERVISORS, CITY AND COUNTY OF SAN FRANCISCO.
- 2.) PARCELS AS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO ...", FILED IN BOOK "W" OF MAPS, PAGES 66-72, CITY AND COUNTY OF SAN FRANCISCO RECORDER'S OFFICE.
- 3.) ALL ANGLES OF DIMENSIONED LINES ARE 90° UNLESS OTHERWISE INDICATED.

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS
859 HARRISON ST., SUITE 200
SAN FRANCISCO, CA 94107
SEPTEMBER 2003 SCALE: 1"=70' SHEET 1 OF 1

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Quitclaim Deed dated 2-26, 2004, from the City and County of San Francisco to the State of California is hereby accepted by the undersigned officer or agent on behalf of the State of California pursuant to authority conferred by that act of the Legislature set forth as Section 5, Chapter 310, Statutes of 1987, and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: 2-24, 2004

STATE LANDS COMMISSION

By: 

Robert L. Lynch

Its: Chief, Division of Land Management

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

} ss.

On February 24, 04, before me, Grace M. Kato, Notary Public

Notary Public in and for the State of California, My Comm. Expires April 23, 2006

personally appeared Robert L. Lynch

Name of Signer(s)

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Grace M. Kato

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: certificate of acceptance

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

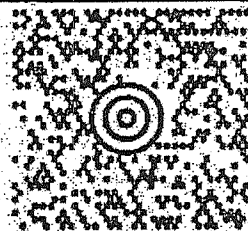
NOTARY PUBLIC
Kato M. Kato

CUSTOMER SUPPORT
(866) 692-1915
SAN FRANCISCO COUNTY ACCESSOR/RECORDER
CITY HALL ROOM 190
1 DR CARLTON B GOODLETT PLACE
SAN FRANCISCO CA 94102

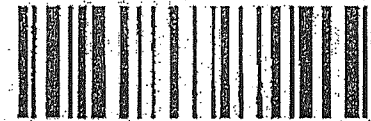
LTR

1 OF 1

SHIP THOMAS BARNETT
TO: (415) 350-5023
136 PRENTISS STREET
SAN FRANCISCO CA 94110



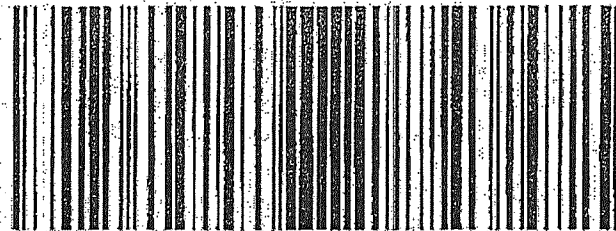
CA 941 9-24



UPS NEXT DAY AIR SAVER

TRACKING #: 1Z A53 F48 29 1013 7819

1P



BILLING: 3RD PARTY
SIGNATURE REQUIRED
REF1: 54112391
REF2: 11418

CUE 13-1 WinImage 63.5V 04/2015

1067

Mail Tax Statements To and
When Recorded, Mail To:

San Francisco Cruise Terminal, LLC
c/o Lend Lease Development U.S., Inc.
33 New Montgomery Street, Suite 220
San Francisco, CA 94105
Attn: Robert Hertzfeld



San Francisco Assessor-Recorder
Nabel S. Teng, Assessor-Recorder
DOC- 2004-H668594-00

Rec'd - CHICAGO Title Company
Tuesday, MAR 02, 2004 14:37:00
Tel Page 9, 961.00 Nbr-0002420528
REEL 1585 IMAGE 1001
0J1/JL/1-9

(City of San Francisco Official Business
Document Entitled to Free Recordation
Pursuant to Government Code Section 6103)

Documentary Transfer Tax of \$ 69,970.00 based on full value
of the property conveyed

SECTION # 6048999
SEAWAY Lot 330 (Space above this line reserved for Recorder's use only)
Portion of Lot 1, B/L 371

GRANT DEED

For Valuable Consideration, the receipt and adequacy of which are hereby acknowledged, the CITY and COUNTY OF SAN FRANCISCO, a Charter City and County (herein called the "Grantor"), pursuant to Resolution No. 460-03, adopted by the Board of Supervisors on July 15, 2003, and approved by the Mayor on July 25, 2003, hereby GRANTS to SAN FRANCISCO CRUISE TERMINAL, LLC, a Delaware limited liability company (herein called the "Grantee"), certain real property situated in the City and County of San Francisco, State of California (herein called the "City"), described in Exhibit A attached hereto and made a part hereof (herein called "the Property");

SUBJECT, however, to the following:

- (A) 2nd Installment of County and City taxes for Fiscal Year 2003-2004, a lien due or payable, not yet delinquent
- (B) County and City taxes for Fiscal Year 2004-2005, a lien not yet due or payable;
- (C) The Property lies within the boundaries of Mello-Roos Community Facilities District 90-1, For School Facility Repair and Maintenance.
- (D) The terms and conditions of the Purchase and Sale Agreement dated as of August 18, 2003 (referred to herein as the "Sale Agreement"), a Memorandum of which was recorded on January 16, 2004, as Reel 1555, Image 212, Series No. 2004-H639445-00, Official Records of the City, including but not limited to all rights granted therein or any attachments thereto affecting or burdening the Property.

NOTWITHSTANDING the foregoing and the provisions of Section 1113 of the California Civil Code, the Grantor shall have no liability to the Grantee in the event of any defect in the title of the Grantee to the Property conveyed by the Grantor regardless of the effect of such defect on the Grantee's rights in the Property, and no such defect shall be grounds for the rescission of this Deed by the Grantee.

The Grantee herein covenants by and for itself, its heirs, executors, administrators, successors and assigns, and all persons claiming under or through them, as follows:

(1) The Grantor shall have the right at its option to re-enter and take possession of all portions of Property with all improvements, for which no certificate evidencing "Completion" of the "Improvements" (as those terms are defined in the Sale Agreement) has been issued by Grantor and recorded, and to terminate and re-vest in the Grantor the estate theretofore conveyed to the Grantee by reason of failure of condition subsequent, if after conveyance of the Property to the Grantee there is an Event of Default by Grantee with respect to Grantee's obligations to construct and Complete the Improvements as set forth in Section 11.02(a) of the Sale Agreement that is not cured as provided in the Sale Agreement.

(2) Such rights to re-enter, repossess, terminate and re-vest shall be subject to and be limited by and shall not defeat, render invalid or limit (i) any mortgage, deed of trust or other security interest permitted by the Sale Agreement; (ii) any rights or interest provided in the Sale Agreement for the protection of the holders of such mortgages, deeds of trust or other security interest, or (iii) any rights or interest provided in that certain Intercreditor Agreement, dated as of the date hereof and recorded on the same day and subsequent to this Deed in the Records of the City, entered into between Grantor and HSBC Bank USA, a New York chartered commercial bank as Administrative Agent, for the protection of the holders of such mortgages, deeds of trust or other security interest, their successors and assigns.

(3) Without limiting the foregoing, as set forth in the Intercreditor Agreement, any party acquiring title to the Property upon foreclosure of the Construction Deed of Trust or acceptance by Mortgage Lender of a deed in lieu of foreclosure (as those terms are defined in the Intercreditor Agreement) (the "Successor Owner") shall be obligated to Complete Construction of the Project (as those terms are defined in the Sale Agreement) generally in accordance with the Schematic Drawings approved by the Port Commission Resolution No. 03-43 (with such changes as may be approved by the Port) but shall not be required to Complete Construction of the Project within the time frame set forth in the Schedule of Performance then in effect under the terms of the Sale Agreement. In addition, except in connection with a sale of the Property occurring during the Repurchase Period (as provided in Section 3.g of the Intercreditor Agreement), such Successor Owner shall not be required to comply with any other provisions of the Sale Agreement.

(4) For purposes of Grantor's ability to exercise its right to re-enter set forth in subparagraph (1) above against a Successor Owner, an "Event of Default" with respect to the Successor Owner's obligations to construct and Complete the Project shall occur if Successor Owner is not, subject to Force Majeure (as defined in the Sale Agreement), prosecuting diligently to Completion, the Construction of the Improvements to be constructed on the Site as required under subparagraph (3) of this Deed, or abandons or substantially suspends Construction for more than thirty (30) consecutive days, and such failure, abandonment or suspension continues for a period of: (i) thirty (30) days from the date of written notice from Grantor as to failure to commence Construction; or (ii) sixty (60) days from the date of written notice from Grantor as to abandonment, suspension or a failure to prosecute construction or to Complete Construction of the Improvements with due diligence. In order for Grantor to declare an Event of Default for failure of such Successor Owner to prosecute construction diligently, in its notice stating that Successor Owner is in default for failure to prosecute construction diligently, (1) Grantor shall provide an opinion from an independent third party experienced in high-rise condominium construction that in such party's reasonable opinion, Successor Owner is unlikely to accomplish "Completion" in a reasonable time, and (2) Successor Owner shall fail to cure its failure to prosecute construction diligently within sixty (60) days after such notice from Grantor.

(5) Such rights of Grantor to re-enter, repossess, terminate and revest shall terminate upon recordation of the certificate evidencing "Completion" of the "Improvements" described in Section 6.03 of the Sale Agreement. In the case of a Successor Owner, Grantor shall execute and deliver such certificate to the Successor Owner upon satisfaction of the requirements set forth in Section 6.03 of the Sale Agreement.

(6) Grantee acknowledges that it is purchasing the Property with the knowledge that future development of Piers 30/32, the Brannan Street Wharf proposed for Pier 36 and the former location of Pier 34, and the remainder portion of Seawall Lot 330 that does not include the Property, may generate certain impacts during construction and operation such as noise, parking congestion, truck traffic, auto traffic, odors, dust, dirt, view and visual obstructions. Anticipated future development may include (a) a mixed-use cruise terminal at Pier 30-32, including two cruise terminal berths accommodating up to two 1,000 foot cruise ships, an approximately 100,000 square foot cruise terminal, approximately 325,000 square feet of office space, 425 parking spaces, approximately 150,000 square feet of retail space, and associated open and public spaces, (b) the development of an approximately 57,000 square foot public open space at the Brannan Street Wharf, and (c) development of residential or hotel uses on the remainder of Seawall Lot 330. Grantee further acknowledges that consideration paid by Grantee for the Property reflects the potential impacts from such development.

It is intended and agreed that the agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise

specifically provided in this Deed itself, to the fullest extent permitted by law and equity, binding for the benefit of the Grantor, and shall be enforceable to the extent provided herein by the Grantor against the Grantee and its successors and assigns to or of the Property or any interest therein.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 26th day of February, 2004.

GRANTOR:
CITY & COUNTY OF SAN
FRANCISCO,
a Charter City and County

By: Steve Legnitto
STEVE LEGNITTO
Acting Director of Property

RECOMMENDED:

PORT OF SAN FRANCISCO

Douglas F. Wong
DOUGLAS F. WONG
Executive Director

APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

BY: Neil H. Sekhri
Neil H. Sekhri
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: [Signature]

AGREED TO AND ACCEPTED as of this 1ST day of MARCH, 2004.

SAN FRANCISCO CRUISE TERMINAL LLC,
a Delaware limited liability company

By: [Signature]
Name: Maurice Cococcia

Title: Managing Representative

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Francisco

On February 26, 2004, before me, Kathleen V. Bianchi
Name and title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Steve Legnitto

OR
personally known to me.



(Official Seal)

Proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Kathleen V. Bianchi
Signature of Notary Public

CERTIFICATE OF ACKNOWLEDGMENT

State of California

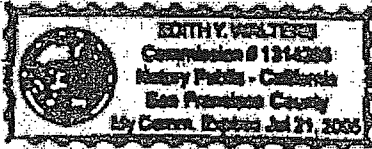
County of San Francisco

On February 1, 2004, before me, EDITH Y. WALTERS, Notary Public
MARCH
Name and title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared DOUGLAS F. WONG

OR personally known to me;

GR-



(Official Seal)

proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Edith Y. Walters
Signature of Notary Public

EXHIBIT A

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

BEING A PORTION OF PARCEL "A" AS SAID PARCEL IS SHOWN ON THAT MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO", FILED IN BOOK "W" OF MAPS, PAGES 66 THROUGH 72, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND AS PARCEL "A" IS FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976 IN BOOK C169, PAGE 573, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

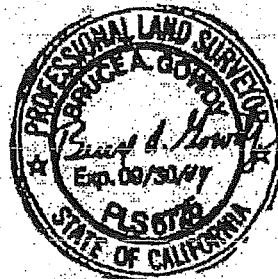
COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF BEALE STREET AND THE NORTHWESTERLY LINE OF BRYANT STREET, BEING A POINT ON THE GENERAL WESTERLY LINE OF SAID PARCEL "A"; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF BEALE STREET, 82.50 FEET TO THE SOUTHEASTERLY LINE OF BRYANT STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 82.50 FEET TO THE INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND SAID SOUTHEASTERLY LINE OF BRYANT STREET, BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF BRYANT STREET, 158.00 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, LEAVING SAID LINE OF BRYANT STREET, 143.00 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 158.00 FEET TO SAID NORTHEASTERLY LINE OF BEALE STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF BEALE STREET, 143.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, FOREVER, ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UNDER THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE, AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS HEREBY CONVEYED, AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF SAID LANDS OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE LOCATED FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE PROPERTY AS SET FORTH IN AND RESERVED BY THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED MARCH 02, 2004 IN REEL _____, IMAGE _____, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, INSTRUMENT NO. H 468592.

BEING A PORTION OF SEAWALL 330.

ALSO BEING A PORTION OF LOT 01, ASSESSOR'S BLOCK 3771.

2-5715-PX-A-GUANTZEE, LLC
2-23-24





City and County of San Francisco
Office of the Assessor-Recorder

MABEL S TENG
ASSESSOR-RECORDER

TRANSFER TAX AFFIDAVIT

FOR RECORDER'S USE ONLY
Document Series Number:

NOTICE: ANY MATERIAL MISREPRESENTATION OF FACT IN THIS AFFIDAVIT IS A MISDEMEANOR UNDER SECTION 1116 OF THE REAL PROPERTY TRANSFER TAX ORDINANCE. ANY PERSON WHO MAKES SUCH A MISPRESENTATION IS SUBJECT TO PROSECUTION FOR SUCH OFFENSE.

1. LOCATION OF PROPERTY: Block Portion of 2771 Folio 1
Street Address Seawall lot 230
Describe document(s) to be recorded: Deed
2. IS THIS A FORECLOSURE OR A TRUSTEE SALE? ☐ Yes ☒ No (If yes, complete this section, if no, proceed to #3)
a. Is the Transferor the Beneficiary or Mortgagee? ☐ Yes ☒ No
b. Please provide Name of Trustee: _____ Date of the original Deed of Trust: _____
c. Enter amount of consideration paid and on line 6a for tax calculation: \$ _____
3. IS THIS A LEASE? ☐ Yes ☒ No (If yes, complete this section, if no, proceed to #4)
a. Is remaining term of lease including renewal options greater than 50 years?
☐ Yes ☒ No (If no, no tax is due)
b. If yes, submit a copy of lease or summary of its terms
Consideration Value of leasehold (if definite) \$ _____
Consideration Value of leasehold (if not definite) \$ _____
c. Enter amount on line 6a for tax calculation.
4. IS THIS A GIFT IN WHOLE OR IN PART? ☐ Yes ☒ No
If yes, give complete explanation, if no, proceed to #5.

Please be advised that gifts that are valued over US\$11,000 are subject to the Gift Tax and must be reported to the Internal Revenue Service. The Gift Tax applies to the transfer by gift of any property, others, or gifts to spouses, political organizations or charities.

Assessor's Office: 1 Dr. Carlton B. Goodlett Place, City Hall, Room 150, San Francisco, CA 94102-4780
Phone: (415) 554-1562 Fax: (415) 554-7101
Recorder's Office: 1 Dr. Carlton B. Goodlett Place, City Hall, Room 150, San Francisco, CA 94102-4780
Phone: (415) 554-1175 Fax: (415) 554-1176

6-15-2001

5. DO YOU CONTEND THAT NO TRANSFER TAX IS DUE FOR A REASON NOT EXPLAINED ABOVE?
☐ Yes ☒ No (If no, proceed to #6)

a. If yes, explain fully:

(1) The nature of this transaction, and

(2) The reason why you contend no transfer tax is due. (Use additional papers if necessary and attach copies of records or documents supporting your claim.

(3) If adding or removing a co-owner for refinancing purpose, please initial the proportional ownership interest will carry back to its original holding within six (6) months from the date of the recording; otherwise I will pay the applicable transfer tax.

6. TAXABLE TRANSACTIONS.

Complete the following and calculate the tax below:

a. Consideration Paid (definite or indefinite)

\$ 9,324,000.00

If definite, what value is it based on?

Loan Amount \$

Assessed value \$

year of assessment

b. Tax due

\$ 69,990

Effective October 17, 1994, as mandated through local ordinance, the transfer tax rates are as follows:

If entire value or consideration is:

More than \$100 but less than or equal to \$250,000

More than \$250,000 but less than \$1,000,000

\$1,000,000 or more

Tax rate for entire value or consideration is:

\$2.50 for each \$500 or portion thereof

\$3.40 for each \$500 or portion thereof

\$3.75 for each \$500 or portion thereof

7. CONTACT INFORMATION

a. PERSON(S) PAYING TAX: SE Cruise Terminal, LLC

Maurice Cococcia

b. ADDRESS OF PERSON(S) PAYING TAX:

220 NEW MONTGOMERY, STE 220, SE, CA 94105

c. CONTACT TELEPHONE NUMBER (415) 995-4851

I DECLARE OR AFFIRM UNDER PENALTY OR PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Signed:

Theresa Kang

Date:

Theresa Kang

Place of Execution (City, County, State where executed)

SE CA

Date of Execution

3-2-04

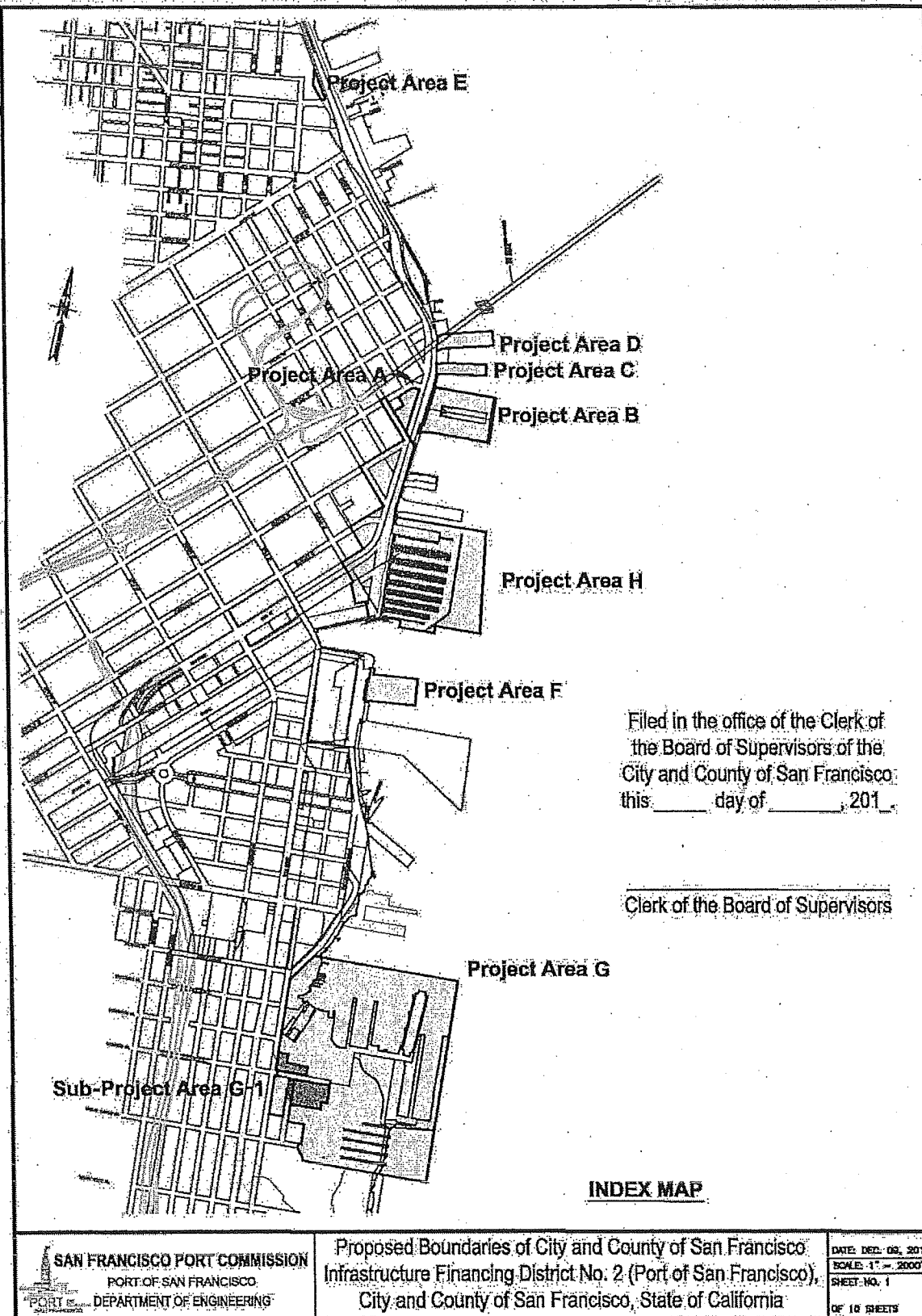
Interest of signing person in the property or this transaction

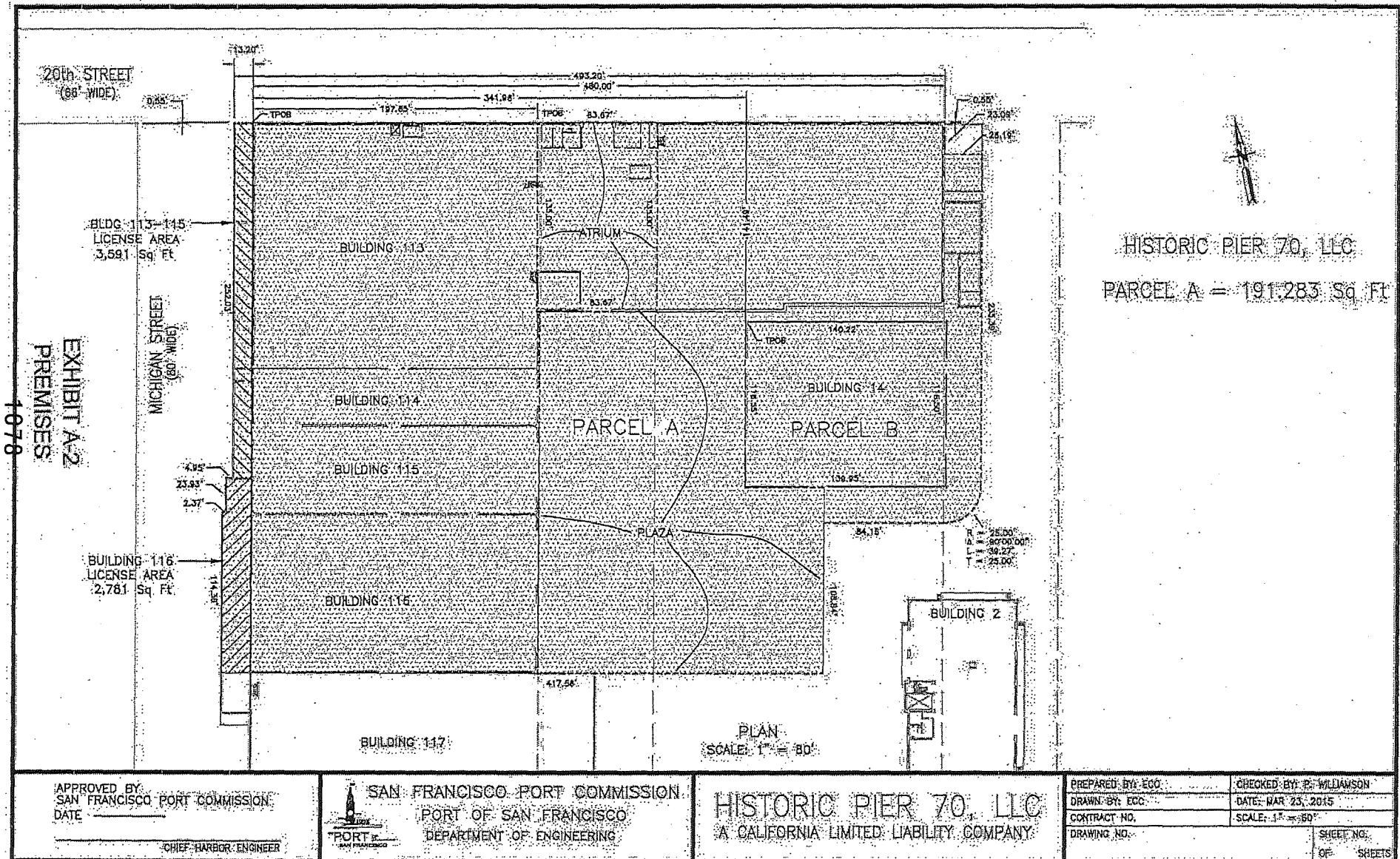
Agent

NOTICE: ANY MATERIAL MISREPRESENTATION OF FACT IN THIS AFFIDAVIT IS A MISDEMEANOR UNDER SECTION 11701 OF THE REAL PROPERTY TRANSFER TAX ORDINANCE. ANY PERSON WHO MAKES SUCH A MISREPRESENTATION IS SUBJECT TO PROSECUTION FOR SUCH OFFENSE.

Assessor's Office: 1 Dr. Carlton B. Goodlett Place, City Hall, Room 150, San Francisco, CA 94102-4751
Phone: (415) 554-5594 Fax: (415) 554-7151
Recorder's Office: 1 Dr. Carlton B. Goodlett Place, City Hall, Room 100, San Francisco, CA 94102-4751
Phone: (415) 554-4179 Fax: (415) 554-4170

1142001



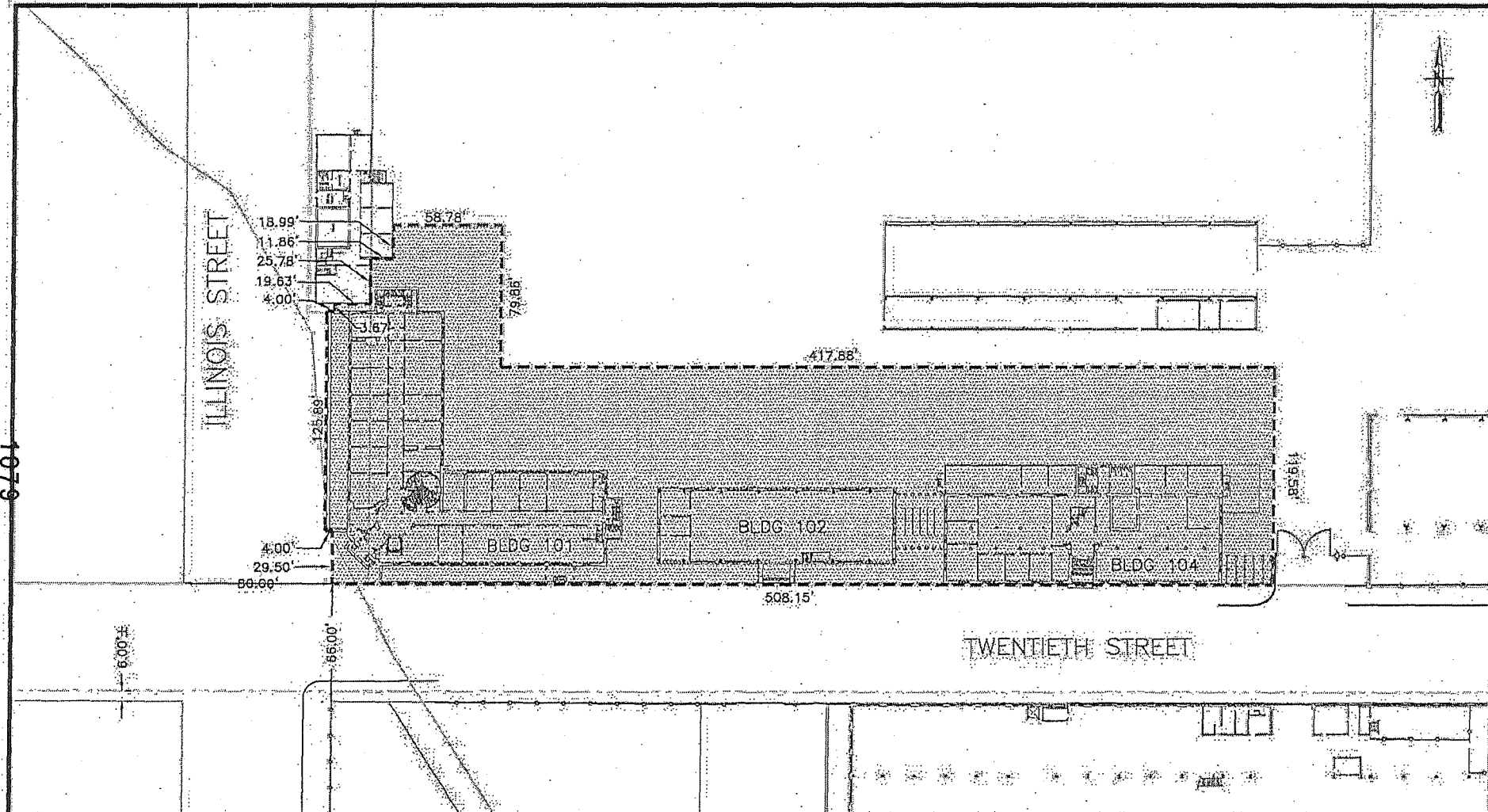


SUB-PROJECT AREA G-1 (PIER 70 - HISTORIC CORE)

PAGE 1 OF 2

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1079



APPROVED BY:
SAN FRANCISCO PORT COMMISSION
DATE

CHIEF HARBOR ENGINEER



SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

HISTORIC PIER 70, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY

PREPARED BY:
DRAWN BY: ECC
CONTRACT NO.
DRAWING NO.

CHECKED BY:
DATE: OCT. 29, 2016
SCALE: 1" = 50'

SHEET NO.
OF SHEETS

SUB-PROJECT AREA G-1 (PIER 70 - HISTORIC CORE)

PAGE 2 OF 2


G:\07_STAFF\EDUSTOOL\temp\level549016.dwg

PARCEL A :

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING PARCELS A & B AS SHOWN ON THAT MAP TITLED "RECORD OF SURVEY 8565 ORTON LEASE AT PIER 70" RECORDED ON APRIL 30, 2015 ON MAP BOOK FF PAGES 59-61 OF SURVEY MAPS AT THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT ON THE NORTHERLY PROJECTION OF THE EASTERLY LINE OF MICHIGAN STREET (80.00 FEET WIDE) DISTANT 0.55 FOOT NORTHERLY FROM ITS INTERSECTION WITH THE SOUTHERLY LINE OF TWENTIETH STREET (66.00 FEET WIDE), AS SAID STREETS EXIST TODAY; RUNNING THENCE EASTERLY PARALLEL TO THE SOUTHERLY LINE OF TWENTIETH STREET 480.00 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 23.09 FEET; THENCE AT A RIGHT ANGLE EASTERLY 26.19 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 235.39 FEET; THENCE SOUTHWESTERLY ALONG A TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", AND AN ARC DISTANCE OF 39.27 FEET; CONTINUING THENCE WESTERLY TANGENT TO THE PRECEDING CURVE 84.15 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 106.84 FEET; THENCE AT A RIGHT ANGLE WESTERLY 417.56 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 114.36 FEET; THENCE AT A RIGHT ANGLE EASTERLY 2.37 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 23.93 FEET; THENCE AT A RIGHT ANGLE EASTERLY 4.95 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 252.03 FEET; THENCE AT A RIGHT ANGLE EASTERLY 13.20 FEET TO THE TRUE POINT OF BEGINNING; CONTAINING 191,283 SQUARE FEET OF LAND, MORE OR LESS.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.


| | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|------------------------------------------------------------------------|------|-------|----------------------------------------------------------------------------------|--|
|  SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING | | | HISTORIC PIER 70, LLC A CALIFORNIA LIMITED LIABILITY COMPANY | | | APPROVED: _____ DATE: _____ DRAWING NO.: _____ SHEET NO. _____ OF _____ | |
| IN CHARGE OF | MADE BY/ECG | TRACED BY | CHECKED BY | DATE | SCALE | | |

PARCEL C:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING PARCELS C, D & E AS SHOWN ON THAT MAP TITLED "RECORD OF SURVEY 8565 ORTON LEASE AT PIER 70" RECORDED ON APRIL 30, 2015 ON MAP BOOK FF PAGES 59-61 OF SURVEY MAPS AT THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF TWENTIETH STREET (66.00 FEET WIDE) AND THE EASTERLY LINE OF ILLINOIS STREET (80.00 FEET WIDE), AS SAID STREETS EXIST TODAY, SAID POINT BEING THE TRUE POINT OF BEGINNING; RUNNING THENCE NORTHERLY ALONG THE EASTERLY LINE OF ILLINOIS STREET 29.50 FEET; THENCE AT A RIGHT ANGLE WESTERLY 4.00 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 121.50 FEET; THENCE AT A RIGHT ANGLE EASTERLY 4.00 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 3.67 FEET TO A POINT ON THE SOUTHERLY WALL OF BUILDING No. 40; THENCE AT A RIGHT ANGLE EASTERLY 19.63 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 25.78 FEET; THENCE AT A RIGHT ANGLE EASTERLY 11.86 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 18.99 FEET; THENCE AT A RIGHT ANGLE EASTERLY 58.78 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 79.86 FEET; THENCE AT A RIGHT ANGLE EASTERLY 417.88 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 119.58 FEET TO A POINT ON THE NORTHERLY LINE OF TWENTIETH STREET; THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID NORTHERLY LINE OF TWENTIETH STREET 508.15 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 67,354± SQUARE FEET (1.546) Ac) OF LAND, MORE OR LESS.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.

| | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------|------------|------------------------------|-------|
|  SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING | | HISTORIC PIER 70, LLC A CALIFORNIA LIMITED LIABILITY COMPANY | | APPROVED _____ DATE _____ | |
| IN CHARGE OF | MADE BY: EDC | TRACED BY | CHECKED BY | DATE | SCALE |
| | | | | | |
| | | | | SHEET NO. _____ OF _____ | |

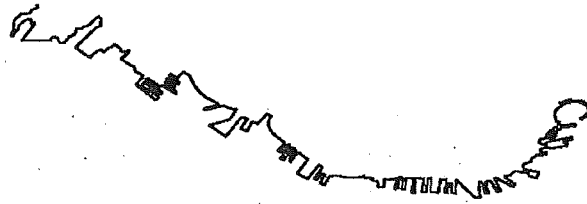
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EXHIBIT B

**DESCRIPTION OF PUBLIC IMPROVEMENTS AND FACILITIES
REQUIRED TO SERVE THE DEVELOPMENT PROPOSED IN THE IFD**

[See attached Ten-Year Capital Plan FY 2015-2024 Update]

Port of San Francisco



Ten-Year Capital Plan

FY 2016-2025 Update

Table of Contents

| | | |
|--------------------------------------------------------------|---------------------------------------------|----|
| I. | Executive Summary | 1 |
| II. | Introduction | 4 |
| III. | Strategic Outlook and Continuing Challenges | 5 |
| IV. | Capital Need Estimates | 16 |
| V. | Capital Expenditures | 19 |
| VI. | Plan of Finance | 22 |
| VII. | Conclusions | 40 |
| Appendix A: Ten-Year Capital Needs, by Facility | | 42 |
| Appendix B: Allocation Strategy for Port Capital Funds | | 50 |
| Appendix C: Criteria for Formation of Port IFD Project Areas | | 52 |

I. EXECUTIVE SUMMARY

The Capital Plan represents the guiding document for the Port's capital investments, and provides an assessment of capital needs, the investment required to meet those needs, and a plan to finance them. The FY2016-25 update of the plan reflects improvement from prior year plans in the Port's ability to address its capital needs over the next ten years. While the overall need is still substantial, some of the strategies the Port has put in place are beginning to yield results. 2014 included a number of major accomplishments:

- Completion and opening of the James R. Herman Cruise Terminal;
- Completion of Cruise Terminal Park and dedication of the Lucy and Fritz Jewett Grove;
- A comprehensive review of the Waterfront Land Use Plan ("Waterfront Plan") detailing major Port accomplishments since 1997, including a review of 120 major projects representing \$1.6 billion in public and private investment; and
- After 15 years, the successful disposition of the Port's Drydock #1.

Since its inception in 2006, the Capital Plan has provided a solid framework for the Port's investment to maintain and enhance its assets. In particular, the Port has utilized the plan's findings and priorities to guide issuance of its revenue bonds as well as preparations for the 34th America's Cup.

In the past four years, the Port has seen a dramatic uptick in capital investment, with approximately \$160 million expended for a variety of projects that have advanced the Port's maritime commerce mission, brought people to the waterfront, and made substantial progress toward reducing the Port's capital backlog. The James R. Herman Cruise Terminal project, park projects, and the City's commitment to host the 34th America's Cup drove much of the Port's recent investment.

These experiences yielded important insights that have advised this plan:

- As demonstrated by the James R. Herman Cruise Terminal and the rebuild of Pier 29 after a fire, the City has the expertise and capacity to direct major new investment within a very short timeframe;
- Port Maintenance staff are the Port's most cost-efficient and effective means of rebuilding most pier aprons and bringing pier sheds into code compliance;
- The Port excels at designing and building public parks and managing historic rehabilitation improvement projects; and
- In order to deliver major waterfront improvements, the Port requires a comprehensive strategy to obtain entitlements and regulatory approvals, particularly for in-water construction.

Pursuant to direction from the Port Commission, this year's plan continues progress made in recent years to expand and stabilize capital funding from the Port's operating budget. Port staff also has continued to refine the capital project scoring process, with an inter-divisional focus on project readiness and financial outcomes.

The strategic, ongoing challenges to the Port discussed in detail in this plan are ever present in the minds of the Port staff: seismic risk to the seawall and other Port facilities; tidal flooding and sea level rise; the Port's yellow- and red-tagged facilities; ongoing problems posed by underpier utility infrastructure; revitalization of the southern waterfront; and the relentlessly increasing cost of dredging the Port's berths. Daunting as these challenges may be, the Port staff has developed concrete strategies for addressing them.

With respect to the Port's annual recalculation of needs, this plan identifies a total need of just over \$1.62 billion over the ten-year period (plus an additional \$476.3 million for conditional seismic work), primarily for deferred maintenance and subsystem renewal work required on Port facilities.

| Changes From Prior Year Plan | State of Good Repair | | | | Seismic (\$ millions) |
|---------------------------------------------|-----------------------|-----------------------|------------------------|---------------------|-----------------------|
| | Backlog (\$ millions) | Renewal (\$ millions) | One-Time (\$ millions) | Total (\$ millions) | |
| Prior Year (FY2015-24) Plan | \$613.4 | \$544.0 | \$433.1 | \$1,590.5 | \$464.3 |
| Updated project cost estimates, completions | (73.8) | | (15.6) | (89.4) | (11.2) |
| Leased facility improvements (by tenants) | | (6.3) | | (6.3) | |
| New year ten (FY2025) project costs | | 48.0 | | 48.0 | |
| Escalation (5%) | 30.7 | 27.2 | 21.66 | 79.53 | 23.2 |
| FY2016-25 Plan | \$570.3 | \$612.9 | \$439.2 | \$1,622.3 | \$476.3 |

The total need of \$1.62 billion for state-of-good-repair projects includes an estimated \$612.9 million for capital renewal, which represents the amount needed over the next ten years to maintain facilities in a state-of-good-repair, as projected in the FRRM database. This plan shows an existing backlog for deferred maintenance of \$570.3 million, with another \$439.2 million for other one-time expenses. Investments for seismic repairs may or may not be required during the ten-year period; as such, the \$476.3 million cost of seismic work is not included in the total need, but is shown separately.

The plan projects total sources of \$853.7 million will be available during the ten-year period, of which the Port will use \$487.9 million to fund state-of-good-repair and \$365.8 million to fund capital enhancement projects (including seismic work). At the end of the ten-year period, the Port will reduce its state-of-good-repair needs by 30 percent from \$1.62 billion to \$1.13 billion and its conditional seismic needs from \$476 million to \$464.3 million.

As with last year's plan, this plan separates internally- and externally-generated sources into separate discussions. Internally-generated funding sources include (1) Port capital funds, (2) Port revenue bonds, and (3) tenant obligations. Together, these sources are projected to generate \$344.7 million over the next ten years, of which the Port will apply \$328.1 million (or 95

percent) to state-of-good-repair projects and \$16.6 million (or 5 percent) to capital enhancement projects.

| Internally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|---------------------------------------------|-----------------------------|----------------------------------|----------------------------|
| Port Capital Budget | \$139.5 | \$16.6 | \$156.1 |
| Port Revenue Bonds & COPs | 41.2 | | 41.2 |
| Port Tenant Improvements | 147.4 | | 147.4 |
| Total | \$328.1 | \$16.6 | \$344.7 |

Externally generated sources include (1) development projects, (2) general obligation bonds, and (3) grants. This plan projects these sources to generate \$509.1 million, of which the Port will apply \$160.1 million (or 32 percent) to state-of-good-repair projects and \$349 million (or 68 percent) to enhancement projects.

| Externally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|---------------------------------------------|-----------------------------|----------------------------------|----------------------------|
| General Obligation Park Bonds | \$5.6 | \$55.5 | \$61.1 |
| Federal & State Grants | 0.4 | 24.8 | 25.2 |
| Federal Railway Administration | 0.0 | 2.8 | 2.8 |
| US Army Corps of Engineers | 27.5 | 0.0 | 27.5 |
| Prop 1B, RM2 (DTFT) | 7.6 | 89.8 | 97.4 |
| Development Projects | 119.0 | 176.1 | 295.1 |
| Total | \$160.1 | \$349.0 | \$509.1 |

The Port's Ten-Year Capital Plan continues to evolve since its inception nine years ago. The Port has used the information that the plan generates to develop and implement its legislative and financing strategies to redevelop the City's waterfront, fulfill its public trust mission, and guide the stewardship of its extensive assets.

Since the first plan in 2006, the Port has used this document to guide a total in investment in excess of nearly \$220 million in non-developer funding. Still, a persistent gap remains between the Port's available resources and ever growing need. It is a clear challenge, but one the Port has demonstrated it has the fortitude as an institution to meet. While the plan is a forward looking document, it is our history of continual improvement that has generated opportunity for growth, and leveraged even greater opportunity. It provides a solid framework and confidence-building, holistic view of the Port to interested constituents, as well as to general audiences.

This year, the Port Commission and Port staff will commence a public planning effort to update the Waterfront Plan with the help of the Planning Department, the Bay Conservation and Development Commission and the California State Lands Commission. This effort will be informed by the 10-Year Capital Plan in a way that was not possible in 1997 when the Waterfront Plan was first adopted. At the time, the Port had some understanding of the condition of its assets – but not the Portwide, strategic view afforded by the 10-Year Capital Plan. Through this planning effort, the Port Commission and the public will have an opportunity to align the 10-Year Capital Plan and the Waterfront Plan, as the Port strives to develop strategies to remain a strong steward of its aging historic resources in the face of major challenges including seismic risk and sea level rise.

II. INTRODUCTION

This report presents the Port of San Francisco's Ten-Year Capital Plan for Fiscal Year 2016 – 2025 (FY2016-25). The Ten-Year Capital Plan (Capital Plan) is updated annually and provides the public with reporting on the Port's capital strategy, including a comprehensive inventory of the Port's facilities, current conditions and capital needs, and available and projected capital resources over the next ten years. It is an important reference document that supports and guides capital expenditure and investment decisions by the Port Commission and staff, and also is included as a chapter of the Ten-Year Capital Plan of the City and County of San Francisco, which is updated biennially.

The Port produced the first ten-year outlook of its capital needs in 2006. That achievement was significant because it provided a complete inventory of the Port's facilities, which span 7½ miles of waterfront stretching from Fisherman's Wharf to India Basin in Bayview-Hunters Point, including piers, wharves, roadways and upland properties along San Francisco Bay. The Port undertook a laborious process of characterizing the general condition of each of its facilities in a newly defined capital portfolio, including generation of estimates for needed capital repair, proposed enhancements and seismic upgrades. This, together with a reporting of various existing and projected sources of funding, enabled the public to understand for the first time the magnitude of the Port's capital needs, as well as the limited resources available to address them. As reflected then and in this current update, existing and projected funding continues to fall short; the FY2016-25 plan identifies funding to address approximately 30 percent of the needed investment in "state-of-good-repair" work to maintain facilities over the next ten years.

As a routine matter, each year the Port staff has updated the Capital Plan to incorporate new information learned over the previous year and improve the Port's overall estimation of the condition of its capital assets. Over time, an increasingly valuable aspect of the capital planning process has been the review of emerging challenges and opportunities, and the public discourse around the values that guide capital decision-making at the Port of San Francisco.

The appeal of the San Francisco waterfront to the public is broad and varied, and creates a thicket of competing demands that sometimes are in conflict. In response to a 1990 voter-approved initiative (Proposition H), the Port Commission adopted the Waterfront Land Use Plan in 1997 – the Port Commission's principle planning document – which provides a framework to reconcile competing waterfront interests including public trust, maritime, public access, historic preservation, urban design, environmental, economic, and community values.

Because the Waterfront Land Use Plan is reviewed only every five years, the annual update of the Capital Plan has grown to reflect more frequent changes to the policy landscape. The Capital Plan, like the Port's two-year operating and capital budgets, is subject to cost estimate revisions, changes in City reporting conventions, and new capital needs that are often defined by changes in uses of Port property. While this year's Capital Plan reflects the Port's priorities for capital spending, each iteration reflects changes in both estimated need and available funding. The Capital Plan is also a repository for the changing financial tools and policy approaches Port staff is pursuing to revitalize the waterfront.

III. STRATEGIC OUTLOOK AND CONTINUING CHALLENGES

This year's plan reflects improvement in the Port's ability to address its capital needs over the next ten years. While the overall need is still substantial, some of the strategies the Port has put in place are beginning to yield results. A review of highlights from the last two years illustrates the Port's progress: the Exploratorium opened at Pier 15; the 34th America's Cup regattas were held on the San Francisco Bay; the Port completed major waterfront parks and shoreline improvements in Fisherman's Wharf, South Beach, Mission Bay, and Bayview Hunters Point; and Turner Construction completed construction of the James R. Herman Cruise Terminal and Northeast Wharf Plaza at Pier 27.

The Port's facilities are beautiful and iconic, but aging. The Port has historically relied on private investment and long-term master leasing to provide resources for new construction and major rehabilitation of its facilities. The Port's Waterfront Land Use Plan explicitly acknowledges this strategy by establishing the process by which the Port selects and partners with private developers. These public-private partnerships pursue mixed use development in designated areas of the waterfront, primarily using private equity and historic tax credits (where applicable). As indicated in prior capital plans, the Port staff has found this approach, on its own, is insufficient, and that additional tools are necessary for the Port to make real progress in its transition from its industrial past to a modern Port and City waterfront.

Increasingly, the Port relies on coordination with other public agencies at the federal, state, and local levels to fund major waterfront improvements. In 2013, the Capital Planning Committee recommended, and the Board of Supervisors formally adopted, guidelines for the use of Infrastructure Financing District (IFD) tax increment proceeds in association with major Port development projects, formalizing City policy as to how this powerful funding tool can be used along the waterfront. The Board of Supervisors also unanimously endorsed term sheets for master plan developments at Seawall Lot 337 & Pier 48 and at the Pier 70 Waterfront Site. The use of IFD tax increment proceeds both addresses the Port's existing backlog at these sites, and builds the accompanying enhancements that make these new developments possible. The size and complexity of these new development proposals garnered a significant level of public attention throughout much of 2013.

Controversy about height limits dominated the discussion about the waterfront in 2014. Local residents and environmental organizations who shared an intense concern about heights in several key instances—during the Broadway Hotel design process, the 8 Washington approval process, and during initial consideration of Piers 30-32 as a site for a Golden State Warriors pavilion—forged a coalition to pass Proposition B in June 2014, a measure requiring a public vote for any waterfront height increase on Port property. Proposition B passed by 59.41%. Proposition B has changed what was primarily a neighborhood planning discussion about appropriate heights into a Citywide discussion with statewide implications, as evidenced by the recent lawsuit that State Lands filed to challenge the measure.

Public planning for Seawall Lot 337 and Pier 70 has demonstrated a clear need to increase height limits to enable feasible redevelopment in these areas. Potential maritime industrial uses in the

Port's Southern Waterfront are also likely to require increases above existing height limits in some cases.

Following on the passage of Proposition B, Forest City California proposed and qualified Proposition F for the November 2014 ballot, authorizing an increase of heights at the 28 acre Pier 70 Waterfront Site from 40' to 90'. While this was lower than the heights of up to 230' that were contemplated by the Term Sheet for the site endorsed by the Port Commission and the Board of Supervisors in 2013, the proposal conformed to massing exercises the Port produced as part of the Pier 70 Preferred Master Plan. Proposition F passed by 73-21%, allowing environmental review and related site planning efforts to continue for the Pier 70 Waterfront Site.

In the past three years, the Port has seen a dramatic uptick in capital investment in projects that have advanced the Port's maritime commerce mission, engaged people at the waterfront, and made substantial progress toward reducing the Port's capital backlog. Much of the Port's own investment over the past two years was driven by the City's commitment to host the 34th America's Cup, which required targeted investments delivered by the Port and its contractors at Piers 30-32 and Piers 19, 19½, 23, 29 and 29½ to make these facilities safe for event participants and spectators. These included major reconstruction of the Pier 19 south apron, which now serves as dedicated open space, new power distribution in the Pier 23 shed, substantial substructure repair to Pier 29, ceiling truss repairs in the Pier 29 shed, and rehabilitation of structural elements at the marginal wharf underneath the Embarcadero at Piers 30-32.

These experiences have yielded important insights for future Port capital planning:

- As demonstrated by the James R. Herman Cruise Terminal and the rebuild of Pier 29 after a fire, the City has the expertise and capacity to direct major new investment within a very short timeframe;
- Port Maintenance staff are most often the Port's most cost-efficient and effective means of rebuilding most Port aprons and bringing Pier sheds into code compliance;
- The Port excels at designing and building public parks and managing historic rehabilitation improvement projects; and
- In order to deliver major waterfront improvements, the Port requires a comprehensive strategy to obtain entitlements and regulatory approvals, particularly for in-water construction.

Pursuant to direction from the Port Commission, this year's plan continues progress made in recent years to expand and stabilize capital funding from the Port's operating budget. Port staff also has continued to refine the capital project scoring process, with an inter-divisional focus on project readiness and financial outcomes.

Capital Project Investment Priorities

The projects and investments prioritized in this plan are guided by criteria the Port Commission believes respond to basic public safety and environmental needs, optimize resources that address the Port Commission's fiduciary responsibilities, and strike a balance among diverse public interests. Port staff used the following criteria to set investment priorities:

- Basic repairs and improvements to existing facilities that support continued leasing and revenue generation;
- Infrastructure improvements, including seawall, substructure, and utility repairs that respond to the shared objectives of protecting public safety, improving environmental quality, and responsible stewardship of historic resources along the waterfront;
- Improvements to retain and support San Francisco's diverse maritime and industrial tenants;
- Investments in waterfront parks and public open space that meet public trust needs and acknowledge the increasing role of Port lands in addressing City economic and quality-of-life objectives; and
- Strategic waterfront development that leverages private investment to support City policies and transform the waterfront, while reducing the Port's capital liability and enhancing land value.

Waterfront Land Use Plan Update

As described above, in the wake of several ballot measures adopted by voters to limit Port development and to require voter approval of waterfront height increases, Port staff has initiated efforts to review and update the Waterfront Land Use Plan ("Waterfront Plan") – the Port's guiding policy document – in keeping with the requirements of Proposition H (1990).

Port staff published the Draft Review of the Waterfront Land Use Plan, a report that documents 120 major Port development and capital project accomplishments since 1997, analyzes development projects that were initiated but were not completed to glean lessons learned, and makes preliminary recommendations to the public and the Port Commission about issues that should be considered in updates to the Waterfront Plan. The Port accepted public comment on the Draft Review through November 30, 2014, as the first phase in a broader public outreach effort to update the Waterfront Plan.

Port staff intends to develop detailed recommendations for Port Commission consideration for a public planning effort involving San Francisco Planning Department, BCDC and the California State Lands Commission to update the Waterfront Plan.

Through its 10-Year Capital Plan, the Port has established a process of prioritizing available public funding to finance improvements to Port assets based on criteria established by the Port Commission including return on investment, relationship of the project to the Port's maritime mission, public safety, regulatory requirements, protection of cultural and natural resources, etc. As part of the effort to update the Waterfront Plan, Port staff have begun assembling information and analysis about waterfront-wide issues including the age and construction type of the Port's historic piers, sea level rise, seismic risk, historic character of Port facilities, open space, the public realm and waterfront transportation to enable the Mayor, the Board of Supervisors, the Port Commission and the public to form a consensus about how to guide public and private investment on Port property going forward. Preliminary staff analysis developed to support this effort suggests some major themes:

- ***There is not that much Port land available for mixed-use development.*** Much of the Port's 670 acres has been developed for long-term uses or otherwise are dedicated for open space and maritime uses. Approximately 44% of Port property, or 298 acres, is used or reserved for maritime uses. Another 131 acres, or 20%, has been turned into open space, or is planned for open space. 18% of Port property (120 acres) has been developed for mixed uses or is leased. Approximately 8% of Port property (51 acres) is in various stages of planned mixed use development, including two new neighborhoods at Pier 70 and on Seawall Lot 337 in Mission Bay. Port staff has identified an **additional 5% of Port property that is still un-programmed, but is likely development sites**; another 7% of Port property is characterized by "engineering, economic and regulatory challenges" which could or could not be viable development sites pending further analysis and public dialogue.

While there has been significant public focus on waterfront development, as the waterfront matures, development will slow over time, and the Port will require more public funding to address key infrastructure requirements.

- ***Rising sea levels and the City's future flood protection needs pose a serious challenge to the Port's traditional model of redeveloping finger piers.*** Some piers are subject to current flood risk in a strong storm (100 Year Flood), and the piers will become more flood prone over time. With rising sea level, the construction window for repair and maintenance of substructure decks of finger piers will become shorter and shorter making it quite expensive to repair and maintain the substructure decks. The concrete degradation due to corrosive marine environment also is expected to accelerate. Considering all these facts, Port staff do not consider additional 66 year leases of the piers advisable without an identified solution to sea level rise; based on current projections of rising sea levels, 35 (or 30) year leases may be the longest advisable lease term. Lease provisions that allow early termination for sea level rise, or two way options to extend leases with solutions to sea level rise could provide a similar solution. Port staff needs to evaluate solutions to protect piers from flooding, such as flood walls or raised floor elevations. Other approaches to protecting the Port's historic finger piers, such as restoring bulkhead buildings for public use, and keeping pier sheds in light industrial use, also should be investigated.

- ***Addressing seismic risk to the seawall and the bulkhead buildings that mark the entrance to the Port's piers is a clear priority.*** The *Seawall Seismic Risk Analysis* will analyze seismic and liquefaction risk to the Port's seawall in a major temblor on a nearby fault. If the study identifies that the seawall is subject to significant movement during such an event, it could undermine the bulkhead structures along the Embarcadero, and damage utilities and the Embarcadero Roadway, including San Francisco Municipal Transportation Agency transit infrastructure. The study will also provide high level conceptual design solutions to mitigate this risk.
- ***There is strong public support for the Port to continue its plan implementation efforts at Pier 70 and Seawall Lot 337 in Mission Bay.*** Due to the Port's public planning efforts that preceded selection of development partners at these sites, and the close collaboration of Port development partners with the community during development master planning, it is clear that there is strong support to continue these development efforts. Both projects incorporate site and design measures to plan for sea level rise. They also will fulfill important community objectives of delivering new open space, rehabilitating historic resources, building new green infrastructure and providing market rate and affordable housing to address the City's housing crisis. The Seawall Lot 337 project will require voter approval of proposed height increases.
- ***Additional neighborhood planning is needed in the South Beach area and in the Northeast Waterfront at the foot of Telegraph Hill.*** These neighborhoods have recently experienced development controversy that warrants additional planning to rebuild trust, and are the primary locations where the Port's few remaining mixed use development opportunities exist. These neighborhood planning efforts will examine land use options for under-utilized piers and surface parking lots and related urban design, transportation and historic preservation considerations. The Port Commission has also directed Port staff to develop a Southern Waterfront maritime/eco-industrial master plan based on prior public planning to direct continuing staff efforts to develop its maritime terminals and adjacent backlands.

During the public process to update the Port's Waterfront Plan, Port staff intends to use the lessons learned from the 10-Year Capital Plan to enable the public and policymakers to understand the unique financing and engineering challenges associated with historic waterfront infrastructure and buildings. Developing a clear understanding of the limits of when and where public and private investment can be successful in upgrading existing assets will allow decision-makers to decide when historic assets are truly beyond their useful life, and when the Port should begin envisioning new maritime and public trust improvements that are resilient to sea level rise and can serve coming generations.

Continuing Challenges and Opportunities

In addition to the investments needed to maintain facilities in a state-of-good-repair, there are other issues that may pose significant challenges in the future. The most immediate concerns, and implications for this and future capital plans, are described below.

The Seawall: The seawall and adjoining marginal wharf¹ that run along The Embarcadero from Fisherman's Wharf southwest to Mission Bay constitute the City's primary flood control system along the Bay waterfront. Collectively, these interconnected structures form the essential foundation of The Embarcadero Promenade. Built in segments from 1876 to 1929, the Seawall was and still is a major engineering achievement, established through the creation of a reinforced rock dyke, supported by concrete and wooden piles. The Port has maintained ongoing efforts to repair the seawall, which is a contributing historic resource in the Embarcadero National Register Historic District.

These structures continue to function as originally designed. However, recent and planned Port construction projects, including the Pier 43½ Bay Trail Promenade and Brannan Street Wharf projects, have uncovered aged and damaged elements of the Seawall, which supplement the growing repair demands associated with maintaining the marginal wharf. Increasing concern among state policymakers, including the California State Lands Commission, the San Francisco Bay Conservation and Development Commission (BCDC) and the Joint Policy Committee,² in addition to knowledge gained through flood risk and sea level rise studies the Port has conducted or has underway, elevate the urgency of developing a City strategy.

In 2014, the Port Commission authorized an earthquake vulnerability study of the Great Seawall, which was awarded through a competitive process to a Joint Venture between GHD, Inc., an international professional services company with an office in San Francisco, and Geotechnical Consultants, Inc. The purpose of this study is to take a comprehensive look at the earthquake safety of this portion of the waterfront. Specific objectives of the study include:

- analysis of earthquake behavior of the seawall, bulkhead wharves, and adjacent infrastructure including the Embarcadero Roadway;
- assessment of earthquake damage and safety risks, including SFPUC, BART and MUNI infrastructure
- forecast of economic impacts;
- development of conceptual level earthquake retrofits for the seawall and bulkhead wharves; and
- prioritization of future improvements and/or further study needs.

Additionally, the study results will assist the Port in planning for and implementing adaptation measures necessary to address sea level rise and climate change. At the early conceptual stage of

¹ The marginal wharf, or bulkhead wharf, is a piled structure built parallel to the waterfront along the top of the seawall with the purpose of extending a deck over the water to provide berthing for ships along the seawall and as a connection point for the finger piers, which in many cases were built later. The marginal wharf was built in twenty one sections and varies in width and construction, the newer sections being constructed of concrete. The marginal wharf also supports the bulkhead buildings along The Embarcadero.

² The Joint Policy Committee is a forum where the three major regional policy entities, which include BCDC, the Metropolitan Transportation Commission and the Association of Bay Area Governments, resolve competing policy objectives in order to provide unified policy guidance to Bay Area local governments. The Joint Policy Committee has been charged by the three agencies with further analysis and public policy guidance to local governments that are exposed to risks of sea level rise.

this effort, Port engineers are suggesting a wide potential range of costs to strengthen the seawall, ranging from \$50 million (for relatively minor strengthening in a few locations) to \$4 billion (for complete replacement). Costs in this range are beyond the port's ability to fund with its own resources, and a combination of sources will likely be required to fund this work, including local, state and federal sources. A major goal of this study is to produce a conceptual seismic design for the seawall and bulkhead wharves that can be incorporated in the City's 10-Year Capital Plan.

Tidal Flooding and Sea Level Rise: In 2011, the Port completed a URS study of sea level rise along the northern waterfront, analyzing potential flooding impacts assuming 16" of sea level rise by 2050 and 55" by 2100. In 2013-14, the Port participated in an inter-departmental task force called SF Adapt, formed at Mayor Edwin Lee's direction, to assess the potential impacts of climate change on the City. A Sea Level Rise Committee of SF Adapt was tasked with developing guidelines for incorporating sea level risk into capital planning for the City. Port staff participated in this Sea Level Rise Committee, which developed *Guidance for Incorporating Sea Level Rise into Capital Planning in San Francisco: Assessing Vulnerability, Risk and Adaptation*. This guide is intended to be a "how to" guide for capital planners, presents the most up to date science on sea level rise and lays out four steps in the process for incorporating sea level rise into capital planning: 1) Science review; 2) Vulnerability assessment; 3) Risk assessment; and 4) Adaptation planning.

The Port and BCDC also initiated the Mission Creek Adaptation Project as part of an international collaboration between the Netherlands-based Stichting Delta Alliance, several City departments including the San Francisco Public Utilities Commission, the Planning Department, the Department of Public Works and San Francisco Environment, BCDC and SPUR to develop sea level rise adaptation alternatives for the Mission Creek waterfront area of San Francisco. Mission Creek is one of the City's lowest-lying areas and is vulnerable to flooding from sea level rise. This Project seeks to build the capacity of San Francisco to address the risks of flooding from sea level rise and storms by developing adaptation alternatives for the Mission Creek area and continuing the exchange of knowledge and information between the Netherlands and California. The primary objective of the project is to develop sea level rise and storm water adaptation alternatives for the Mission Creek area portion of the City's waterfront based on the findings of a high-level vulnerability assessment. This study will also provide the Port with concepts that could address future flood risk along Islais Creek and other parts of the waterfront.

BCDC-Port Cooperative Planning. As part of the planning and permitting process to entitle the Pier 27 Cruise Terminal project in 2012, the Port and BCDC have been managing a cooperative joint planning process to identify additional public benefit opportunities along the San Francisco waterfront. This work relates closely, and will be integrated with Port efforts to update the Waterfront Land Use Plan. Public benefits include the improvement or creation of new public open spaces and public realm, and improved connections that create continuous public access and enjoyment of the waterfront. One of the priority opportunities is to create landscaped improvements to the Ferry Building Plaza on the bay side of the Ferry Building, where the Farmer's Market occurs every Saturday. It has become a major public gathering space and should be improved to be an attractive addition to the Port's waterfront open space system. Planning work is in the early phases and there is no design yet, or cost estimates. Any significant improvement to create this public plaza is anticipated to require substantial resources. The Port would evaluate tax increment proceeds from Infrastructure Finance District, tenant contributions, future General Obligation Bond funding, along with grants and other funding options as part of developing an implementation strategy.

At-Risk Facilities. The Engineering Division regularly conducts inspections of all Port facilities and records and categorizes the condition of more than 350 structures, including piers, wharves, and buildings. Based on the structural condition of the facilities, the division makes recommendations for occupancy loads, load restrictions, barricades, and warning signs. The inspection findings also are used to document maintenance and repair needs.

In 2013, the Engineering Division updated the Port Commission on the status of facilities that are load-restricted (yellow-tagged) or fully restricted (red-tagged), based on the Facility Assessment Program.³ The Engineering Division has updated this report, which will be heard before the Port Commission on February 10, 2015.

Yellow-tagging and red-tagging are engineering risk management strategies designed to protect the public, Port tenants and Port staff. Red-tagging involves closure of a facility for use and occupancy until safe occupancy can be restored. The red-tagging and closure of some of these facilities could have a negative impact on the Port's operating revenues, which in turn would impact the ability to fund other capital improvements.

The 2015 engineering report lists 35 facilities as yellow-tagged, with at least another 10 years of adequate performance, and 22 facilities as red-tagged, predicted to fail within approximately five years. The Engineering Division will continue to monitor these facilities and impose further restrictions as necessary until repairs are made. Consistent with the Port Commission's investment criteria, revenue-generating yellow-tagged facilities will continue to receive priority in future capital planning and allocation decisions.

While there are no revenues generated by red-tagged assets, nevertheless they pose a risk of failing and triggering an emergency repair or demolition, and possible closure of an adjoining green or yellow-tagged facility. In some cases, red-tagged facilities may impair the Port's ability

³ "Informational Presentation on the Port's Load Restricted (Yellow with Green Hatching-Tagged) and Fully Restricted (Red-Tagged) Facilities," February 7, 2013.

to utilize an adjacent green or yellow-tagged facility to greater potential by restricting access (especially fire egress). While some of the red-tagged facilities may never be repaired, others may still be brought back into productive use with sufficient capital investment. The Capital Plan reflects efforts to address three of the 22 red-tagged facilities:

| Facility | Remediation Plan |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pier 31 | Port Engineering is preparing design plans for architectural, structural and utility improvements. Project will be bid in 2015. |
| Pier 38 | A private development partner has been selected who will refurbish the bulkhead and portion of adjoining shed; possible phase two refurbishment may be added to address remainder of shed and north and south aprons (including seismic strengthening of shed and substructure) |
| Pier 19 North Apron | Port Engineering is 90% complete with creation of structural repair plans. Repair to begin in the summer of 2015. |

As part of the Facility Assessment Program, the Engineering Division will continue to monitor red-tagged facilities to preclude the possibility of a significant collapse without warning. Repairs to additional red-tagged facilities will be funded in future capital plans as revenue sources are identified.

Under Pier Utility Infrastructure. To ensure compliance with regulatory standards, the Port instituted an under pier utility inspection and response program. The objectives of the program are to: (1) ensure that all under pier water and sewer utilities are inspected annually (consistent with the Port's permit requirements); (2) identify active leaks or highly vulnerable conditions that could lead to pipe failure; and (3) take corrective action to stop leaks and prevent failures which could result in an illegal discharge into the Bay.

The Port's Maintenance Division created a scorecard to record observations and assess conditions based on visual inspections. The Division has documented a response protocol that will be followed to address the findings from inspections. Work orders will be generated to address detected leaks or critical conditions that pose an immediate threat to water and sewer infrastructure. Non-critical conditions will be documented and scheduled for follow-up inspections on an annual basis. The Maintenance Division initiated inspections of all piers in 2013. Funding in the amount of \$250,000 annually for the inspection and response program is included in the two-year Capital Budget, and anticipated to continue throughout the entire period of the Ten-Year Capital Plan. Larger repairs (such as completely replacing water and sewer lines) are beyond the scope of the inspection and response program. Instead, those needs will be incorporated into larger plans for pier improvements, such as the development projects described elsewhere in this report.

Southern Waterfront Revitalization. The Port continues land use planning and maritime market outreach to update plans for improving Piers 80 to 96, including the Piers 90-94 Backlands in the Southern Waterfront. Much of this area is underutilized and represents a major

opportunity for increased maritime commerce and complementary industrial uses. This is the remaining primary area within City and Port jurisdiction that can support the unique operational and transportation access requirements of maritime commerce public trust uses.

A recent economic benefits study highlights the value of maintaining and expanding industrial uses on Port property. The report⁴ estimated that Port industrial and maritime tenants generated over \$785 million in annual economic activity in San Francisco, and employed roughly 2,400 workers (2011 data). The report also noted the policy benefits that accrue to the City from the Port's industrial and maritime property, including: retention of targeted production, distribution, and repair (PDR) jobs; a concentration of potential incubator space for fast-growing "creative industries" and innovative business ventures; and positive environmental outcomes from businesses operating in close proximity to their customers. Additionally, the report found that wages in industrial jobs such as those located on Port property were, on average, 24 percent higher than retail and personal services jobs in San Francisco. Operational benefits to the Port include diversification of the real estate portfolio (which helps manage risk) and uses that are consistent with the Public Trust Doctrine.

In 2011, the Federal Railroad Administration (FRA) awarded the Port a \$3 million grant for signaling and freight rail track upgrades to the Quint Street Lead, a one-mile stretch of track that connects the Caltrain main line to the Port of San Francisco Rail Yard on Cargo Way. The Port is focused on enhancing freight rail access to and from San Francisco to reduce freight truck trips on regional highways and city streets. Freight rail is also an important element of the City's emergency response plan to serve city evacuation and clean-up requirements in the aftermath of a disaster.

Given the size and location of the Port's Southern Waterfront assets (including unimproved land and underutilized piers), Port staff are pursuing a number of key initiatives to improve the area. These include a joint project with the Department of Public Works to competitively bid an asphalt and concrete batching plant to supply City paving projects and an iron ore export terminal at Pier 96. There have been expressions of interest for these and other uses, but significant improvements to infrastructure and environmental restoration must be undertaken to make the area viable. The Port's proposed \$19.5 million request to fund capital projects includes notable expenditures to improve the area, including \$8.5 million to fund the Backlands Project which will grade a 17 acre underutilized area, pave a portion of the land, construct a roadway and install solar lighting, fire hydrants, composting, restrooms, and a natural based storm water management infrastructure. Improvements will accommodate the site for leasing for construction laydown, vehicle parking and storage types of uses.

Any such improvements to Port Southern Waterfront property must undergo environmental review pursuant to requirements under the California Environmental Quality Act (CEQA) and Chapter 31 of the San Francisco Administrative Code, under the direction of the San Francisco Planning Department. Given the types of improvements contemplated for these Southern Waterfront properties, the Port anticipates the requirement for an addendum to the Southern

⁴ "Economic Benefits of Port Maritime and Industrial Uses," prepared by BAE Urban Economics, December 2013.

Waterfront Environmental Impact Report (SEIR) and has commenced work with the San Francisco Planning Department on this effort..

IV. CAPITAL NEED ESTIMATES

The FY2016-25 update of the Port's Ten-Year Capital Plan identifies a total need of just over \$1.62 billion (plus an additional \$476 million for conditional seismic work), primarily for deferred maintenance and subsystem renewal work required on Port facilities. For purposes of this plan, "need" is defined as projects required to maintain Port property in a state-of-good-repair for existing use over the next ten years. In this context, need excludes seismic upgrades (which may or may not be triggered by code requirements) and capital enhancements (such as building new infrastructure or parks along the waterfront). This distinction among different project types is a part of the architecture of the Port's capital modeling software, the Facilities Renewal and Reinvestment Model (FRRM), which is also used by the City to project all General Fund departments' capital needs.

This \$1.62 billion in need is approximately \$39 million more than the need identified in the Port's prior year (FY2015-24) capital plan (excluding conditional seismic work, which was \$464 million in the prior year). Each year the capital plan cost estimates are updated to reflect the following changes:

1. Completed projects are removed from the backlog (including projects undertaken by the Port and by tenants, where the tenant has responsibility for facility maintenance);
2. Project costs are updated to reflect more recent estimates, where available (e.g., as a result of a more extensive engineering analysis, design and/or third-party cost estimates);
3. A new year ten (FY2025) is rolled into the plan, and most of previous plan's year one (FY2015) costs are rolled into the backlog, if the project was not funded; and
4. Costs are escalated annually by the Controller's office based on various construction indexes, with a 5 percent escalation applied this year (the escalation factor is built into FRRM).

Table 1 summarizes adjustments to the Port's capital need estimates. Completed projects help to lower the need, while inflation and the addition of a new tenth year add to the projected need over the next ten years. Updated project cost estimates are based on more detailed engineering designs for development projects at Piers 30-32 and Pier 70.

Table 1 -- Port Capital Need Estimates

| Changes From Prior Year Plan | State of Good Repair | | | | |
|---------------------------------------------|--------------------------|--------------------------|---------------------------|------------------------|--------------------------|
| | Backlog (\$ millions) | Renewal (\$ millions) | One-Time (\$ millions) | Total (\$ millions) | Seismic (\$ millions) |
| <i>Prior Year (FY2015-24) Plan</i> | \$613.4 | \$544.0 | \$433.1 | \$1,590.5 | \$464.3 |
| Updated project cost estimates, completions | (73.8) | | (15.6) | (89.4) | (11.2) |
| Leased facility improvements (by tenants) | | (6.3) | | (6.3) | |
| New year ten (FY2025) project costs: | | 48.0 | | 48.0 | |
| Escalation (5%): | 30.7 | 27.2 | 21.66 | 79.53 | 23.2 |
| FY2016-25 Plan | \$570.3 | \$612.9 | \$439.2 | \$1,622.3 | \$476.3 |

As Table 1 illustrates, the total need of \$1.62 billion for state-of-good-repair projects includes an estimated \$612.9 million for capital renewal, which represents the amount needed over the next 10 years to maintain facilities in a state-of-good-repair, as projected in the FRRM database. This plan shows an existing backlog for deferred maintenance of \$570.3 million, with another \$439.2 million for other one-time expenses.⁵ Investments for seismic repairs may or may not be required during the ten-year period, as described below; as such, the cost of seismic work is not included in the total need, but is shown separately. Appendix A provides a detailed breakdown of the need shown in Table 1, by Port facility.

Seismic Costs

Since the publication of the Port's first capital plan in 2006, the Port has maintained a policy decision to assume as a need all seismic repair even where that need exceeds code-driven requirements. In consideration of the fact that many of the Port's structures are 100 years old, the Port's original capital plan adopted a standard that all properties should be upgraded to modern seismic standards.

The City's Capital Planning Committee has provided direction to City departments to report need (defined as projects required to maintain property in a state of good repair) separately from seismic work.⁶ To conform to City convention, the FY2012-21 Capital Plan instituted a policy of

⁵ One-time needs are generally utilized in FRRM for non-cyclical needs, which are typically driven by changes in code requirements. The Port's capital modeling also includes a large number of the structures at Pier 70 in this category, as they are condemned and entirely in a state of deferred maintenance. For these structures, partial rehabilitation is not a viable option, and any rehabilitation will trigger substantial seismic work. Until they are rehabilitated and enter a capital maintenance cycle, the entire rehabilitation cost for these buildings are modeled as one-time costs.

⁶ The City's modeling of capital needs differs from the Port's in one very important respect, which is related to the fact that only the Port must account for pile-supported pier structures. The City's calculation of "need" is entirely centered around renewal of building subsystems at the end of their usable life. As a result, there are no state-of-good-repair projects carried in the City Plan that could trigger a seismic upgrade to the structure in which they are contained. For that reason, the City classifies all seismic upgrade projects as capital enhancements. The Port's modeling of its capital assets is distinct from the City's in that the Port includes structural elements of buildings.

programming funding for seismic work only where a change of use or major rehabilitation is taking place, consistent with building code requirements. The FY2016-25 Capital Plan further distinguishes between the Port's aggregate capital need and capital need inclusive of contingent seismic costs by separating out seismic costs from state-of-good-repair. Over the next ten years, that seismic need totals \$476 million.⁷

The seismic work identified in this plan represents a kind of worst-case scenario in terms of potential impacts to capital expenditure planning. Port engineers believe that a number of the pier and wharf structures along the waterfront may be structurally repaired in a manner that does not trigger seismic work. Additionally, depending on the way in which a given pier was constructed (as nearly all were constructed approximately 100 years ago), costs associated with full seismic upgrade can be prohibitive, where the amortization period for the associated investment would exceed the useable life of the pier (in particular, the cost of mitigating the effects of sea level rise and overtopping of lower elevation piers complicate the economics of investment recovery on these facilities).

the piles and decking of piers. Repair to these pier structure elements will under some circumstances trigger seismic work, so the Port categorizes seismic projects as conditional or caveated need (as opposed to capital enhancement).

⁷ This number excludes Pier 70, where the costs for seismic work are rolled into "full rehabilitation" estimates, where seismic-only costs cannot be separated out (see footnote #5).

V. CAPITAL EXPENDITURES

This plan identifies funds that are projected to be available during the ten-year period from FY2016 through FY2025. The expenditure of those funds is broken into two categories: (1) capital projects that help maintain the Port's facilities in a state-of-good-repair, and (2) enhancement projects that add value to the Port property (some enhancement projects also include work to address seismic conditions). Table 2 provides a breakdown of capital expenditures and funding sources by fiscal year.

Table 2— Ten-Year Capital Expenditure Plan

| Spending Plan | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021-25 | Total | Deferred SOGR: 1,133.0 | Deferred Seismic: 464.5 |
|---------------------------------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|------------------------|-------------------------|
| State of Good Repair | | | | | | | | | |
| Emergency Facility Repair | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 | 1.0 | | |
| ADA | | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 | 0.9 | | |
| Dredging | 18.9 | 6.0 | 6.0 | 6.0 | 6.0 | 30.0 | 72.9 | | |
| Emerging Needs | | | | | | | | | |
| Repair / Reinvestment | 60.4 | 52.9 | 44.6 | 49.4 | 21.2 | 184.5 | 413.2 | | |
| State of Good Repair Subtotal: | 79.4 | 59.1 | 51.0 | 55.6 | 27.4 | 215.5 | 487.9 | | |
| Enhancements | | | | | | | | | |
| Parks and Open Space | 10.5 | 12.8 | 0.8 | | | 32.4 | 56.5 | | |
| Facility Improvements | 2.0 | 6.5 | 5.3 | 4.2 | 4.4 | 20.4 | 42.9 | | |
| Development Project Areas | | 5.3 | 59.6 | 62.5 | 15.1 | 33.5 | 176.1 | | |
| Ferry Terminal Expansion Project | 9.4 | 10.2 | 9.7 | 38.6 | | 22.4 | 90.3 | | |
| Enhancements Subtotal: | 22.0 | 34.9 | 75.4 | 105.3 | 19.5 | 108.7 | 365.8 | | |
| Spending Total: | 101.3 | 93.9 | 126.4 | 160.9 | 47.0 | 324.2 | 853.7 | | |

| Funding Sources | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021-25 | Total |
|------------------------------------------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|
| Port Capital Budget | 12.8 | 19.8 | 22.2 | 15.9 | 15.5 | 69.9 | 156.1 |
| Port Revenue Bonds and General Obligation Park | 1.2 | | | | | 40.0 | 41.2 |
| | 11.4 | 13.9 | 0.8 | | | 35.0 | 61.1 |
| Federal & State Grants | 2.0 | 3.8 | 2.0 | 2.2 | 2.5 | 12.6 | 25.2 |
| Federal Railway | 2.8 | | | | | | 2.8 |
| US Army Corps of Engineers | 0.3 | 7.0 | | | | 20.2 | 27.5 |
| DTFT - State Proposition 1B | 5.4 | 6.1 | 10.3 | 38.6 | | 22.4 | 82.8 |
| DTFT - Local Sources (RM2) | 5.4 | 6.1 | 3.1 | | | | 14.6 |
| Port Tenant Improvements | 29.4 | 5.5 | 8.9 | 29.4 | 13.8 | 60.4 | 147.4 |
| Development Projects | 30.7 | 31.8 | 79.0 | 74.7 | 15.1 | 63.7 | 295.1 |
| Funding Total: | 101.3 | 93.9 | 126.4 | 160.9 | 47.0 | 324.2 | 853.7 |

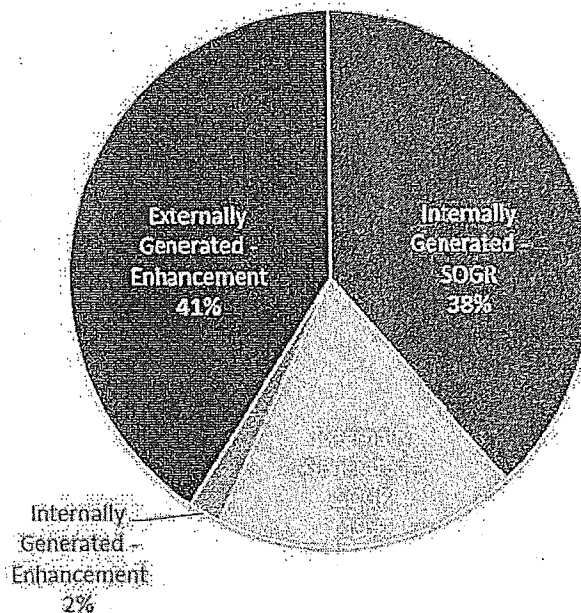
| | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Balance/ (Shortfall): | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|

| Additional Funding Sources | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021-25 | Total |
|----------------------------------|--------|--------|--------|--------|--------|-------------|-------------|
| US Army Corps WRDA 2020 | | | | | | 40.0 | 40.0 |
| City Match to WRDA 2020 | | | | | | 20.0 | 20.0 |
| Transferrable Development | | | | | | 23.9 | 23.9 |
| Additional Funding Sought | | | | | | 83.9 | 83.9 |

As Table 2 illustrates, a total of \$853.7 million is projected to be available during the ten-year period, of which the Port will apply \$487.9 million to state-of-good-repair needs and \$365.8 million to capital enhancement projects (including seismic work). At the end of the ten-year period, the Port will reduce its state-of-good-repair needs by 30 percent from \$1.62 billion to \$1.13 billion and its conditional seismic needs from \$476 million to \$464.3 million.⁸ Fluctuations in year-to-year spending are driven by the timing of repair and renewal activities, the availability of grant funding for dredging the Central Basin, and development project schedules, as reflected in project term sheets and other planning documents.

Overall, the plan reflects a balanced expenditure of funds, with most of the Port's internally generated funding sources directed towards state-of-good-repair (SOGR) projects, whereas enhancement projects are more dependent on externally generated funds, as described in the next section and illustrated below:

Figure 1 – All Funds, Sources and Uses



While the plan projects \$853.7 million in capital investments over the next ten years, at the end of that period the Port will still face a backlog of \$1.13 billion for needed improvements, and possibly another \$464.5 million in conditional seismic work. The Port must continue to explore ways to address these unfunded needs, including building partnerships to attract new sources of

⁸ A small amount of seismic conditions will be addressed by development projects (Pier 48 and Pier 70) and the Downtown Ferry Terminal project. For the most part, project plans assume that conditional seismic requirements are not triggered. The capital plan will continue to carry conditional seismic costs in project inventory unless and until there is a definitional change or investments are made that remove the cost.

funds. Some pier sheds, such as Piers 26, 28, and 54, do not appear viable for rehabilitation with present day financing tools (although rehabilitation of the bulkhead structures appears feasible). Piers 26 and 28 are contributing resources to the Embarcadero Historic District listed on the National Register of Historic Places. If the Piers 26 and 28 sheds cannot be rehabilitated in their entirety (as prior predevelopment investigation at Pier 26 suggests), Port staff believe that there may be an approach to saving and rehabilitating the historic Piers 26 and 28 bulkhead buildings, with their distinctive Spanish-Mediterranean facades underneath the Bay Bridge. The Port will work with historic rehabilitation experts and the public to determine the future of these facilities.

The bottom of Table 2 lists additional funding sources that the Port is actively pursuing. These funding sources are too speculative to include in the current expenditure plan, but reflect the Port's ongoing strategy for outside funding sources. As the Port obtains additional federal, state or local legislative authorization or grant awards, these funding sources will be added to future capital plans. It is also likely that estimations of need will change as the Port investigates these funding opportunities. For example, it is only after the Port conducts preliminary engineering analysis of the seawall that staff will be able to accurately reflect costs to strengthen the seawall in the capital plan.

VI. PLAN OF FINANCE

The purpose of the plan of finance is to map out how the Port intends to utilize existing and potential financing mechanisms to maintain its assets in a state-of-good-repair and to enhance its portfolio through strategic investments. The plan presents a strategy that will fund \$853.7 million in state-of-good-repair and enhancements over the ten-year period (FY2016-25). The first two years of this plan employ the two-year capital budget as a starting point. The two-year capital budget will be considered for adoption separately by the Port Commission; subsequent years' capital spending will go before the Port Commission for approval as part of the biennial budget process.

This report breaks discussion of funding sources into two categories: (1) internally-generated funds, and (2) externally-generated funds. The funding sources within each category are described more fully below, along with a discussion of the proposed uses of those funds. Table 2 summarizes the amounts projected from each of these sources over the next ten years.

A. Internally-Generated Funding Sources

Internally-generated funding sources include those sources that are primarily within the Port's control, utilizing existing assets, with a fairly high degree of confidence in their projected value. These sources include (1) Port capital funds, (2) Port revenue bonds, and (3) tenant obligations. Together, these sources are projected to generate \$344.7 million over the next ten years, of which the Port will apply \$328.1 million (or 95 percent) to state-of-good-repair projects (including dredging) and \$16.6 million (or 5 percent) to capital enhancement projects:

| Internally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|--------------------------------------|----------------------|---------------------------|---------------------|
| Port Capital Budget | \$139.5 | \$16.6 | \$156.1 |
| Port Revenue Bonds & COPs | 41.2 | | 41.2 |
| Port Tenant Improvements | 147.4 | | 147.4 |
| Total | \$328.1 | \$16.6 | \$344.7 |

The sources and uses of internally-generated funds are illustrated below:

Figure 2 – Internal Funding Sources

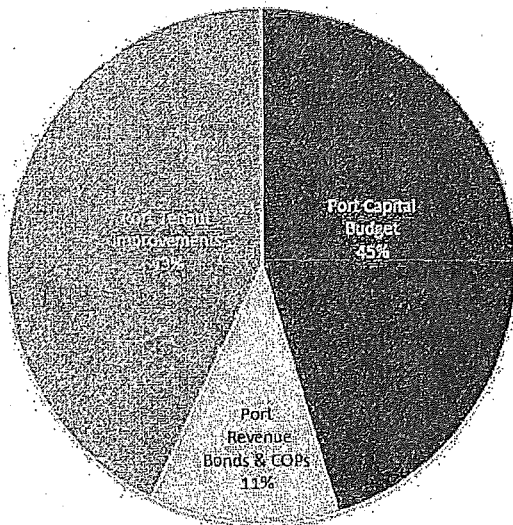
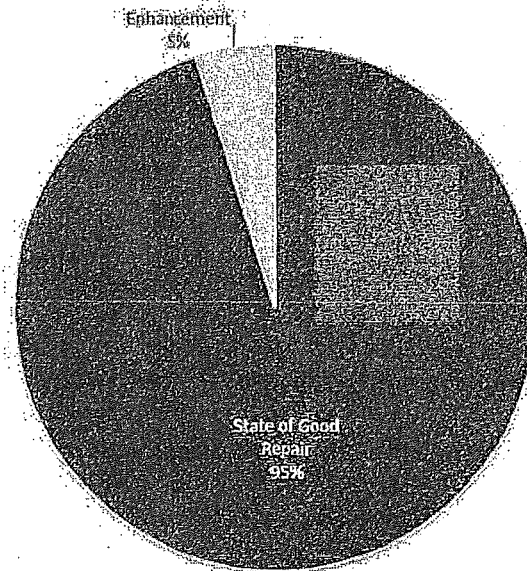


Figure 3 – Uses of Internal Funds



A.1 Port Capital Funds

In 2012, the Port Commission adopted a policy designating a minimum amount of operating revenues for capital projects. Pursuant to this policy, on an annual basis, a minimum of no less than 20 percent of Port operating revenues shall be set aside in the Port's operating budget to fund capital expenditures (increasing to 25 percent beginning in FY2019). This minimum funding requirement shall be met through (1) an annual appropriation for current capital expenditures ("Capital Budget") and (2) a designation of current estimated revenues for future capital expenditures, consistent with the Ten-Year Capital Plan. The policy is intended to (1) ensure that the Port has stable and growing operating resources dedicated to capital expenditures, (2) constrain the operating budget to achieve the funding requirement goal of operating revenues for capital, (3) require staff and Port Commission trade-off decisions between operating growth and capital needs, and (4) reduce the credit risk associated with unfunded capital obligations.

The policy is an attempt to reverse the Port's historical trend of underinvestment in maintaining its assets in a state-of-good-repair. Based on certain analyses, the Port should reinvest in its pier substructures a minimum amount of 0.75 percent of the value of those substructures each year.⁹ According to this formula, the Port should spend \$23.3 million annually in substructure repairs

⁹ The level of need is calculated based on the cyclical replacement of portions of pier substructures, based on construction type and exposure to tidal action. For example, Port engineers estimate that the Port should rehabilitate 15 percent of the Port's pre-1920s era concrete piers every 20 years.

alone. Over the last ten years the annual appropriation for the Capital Budget has averaged just over \$10 million.¹⁰ The size of the Port's annual capital budgets combined with the deferred backlog has meant that the capital budgets have primarily funded dredging, deferred maintenance and emergency needs, and have not addressed renewal needs adequately.

Port capital funds are generally allocated to the following program areas: (1) emergency facility repair (a set-aside of funds for unforeseen situations, available for the most pressing capital needs in subsequent years if the programmed year remains emergency-free); (2) renovations to make facilities compliant with the Americans with Disabilities Act; (3) dredging of the bay floor along the waterfront, which maintains the depth of berths at the Port's piers so that they remain suitable for water traffic; (4) emerging needs, where planning and design of projects are funded in order to position them for non-Port sources of construction funds; (5) repair and reinvestment to maintain facilities for current use; and (6) capital enhancements, where new assets are being constructed or where development of a facility includes rehabilitation far beyond return to current use. The process and criteria used to select projects for the Capital Budget are described in Appendix B.

Year 1 of the Capital Plan is the second year of the two-year Capital Budget, which is adopted by the Port Commission on a biennial basis. For FY2016, that allocation programs capital funding at \$12.8 million. An unplanned surplus of funds has provided an additional \$19.4 million for assorted projects, which the report discusses below, bringing the FY2016 total to an unprecedented \$28.1 million in Port Capital funds. The next four years of the plan (FY2017-FY2020) are based on forecasts included in the Port's five-year financial plan, and reflect a modest increase in capital funding each year. The capital plan assumes an average available capital budget of \$17.2 million per year for the remaining five years of the plan (FY2021-2025). Overall, capital funding from the Port's operating budget reflects a notable improvement from the average annual appropriation levels of past plans.

The projects currently proposed to be funded by the additional funds include:

- Port development of the Backlands, \$8,500,000;
- BAE Electrical Service Separation, \$3,000,000;
- Matching the US Army Corps of Engineers to dredge the Central Basin, \$2,900,000;
- Pier 23 Roof Replacement, \$2,833,151;
- Additional funding for the Quint Street Lead, \$1,000,000;
- Seawall Study and Repairs, \$1,000,000; and
- Pier 39 Sediment Investigation, \$250,000.

Each of the listed projects is described in detail in the February 6, 2015 staff report requesting approval to seek the aforementioned \$19.4 million supplemental appropriation.

¹⁰ The range of funds available for annual reinvestment during this ten-year period is from a low of \$6.4 million in FY2005 to a high of \$15.4 million in FY2012; however the amounts prior to adoption of the Capital Policy do not reflect a natural growth over the period but instead show a wide variation in the allocation.

A.2 Port Revenue Bonds

The Port finances its larger scale capital projects, addressing significant deferred maintenance and enhancing property, in part, through the issuance of debt. The Port's revenue bonds, secured by the net revenues of the Port as defined in the bond indenture, present an opportunity to accelerate the delivery of much-needed capital investments. Bond proceeds are used to fund new projects that offer a significant return on investment, as well as repair of critical infrastructure needed to sustain the Port's operating revenues and protect future bonding capacity.

Over the last five years, the Port has gone out to the capital markets on three separate occasions to raise funds for its capital program. In 2010 the Port issued \$36.7 million of revenue bonds, in 2013 the City issued \$37.7 million of Certificates of Participation (COPs) on behalf of the Port, (which the Port is responsible to repay), and in 2014 the Port issued \$22.7 million of revenue bonds.

The majority of the proceeds from these three debt issues have been expended or committed primarily for the construction of the new James R. Herman Cruise Terminal, rehabilitation of Piers 31 and 33, repairs and improvements to the Port's historic pier structures located in the Northern Waterfront, and for capital expenditures related to preparing venues for the 34th America's Cup regattas.

Port staff will periodically revisit its remaining debt capacity, based on then current projections of operating revenues and expenditures. When considering additional bond sales, it will be important to factor in the impact of increased debt service on the amount of funds available to pay for repair and replacement projects from operating revenues. Port staff will assess the trade-offs between pay-as-you-go and accelerated funding via bonds. This plan reserves any remaining bonding capacity for projects with early returns on investments that generate revenues in excess of the amount required to service debt costs. This approach is necessary for expanding sources for the repair and replacement capital budget, as well as for expanding the Port's bonding capacity in order to make future investments in maritime commerce projects. As no projects have been identified as ready for funding, this plan assumes no additional Port bond revenues over the next ten years. Port staff may revisit this assumption if the SWL 337 or Pier 70 waterfront site projects begin generating sufficient net revenues to fund improvements to the Port's historic finger piers (as anticipated by SB 815) in the next ten years.

A.3 Tenant Obligations

The Port has a number of properties that are under long-term leases (for example, a master tenant agreement of up to 66 years). Often, a condition of those leases is that the tenant assumes responsibility for maintenance and capital improvements to the property, including both the superstructure and substructure. The Port's asset database (FRRM) identifies the facilities where responsibility is assigned to Port tenants, and for those facilities, this plan assumes that those

tenants maintain the facility in a state-of-good-repair, according to the capital replacement schedule.¹¹ Over the next ten years, FRRM projects tenant obligations to be \$147.4 million.

B. Externally-Generated Funding Sources

For purposes of this year's plan, externally-generated funding sources represent those sources that require some form of partnership with an external party in order to be realized. Those partners may include developers, federal or state agencies, or other departments within the City and County of San Francisco. While partnerships often require considerably more effort to build and maintain, and are not entirely within Port's control, ultimately they have far greater potential in the long-term than traditional internally-generated sources. The plan of finance relies significantly on these sources to fund both state-of-good-repair and enhancement projects over its ten-year period. These sources include (1) development projects, (2) general obligation bonds, (3) grants, and (4) transferable development rights.

Together, this plan programs these sources as generating \$509.1 million, of which the Port will apply \$160.1 million (or 32 percent) to state-of-good-repair projects and \$349.0 million (or 68 percent) to enhancement projects.¹²

| Externally-Generated Funding Sources | Repair (\$ millions) | Enhancement (\$ millions) | Total (\$ millions) |
|--------------------------------------|----------------------|---------------------------|---------------------|
| General Obligation Park Bonds | \$5.6 | \$55.5 | \$61.1 |
| Federal & State Grants | 0.4 | 24.8 | 25.2 |
| Federal Railway Administration | 0.0 | 2.8 | 2.8 |
| US Army Corps of Engineers | 27.5 | 0.0 | 27.5 |
| Prop 1B, RM2 (DTFT) | 7.6 | 89.8 | 97.4 |
| Development Projects | 119.0 | 176.1 | 295.1 |
| Total | \$160.1 | \$349.0 | \$509.1 |

¹¹ The Port characterizes repairs for facilities where tenants have ten years or more left on their lease agreement as sourced to tenants, recognizing that short-term tenants are unlikely to make major capital investments with little time left to amortize those improvements.

¹² Enhancement projects include an estimated \$78.5 million in seismic work at Piers 30-32, Pier 48, Pier 70, and the Downtown Ferry Terminal expansion.

The sources and uses of externally-generated funds are illustrated below:

Figure 4 – External Funding Sources

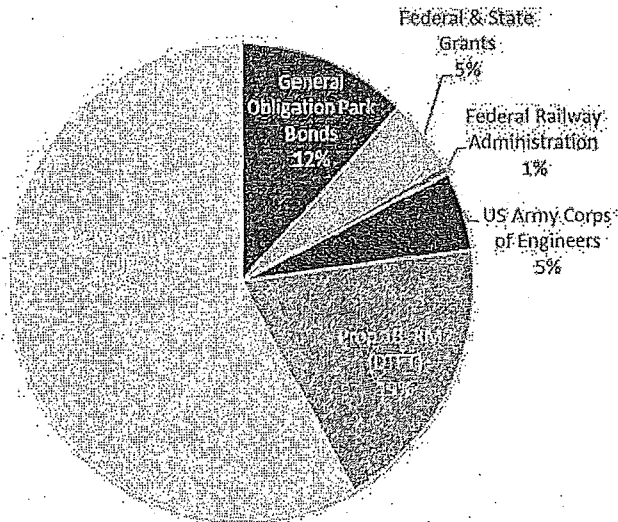
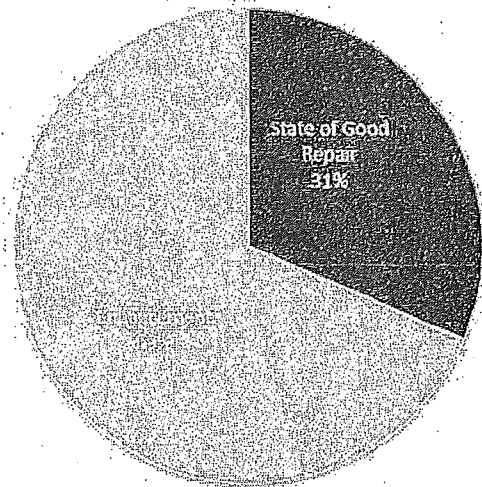


Figure 5 – Uses of External Funds



B.1. Legislative Program

The Port has adopted policies and pursued options to attract partners and external funding through an aggressive legislative program. The following is a summary of the results of recent legislative efforts:

- In 2005, the California Legislature adopted SB 1085 (Senator Carole Migden), permitting the Board of Supervisors to form Infrastructure Financing Districts (IFD) on Port property that allow the capture of growth in property (or possessory interest) tax increment to fund public improvements along the waterfront.
- In 2007, the California Legislature adopted SB 815 (Senator Carole Migden), authorizing the Port to lease certain seawall lots south of Market Street and north of Pier 50 for non-trust (i.e., commercial and residential) purposes, with net proceeds to fund rehabilitation of Port historic resources and parks required by the San Francisco Bay Conservation and Development Commission ("BCDC"). The largest of these is Seawall Lot 337 in Mission Bay, the site of the Port's current negotiations with Seawall Lot 337 Associates, LLC, to develop a new neighborhood south of AT&T Park.
- In 2010, the California Legislature adopted AB 1199 (Assemblymember Tom Ammiano), permitting the Port to establish a Pier 70 IFD that may issue debt repayable with both the local share of possessory interest tax and the state's share of possessory interest tax (permitted by AB 1199).
- In 2011, the California Legislature adopted AB 664 (Assemblymember Tom Ammiano), with technical amendments following in 2012 (AB 2259), authorizing the Port to capture

up to \$1 million annually in state tax revenue to fund the James R. Herman Cruise Terminal and related improvements, if the City demonstrates that the state will earn revenue in excess of this amount from the 34th America's Cup. This legislation applies to the following locations: SWL 330, and Piers 19, 23 and 29. The California Infrastructure Financing Bank (I-Bank) must first find that the net present value of tax benefits of the 34th America's Cup to the State of California exceeds the net present value of tax increment it would forego from these sites.

- In 2011, the California Legislature adopted AB 418 (Assemblymember Tom Ammiano) authorizing the California State Lands Commission to approve a trust swap with Pier 70, allowing the public trust designation of land within the site to be rationalized to allow for development. The Port is negotiating with Forest City California, Inc. to develop the 25 acre Waterfront Site at Pier 70. The Port is negotiating separately to develop the Port's historic buildings along 20th Street with Orton Development, Inc.
- In 2008, and again in 2012, San Francisco voters approved investments through issuance of general obligation bonds totaling \$68 million in the development of a network of waterfront parks from Fisherman's Wharf to Heron's Head Park adjacent to Pier 96.

B.2 Infrastructure Financing Districts

Building on the authority granted by state legislation and working with the San Francisco Board of Supervisors, the Port is now in the process of forming a second Port Infrastructure Financing District.¹³ Government Code Sections 53395 et seq. ("IFD Law") allow public agencies to finance public infrastructure improvements by capturing and bonding against property tax increment generated in the IFD after it is established. To do so, the public agency must follow a multi-step process that includes approval of a financing and infrastructure plan by the Board of Supervisors.

IFD Law was crafted to allow IFDs to function much like redevelopment project areas. In this regard, IFDs do not increase tax rates; rather, they rely on increases in the property tax base within the IFD. Like redevelopment, the fundamental justification for tax increment financing is the notion that but for public and private investment made possible by tax increment financing, development and the resulting property tax increases would not occur. In contrast to redevelopment law, the IFD Law does not require the public agency to make a finding of blight or require a set-aside of a portion of the tax increment for affordable housing (except when the projects to be financed through the IFD displace housing).

¹³ IFDs function in a manner similar to redevelopment, by allowing local jurisdictions to establish a geographical district within which all growth in property and possessory interest tax above an established base year (typically referred to as "tax increment") can be pledged to service debt on bonds issued to fund capital improvements of communitywide significance. Note that although this mechanism uses property tax increment, it does not rely on a redevelopment agency structure and is not impacted by the recent elimination of redevelopment agencies in California.

By Resolution 110-12, the Board of Supervisors adopted a Resolution of Intention to Establish an Infrastructure Financing District for the City and County of San Francisco (Infrastructure Financing District No. 2, the "District") for multiple sites on Port property, including Seawall Lot (SWL) 330, Piers 30-32, Pier 26, Pier 28, Pier 48, and Pier 70. Resolution 227-12 amended the District to include SWL 351 as a project area.

Port staff will likely recommend removal of Piers 26 and 28 from the District, because these piers are no longer likely development sites. Concurrent with recommending a Disposition and Development Agreement for the proposed development of SWL 337 and Pier 48 in conjunction with the Port's development partner, Port staff will recommend that the Board of Supervisors amend Resolution 227-12 to include SWL 337. Concurrent with recommending a Disposition and Development Agreement for the Pier 70 Waterfront Site, it is likely that Port staff will also recommend adding 3 acres of adjacent private property owned by Pacific Gas and Electric, Inc. to the Pier 70 project area.

As Port staff advances individual development projects, there will be an associated Infrastructure Finance Plan for the Board's consideration as the next step in forming the District. The Finance Plan will include a detailed description of the development plan for each project area and specify the type of projects eligible for IFD monies and the estimated value of the tax increment over the life of the projects. The development projects currently being negotiated are summarized below.¹⁴

In 2013, the Board of Supervisors adopted Resolution 123-13, 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 (Port IFD Guidelines). Consistent with IFD law applicable to the proposed Port IFD, proposed uses of the Port IFD proceeds can include:

- Repairs and upgrades to piers, docks and wharves and the Port's seawall;
- Installation of piles, both to support piers and to support buildings where soil is subject to liquefaction;
- Parks and shoreline improvements, where the Port has been unable to secure General Obligation bond funding to fund new parks;
- Utility infrastructure, including utility requirements to comply with standards imposed by the Regional Water Quality Control Board and/or the Bay Area Air Quality Management District;
- Streets and sidewalks;
- Seismic upgrades and improvements to the City's seawall and other measures to address sea level rise;
- Environmental remediation;

¹⁴ Each of the development projects is subject to ongoing real estate negotiations which include the allocation of IFD to infrastructure costs. When City staff publishes each project term sheet for public review and consideration by the Port Commission and the Board of Supervisors, City staff will publish more detailed cost information related to the use of IFD.

- Historic rehabilitation; and
- Improvements to Port maritime facilities.

The Port IFD Guidelines establish minimum criteria regarding the formation of IFD project areas on Port property. These guidelines can be found in Appendix C. IFD Law is the subject of frequent legislative action in wake of California's repeal of community redevelopment law. This year, Governor Jerry Brown has signaled his openness to amendments to IFD Law that would permit its use for affordable housing in addition to infrastructure and facilities of communitywide significance. If the Legislature enacts such a change (or similar changes), the Port and the Board of Supervisors may need to consider further amendments to the Port IFD Guidelines.

B.3 Development Projects

Since the 1970s, the Port's primary tool for redeveloping property has been public-private partnerships. In exchange for long-term leases (50-66 years) and other financial consideration (including rent credits, land value and IFD tax increment, for example), private developers assume much of the responsibility for rehabilitating and improving Port property for designated uses. This includes upgrades to meet current seismic building code requirements, repairs to adjoining segments of the seawall, and climate change adaptation improvements. The Port typically limits its contribution to development projects to existing facility improvements, along with Port staff, attorneys, and other consultants needed to coordinate and assist the developer. By engaging a development partner and allowing them to make a reasonable return on their investment, the Port is able to generate substantially more resources to address the Port's backlog of capital investment needs.

As noted in Table 2, development projects are forecast to be the largest financial source to address both state-of-good-repair (\$119 million) and enhancement (\$176.1 million) in the plan. The vast majority of enhancements that are contemplated are investments in new, publicly-owned parks and infrastructure, largely to support new neighborhoods planned at SWL 337 and Pier 70. A portion of expenditures on enhancements will also address seismic conditions.

The Port is engaged in an exclusive negotiations process with a private investor or partner in several project areas. The developers will make significant investments to rehabilitate and enhance these properties; however, the ten-year plan reflects only that portion of the investment necessary to repair or replace facilities to continue operating them for their current use, or for enhancements that benefit the general public. Funding for these projects may come from a number of both private and public sources; however, for purposes of this plan, all development project generated funds are shown on a single line item in Table 2.

Two of these projects (SWL 337 and Pier 70 Waterfront Site) involve proposed height increases that are likely to be subject to significant local debate. SWL 337 and the Pier 70 Waterfront Site are just starting the process of environmental review and urban design planning.

The teams working on these projects plan to entitle them within the current real estate market cycle. If any of the projects are not entitled within expected timeframes, Port staff will make corresponding adjustments to future capital plans.

Pier 70 Area: Pier 70 is located on San Francisco's Central Waterfront, an approximately 65-acre site, generally between 18th and 22nd Streets, east of Illinois Street. For over 150 years, some portion of the site has been in use for ship building and repair or steel production, as well as for other supporting heavy industrial uses. The Port completed an environmental investigation and risk assessment of the project area. Findings from the completed risk assessment do not indicate any immediate need for soil or groundwater remediation. Following a three-year community planning process, the Port Commission endorsed the Pier 70 Master Plan in May 2010. The Plan balances sustained ship repair, historic preservation, new waterfront parks and new development. It identifies over 3 million square feet of new building potential and 700,000 square feet of buildings to be rehabilitated. On April 17, 2014, the National Park Service approved the Port's nomination for the Union Iron Works Historic District at Pier 70 and listed the district in the National Register of Historic Places. Port staff continues to work with the State Lands Commission on public trust matters that impact the Pier 70 area.

The Port Commission authorized a developer solicitation for the Waterfront Site as well as a second solicitation for Historic Buildings:

Pier 70 Waterfront Site: Following a competitive process, the Port Commission selected Forest City California, Inc. as its development partner for the Waterfront Site and on July 12, 2011 authorized an ENA. This project area requires significant infrastructure investment and new land use approvals to redeploy a largely vacant portion of Pier 70 for new uses in new buildings. The ENA provides for a five-year period to develop plans for the project, negotiate required agreements, and secure required approvals. In May 2013, the Port Commission endorsed a non-binding term sheet describing the fundamental deal terms for the project. The Board of Supervisors, in June 2013, added its endorsement of the term sheet and, in accordance with Administrative Code, Chapter 29, determined the proposed development fiscally feasible. Negotiations between the Port and the developer continue on the transaction details and documents, including the ground leases, the development and disposition agreement and financing plans.

In response to Proposition B (June 2014), Forest City redesigned its development concept for the Waterfront Site and drafted and qualified Proposition F for voter consideration on the November 4, 2014 ballot. As described above, San Francisco voters approved Proposition F to increase site zoning from 40 to 90 feet, which is not higher than the tallest point at the tallest historic building already at this project site. Subject to all required public review processes, this initiative encourages a development project and sets policy direction for identified major uses and supporting infrastructure improvements. The measure sets forth major uses to include: (i) nine acres of waterfront parks, playgrounds and recreation opportunities on and adjacent to the Project Site; (ii) below market-rate homes, representing 30% of all new housing units; (iii) construction of between approximately 1,000 and 2,000 new housing units, a majority of which will be

rental homes; (iv) restoration and reuse of currently deteriorating historic structures essential to the creation of a new Union Iron Works Historic District; (v) substantial new and renovated space for arts, cultural, small-scale manufacturing, local retail and neighborhood services; (vi) preservation of the artist community currently located in the Noonan Building; (vii) between approximately 1,000,000 and 2,000,000 square feet of new commercial and office space (which is in addition to reuse of historic structures); and (viii) accessory parking facilities and other transportation infrastructure.

Forest City's development concept for the Waterfront Site is subject to review and approval under CEQA. Forest City has filed an environmental application for CEQA review which commenced in late 2014, with potential consideration of final transaction documents and a Waterfront Site Special Use District by the Port Commission, the Planning Commission and the Board of Supervisors in 2016.

20th Street Historic Buildings: The 20th Street Historic Buildings are six buildings on or near 20th Street at Pier 70. These historic resources, some dating to the 1880s, are in need of substantial investment to return to active use. Following a competitive solicitation process, in May 2012, the Port entered into an exclusive negotiations agreement with Orton Development Inc. for a public/private partnership to rehabilitate these buildings. In September 2014, the project's Lease Disposition and Development Agreement ("LDDA") was executed. The LDDA is the document that describes the obligations of each party to implement the rehabilitation project including a detailed schedule of performance describing a phased construction schedule.

The Port and Orton Development expect to close escrow and execute a lease to convey the site to Orton in 2015. In total, these buildings have over 250,000 square feet of building space with potential in some cases, for additional mezzanine construction. The current capital cost estimate is \$76 million. The Port will contribute \$1.5 million to the project (repositioning funds previously committed to a temporary shoring of one of the buildings). Orton will invest up to \$14 million of equity in the project and secure the remainder of the funding from leasehold mortgage, historic tax credit investors and a Seismic Safety Loan administered by the Mayor's Office of Housing and Community Development. The Port defers its rent from the project until Orton's equity investment is repaid.

BAE Ship Repair: The BAE Ship Repair leasehold is 15.1 acres of leasable land and 17.4 acres of leasable water on the northeastern edge of Piers 68 and 70. It includes 19 buildings, six functional cranes, and two floating drydocks. It is under a lease to BAE generating approximately \$1.8 million dollars in annual revenues to the Port. A capital improvement plan is being developed for further improvements to infrastructure that will sustain the Ship Repair facility for the next 25 years. These improvements will be reflected in future capital plans upon completion of negotiations with BAE.

Seawall Lot 337 & Pier 48: In September 2010, following a one-year community planning and developer selection process, the Port entered into an exclusive negotiation agreement (ENA)

with Seawall Lot 337 Associates, LLC (an affiliate of the San Francisco Giants) for the mixed-use development of Seawall Lot 337 (SWL 337) and the adjacent Pier 48. Pursuant to the ENA, the developer submitted its Revised Proposal in March 2012 which contemplates a flexible mixed-use development at the site balancing residential, office, retail, exhibition and parking uses distributed over a network of city blocks – with expectation that the combination of uses will evolve to meet market demands and to reflect community and regulatory concerns, and be responsive to certain requirements to ensure mixed-use diversity.

In March 2013, the Port Commission endorsed a non-binding term sheet describing the fundamental negotiated elements and proposed financial terms for the lease and development of the project site and, in May 2013, the Board of Supervisors added its endorsement of the term sheet and also found the proposed development to be fiscally feasible under Administrative Code, Chapter 29. Following these approvals, the ENA allows the developer three years to complete the project entitlement process. The total cost of the project, as planned, is estimated at \$1.8 billion.

The project team is pursuing project entitlements including a thorough environmental review in accordance with the California Environmental Quality Act ("CEQA"). The Port anticipates that this project could generate new lease revenues and result in higher property values. The project schedule previously anticipated completing the CEQA process and gaining project approvals in early 2015 with lease payments commencing on sub parcels beginning in 2016. However, Proposition B (June 2014) requires voter approval of the height increases required for the project, as proposed (per the non-binding terms endorsed by the Port and City). In light of Proposition B, Seawall Lot 337 Associates, LLC is re-examining the proposed heights and density with the expectation that the Project would be presented to the voters for approval on a future ballot.

8 Washington/Seawall Lot 351: This two-thirds of an acre site is currently a surface parking lot located along the Ferry Building waterfront at The Embarcadero and Washington Street. It is to be merged with the adjacent 2½ acre tennis and swim club property in a \$345 million residential-commercial development agreement between the Port and San Francisco Waterfront Partners ("SFWP"), including dedicated public parking for the Ferry Building area, improvements to approximately ½ acre of public open space and \$5 million in public funding for sidewalk widening and street furnishings recommended in the Northeast Embarcadero Study ("NES").

As described above, the approved project is the subject of a recently passed legislative referendum rescinding the increase in building height granted the development. SFWP, therefore, is considering its options to reevaluate the proposed development, including project funding structure. The Port is awaiting the developer's decision on proceeding with this project following its reevaluation.

Pier 38 Bulkhead Rehabilitation: Pursuant to Port Commission authorization, the Port issued a request for proposals ("RFP") for the Pier 38 Bulkhead in November 2012, seeking a development entity to rehabilitate the Pier 38 bulkhead building and limited shed improvements for re-occupancy in the near-term. Responses were received in March 2013 and the Port

Commission selected TMG Partners in December 2013. Lease negotiations consistent with the Port Commission's goal to expeditiously rehabilitate and re-tenant the bulkhead building are nearing completion. Under the proposed agreement, TMG would invest approximately \$7.2 million to correct code violations, improve public access and upgrade the float on the north side of the pier. The Port expects the lease to commence in 2015.

B.4 General Obligation Bonds

The Port Commission and Port staff remain grateful for the infusion of funding approved by voters to create waterfront open space through the 2008 and 2012 Clean and Safe Waterfront Parks General Obligation Bonds. The following bond-funded projects, totaling \$34.7 million are in various stages of conceptual development and permitting:

- **Crane Cove Park, Phase 1:** Crane Cove Park is an approximately 9 acre Blue Greenway waterfront park located in the Central Waterfront generally between 19th and Mariposa Streets east of Illinois Street. Initial park concepts include shoreline cleanup and stabilization, restoration of historic cranes, historic interpretation, bay access, and a facility for human powered boats. The total cost for the entire project is expected to be \$45 million dollars, which is greater than the current available funding. As a result, the project will be phased as funding is secured. Available funding for the 1st phase of the project is \$23.3 million, including (a) \$10 million from 2008 Clean and Safe Neighborhood Park G.O. Bonds, (b) \$10 million from 2012 Clean and Safe Neighborhood Parks G.O. Bonds, (c) \$1 million from grants from the Metropolitan Transportation Commission and California Coastal Conservancy, and (d) \$3.3 million in other Port funds.

This Blue Greenway Project benefits from significant planning conducted through the development of the Port's Pier 70 Preferred Master Plan and the Blue Greenway Planning and Design Guidelines community planning process. The Park Master Plan and Schematic Design were approved by the City's Waterfront Design Advisory Committee and the BCDC Design Review Board in July 2014. Phase 1 of the project, comprising approximately 5 acres, will start construction in 2016 and is expected to be complete by 2017.

- **Bayview Gateway:** The \$3.9 million Bayview Gateway Project will create a new one acre public open space along the southern bank of Islais Creek in San Francisco's southeast waterfront. The project site is bound by Islais Creek on the north, Cargo Way on the south, 3rd Street on the west, and Illinois Street on the east. The project will demolish the existing timber wharf, rehabilitate the seawall, and transform the asphalt lot into a public park with walkways, plaza spaces and green spaces from which to enjoy the Bay. In addition, the project will serve as both a gateway to and an amenity for the Bayview neighborhood. The project is under construction, and is expected to be completed in 2015.

- **Agua Vista Park:** The \$2.5 million 20,000 square foot Agua Vista park within 2,000 linear feet of shoreline access will be renovated and connected to the recently improved edge of Bayfront Park (with 2008 Neighborhood Parks bond proceeds). When completed, Agua Vista Park and the future Bayfront Park combined are expected to include 2,000 linear feet of new shoreline access, continuous walking and bike paths, and dramatic views of ships being worked on at the Pier 70 ship yard and dry dock. Improvements may include new pathways, seating areas, interpretation and fishing facility improvements. Agua Vista is a waterfront park at the southern edge of Mission Bay located on Terry Francois Boulevard at 16th Street that was originally improved in the 1970s. The project is expected to be completed in 2017.
- **Islais Creek Improvements:** The Islais Creek Shoreline Access improvement project is expected to complete the pathway system along the northern shore of Islais Creek from I-280 to Illinois Street. New public access would connect the Islais Creek Promenade at Tennessee Street to the historic Third Street Bridge. Improvements budgeted at \$2 million are expected to include a new waterfront walkway and scenic look out points. This site currently is partially unimproved, but improvements would close a gap in the Islais Creek system of open spaces, the Blue Greenway, and Bay Trail. The project is expected to be completed in 2017.
- **Warm Water Cove Park:** This existing 2 acre park is located along the bay's edge. Currently, it has a walking path, sitting areas, and native shoreline plantings. This park is expected to be renovated and expanded as a bay-side open space for gathering, walking, picnicking and historic interpretation, at a cost of \$1.5 million. Originally improved in the 1970s, the park is in need of new plantings, site furnishings, pathways and lighting. The park also is expected to be expanded to connect with 25th Street to close a gap in the Blue Greenway and San Francisco Bay Trail network. The project is expected to be completed in 2017.
- **Fisherman's Wharf Plaza:** The Port and the San Francisco Bay Conservation and Development Commission are conducting a community planning process to define improvements for a public plaza in Fisherman's Wharf. Improvements will complement the existing Pier 43 Bay Trail Promenade. The area will offer places to sit, picnic or stroll, along with dramatic views of the historic Pier 43 Ferry Arch and Alcatraz Island. The \$1.5 million plaza will be in the heart of Fisherman's Wharf, connecting and expanding upon shoreline open space.

B.5 Grants, Direct Appropriations and Other Funding Sources

As part of the plan of finance for the Port's capital requirements, Port staff is working with local, state, and federal governments and organizations to identify and secure grants and other contributions. Table 2 above lists several sources of funding that will support both state-of-good-repair and enhancement projects.

- **U.S. Department of Transportation, Federal Railway Administration**— In 2012 the Port was awarded \$3 million to improve reliability and efficiency of rail movement through

track and switching upgrades to the Port's primary rail spur, the Quint Street Lead. The award is strategically important for the Port, as it supports the larger goal of (and is a necessary component to) creating a robust export terminal at Pier 96 serviced by six-axle locomotives. The project assumes iron ore as the export commodity, with appropriate weight capacity and resiliency built in to associated infrastructure improvements. The remaining \$3.8 million in funding (which includes \$1 million in additional Port capital funds allocated by this year's proposed supplemental appropriation) will be expended by the Port in FY2016.

- ***USACE, Continuing Authorities Program Section 107, Central Basin Dredging*** – The Central Basin is the approach to the Pier 70 Shipyard's primary drydock facility. Dredging of this area is critical to operations of the shipyard. While the drydock itself is the largest privately operated repair facility of its kind on the west coast of the Americas, the increasingly restrictive siltation in the Central Basin is limiting the number and type of vessels that can access it. In September 2009, the Port requested dredging assistance from the Army Corps under Continuing Authorities Program Section 107. A 35' depth Central Basin dredge project has been approved and is scheduled for construction in 2016. The Army Corps will provide up to \$10 million in federal funding, which is 63 percent of the \$15.8 million estimated cost of the dredge project. The Port's proposed supplemental appropriation for this year includes \$2.9 million and BAE will provide \$2.9 million to fund the project, providing for a \$5.8 million local match. After this initial dredge, the Army Corps will then assume all costs for future dredging of the Central Basin, which will require several million dollars of federal funding every decade..
- ***USACE, Water Resources Development Act of 2007 (WRDA07)*** – In 2006, Port staff worked with Mayor Gavin Newsom's Office to successfully petition the Office of House of Representatives Speaker Nancy Pelosi to carry a new bill for federal authorization of a number of the Port's facilities. WRDA07 was approved by Congress and, in Section 5051 authorizes USACE, in cooperation with the Port of San Francisco, to seek appropriation of \$25 million for "...repair and removal, as appropriate, of Piers 30-32, 35, 36, 70 (including Wharves 7 and 8), and 80 in San Francisco, California, substantially in accordance with the Port's redevelopment plan." In 2011, Congress appropriated \$4.8 million of this authorization for removal of Pier 36, leaving \$20.2 million in authorization remaining. All funding from this source requires a 2:1 match from the Port. The Port has traditionally been the only City department with projects eligible for funding from the Army Corps.

In 2008 Congress placed a hold on project-based authorization, determining them to be "earmarks." As of the writing of this plan, the United States Congress continues to operate under a two-year moratorium on congressionally directed spending, i.e., direct "project" funding. However, because this moratorium has a differential impact across funding sources – in particular, the budget for the USACE is more affected than others – there is a great deal of speculation that the definition of "earmark" may be revised. The Capital Plan assumes that the remaining authorization of \$20.2 million will be appropriated in the FY2020-24 period.

- Department of Homeland Security, Port Security Grants** – Since 2007, the Port’s Homeland Security Division has applied for and been awarded over \$28 million in State and Federal Port Security grant Programs. Over the next five years, the Port plans to apply for an additional \$6.3 million in federal funding provided by FEMA under the PSGP (Port Security Grant Program). PSGP funding will provide enhanced security capabilities, establish boundaries, and provide controlled access where required and authorized, as well as enhance threat detection and prevention, and increase security measures for berth and passenger terminals that are consistent with Department of Homeland Security and United States Coast Guard requirements. It is expected that FEMA will continue to require a 25 percent match, which the Port will provide from the capital budget. Individual security projects may include lighting, high security fencing, closed-circuit television (CCTV) cameras, intrusion detection systems, and vessels.
- San Francisco Bay Area Water Emergency Transportation Authority (WETA)** – WETA is proposing to utilize federal and state funding to support a two-phased project to improve the Downtown Ferry Terminal (DTFT) at the San Francisco Ferry Building. WETA and the Port have entered into a Memorandum of Understanding (MOU) to undertake a coordinated planning effort for the DTFT expansion project in accordance with the Port’s objectives for stewardship of the San Francisco waterfront and WETA’s mission to provide ferry service and emergency operations. The project would expand the number of ferry gates, improve pedestrian circulation and ferry patron boarding, and enhance emergency response capabilities to evacuate people from San Francisco in the event of a major catastrophic event. The remaining work in the project plan includes funding from state and local sources, including California Proposition 1B, Proposition K (½ cent sales tax) and RM2 (bridge tolls) and addresses \$7.6 million in state-of-good-repair and \$2.1 million in seismic needs. The Water Emergency Transportation Authority (“WETA”) is now pursuing Phase 2 of the Downtown Ferry Terminal to add up to three new ferry gates, weather-protected areas for queuing, and a new public plaza between the Ferry Building and the Agriculture Building, which also will support emergency staging and evacuation in the event of a major catastrophe. Construction of Phase 2, at an estimated cost of \$97 million, is expected to begin in 2016 and be completed by 2020.
- Environmental Clean-up and Open Space Projects** – As part of a settlement agreement with the Cosco Busan following a collision with the Bay Bridge in 2012, the Port and Department of Recreation and Parks were awarded \$1.37 million in funding to be used for environmental clean-up and open space projects. The Port will use its \$685,000 share of the award to stabilize the shoreline at the future site of Crane Cove Park in the Port’s Pier 70 area.
- California Coastal Conservancy Grant** – The California Coastal Conservancy has awarded the Port \$620,000 for repair to the Port’s historic Copra Crane, and for related removal of portions of Pier 84. The Copra Crane, operated by Longshoremen, was last utilized in 1974 to remove copra (dried coconut) imported from the Philippines from cargo vessels. It is an important part of Port labor history, as it is the last remnant of

manually operated machinery for loading and unloading cargo on the San Francisco waterfront.

Table 2 lists several additional sources of funding that the Port staff has identified, but not yet secured, that could contribute significantly to future capital plans. Staff will make a concerted effort to realize these funding sources.

- ***City Match to USACE WRDA 2020, Seawall Repair*** – Though WRDA legislation is intended to be biennial, as a matter of practice these new authorizations are passed into law much less frequently. For the next WRDA, Port staff will submit language to amend the Port's existing WRDA07 authorization to increase the amount of funding authorized, and to make eligible appropriations for seawall construction or repair and removal of derelict pilings. This Authorization assumes a conservative estimate of \$60 million for a comprehensive rehabilitation and modernization of the San Francisco seawall. The USACE share of this project would be two-thirds, or \$40 million. The balance of funds, or local match for the seawall rehabilitation described above, is one-third, or \$20 million. Because this capital requirement is so high relative to the Port's capital budget, and because the beneficiaries of this project extend far beyond the Port, the plan assumes that financing for the local share of the project would come from a general fund source that recognizes its City-wide benefit.

B.6 Transferrable Development Rights

Each of the pier sheds and associated bulkhead buildings on the Port's historic finger piers are collectively recognized as part of the Embarcadero Waterfront Historic District listed on the National Register of Historic Places. Any alteration or historic rehabilitation undertaken for these resources is required under Port Commission policy to comply with U.S. Secretary of the Interior Standards for Historic Rehabilitation (Secretary Standards). The Port has relied on the Federal Historic Tax Credit Program as one essential financing tool to assist in paying for the high cost of rehabilitation to meet the Secretary Standards. However, given the age of the piers and increasing costs of repair, structural and/or seismic interventions necessary to meet current codes, other financing strategies are required to save these historic resources and continue the Port's waterfront revitalization efforts.

The Port has initiated discussions with the Board of Supervisors, Planning Department, San Francisco Architectural Heritage and other preservation stakeholders to consider allowing the City's Transfer of Development Rights (TDR) program to be applied to historic rehabilitation projects defined by the Port Commission that would rehabilitate historic resources in the Embarcadero Historic District. TDR is an historic preservation incentive tool that allows unused development air rights on sites containing recognized historic resources of public value to be sold and applied to other development "receptor" sites. The City's TDR program requirements and provisions are contained in the San Francisco Planning Code and administered by the San Francisco Planning Department. Any historic building that receives benefit from the TDR program would require that the allowable development of that site be reduced by the amount sold through the TDR program.

The Port sees TDR as an important financing tool that could generate significant funding to support historic rehabilitation costs of its historic pier resources, particularly at Piers 19, 23 and 29 in the Northern Waterfront.

In 2013, the Port participated with City Planning in a study of the current program to determine how the current TDR market is functioning and to what extent the addition of Port piers into the program would impact the existing market. The study concluded that there is some limited capacity in the local TDR market for addition of publicly-owned buildings, and that the City should remain open to the Port's proposal to use TDR for Piers 19, 23 and 29.

In 2013, the Planning Department and Capital Planning Committee endorsed the use of TDR for designated historic Civic Center Buildings including the War Memorial, only the second time in the history of the program that TDR has been used to help finance rehabilitation of publicly-owned historic buildings. The Planning Department and the Capital Planning Committee have determined that further use of TDR for publicly-owned buildings (including the Port's piers) should wait until market impacts of the War Memorial TDR allocation can be determined.

If the War Memorial allocation indicates that there is sufficient market demand to accommodate the Port's finger piers, the Board of Supervisors would have to adopt legislation authorizing the Port to participate in the TDR program. The Port has already succeeded in gaining State authorization to participate in the local TDR program through enactment of AB 2649 (Assemblymember Tom Ammiano).

VII. CONCLUSIONS

The Port's Ten-Year Capital Plan continues to evolve since its inception nine years ago. The Port has employed the information that the Plan generates to develop and implement its legislative and financing strategies to redevelop the City's waterfront, fulfill its public trust mission, and reconnect the City with its waterfront.

Since the first plan in 2006, the Port has used this document to guide a total in investment exceeding \$220 million in non-developer funding. Still, a persistent gap remains between the Port's available resources and its ever growing need. It is a clear challenge, but one the Port has demonstrated it has the fortitude as an institution to meet. While the plan is a forward looking document, it is our history of continual improvement that has generated opportunity for growth, and leveraged even greater opportunity. The plan was integral to the Port's issuance of its revenue bonds as well as to the Port's preparations for the 34th America's Cup. It provides a solid framework and confidence-building, holistic view of the Port to interested constituents, as well as to general audiences.

As a road-map, the plan has enabled stronger application for federal grant funding, and stronger footing for inclusion in future City-sponsored general obligation bonds. The plan also served a vital role in supporting legislative changes to the Port's ability to develop Seawall Lot 337 and Pier 70 by securing tax increment to pay for public infrastructure investments in these proposed development project areas.

The Port's review of the Waterfront Land Use Plan highlighted that the Port is more unified with its waterfront than it has ever been, with industry, commerce and residence all existing in a harmony of contrasts. A South Beach resident might walk from her home to attend a San Francisco Giants game, and between innings, watch from her seat as one of the largest ships in the world is lifted out of the water for repair at the Port's Pier 70 shipyard. However united we are as a Port, we continue to need to grow in our connection with those away from the shore.

The controversy around height limits that so dominated discussion around the waterfront in 2014 changed the prism through which the Port must view development. With the passage of Proposition B, the community that is actively weighing in on the Port's development is no longer nearby and neighborhood in character, but rather an entire City of civic-minded voters. Moving forward, the Port must be ever mindful of the larger presence our work has in the San Francisco consciousness.

The next big capital planning challenge for the Port is to involve sister City agencies and regulatory partners in examining the Port's 100-year-old seawall to address its structural stability facing both a seismic event and future sea level rise. The long-range improvements to the City's seawall and marginal wharf will require a coordinated planning and funding strategy that will need to be reflected in future updates of the Port's Capital Plan.

Finally, the preliminary success of the Port-BCDC planning study and the Port's desire to reposition its northern waterfront piers for different uses through a public process underscore the need for strong public outreach and comprehensive planning. The Port must always take care to

ensure that there is a strong local and regional public consensus regarding the future of one of the most beautiful public waterfronts in the world.

APPENDIX A – Ten-Year Capital Needs, By Facility

Definitions

Building Type: This is the fundamental structure type, where a 'simple' building is a warehouse or garage structure with limited subsystems, a 'basic' building is a standard commercial structure with appropriate subsystems, 'small' buildings are less than 5,000 square feet (and as such, the method for estimating costs for these structures is simplified), and a 'pier' is a pile supported over-water foundation structure (as distinct from a shed building that sit atop a pier).

Backlog: The accumulation of all overdue needed repair work, as of year one of this Plan.

Ten-Year Renewals: Costs for replacing building subsystems that will reach the end of their life between year one and year ten of this plan.

One-Time Costs: Costs that are singular in nature, such as a seismic upgrade, as differentiated from the cyclical costs of replacing building subsystems at the end of their lifetime (e.g., many roofs at the Port are 30-year roofs, and as such, are on a 30-year replacement schedule).

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|-----------------------------------------------------|---------------|----------|------------------|-----------|-----------|
| 000 | Leased Piers | Port Wide | \$0 | \$46,664 | \$0 | \$46,664 |
| 0000 | Equipment | BASIC | \$0 | \$0 | \$10,664 | \$10,664 |
| 0000 | Port-wide Projects | Port Wide | \$0 | \$324,482 | \$208,220 | \$532,702 |
| 1001 | Downtown Ferry Terminal | BASIC | \$760 | \$0 | \$2,621 | \$3,381 |
| 1010 | Pier 1 | Piers | \$0 | \$88 | \$0 | \$88 |
| 1010 | Pier 1 - Office Building | BASIC | \$0 | \$3,481 | \$0 | \$3,481 |
| 1015 | Pier 1 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1015 | Pier 1 1/2 - Bulkhead/Shed Building | BASIC | \$0 | \$467 | \$0 | \$467 |
| 1020 | Pier 2 | Piers | \$4,631 | \$0 | \$2,210 | \$6,841 |
| 1030 | Pier 3 | Piers | \$8,476 | \$0 | \$6,558 | \$15,034 |
| 1030 | Pier 3 - Bulkhead/Shed Building | BASIC | \$0 | \$754 | \$0 | \$754 |
| 1050 | Pier 5 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1055 | Pier 5 1/2 - Bulkhead Building | BASIC | \$0 | \$553 | \$0 | \$553 |
| 1070 | Pier 7 Public Pier | Piers | \$0 | \$0 | \$0 | \$0 |
| 1075 | Pier 7 - The Waterfront Restaurant | BASIC | \$319 | \$113 | \$178 | \$609 |
| 1075 | Pier 7 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1090 | Pier 9 | Piers | \$12,724 | \$0 | \$10,590 | \$23,314 |
| 1090 | Pier 9 Bulkhead/Shed Building | BASIC | \$9,580 | \$7,044 | \$3,780 | \$20,404 |
| 1095 | Pier 9 1/2 | Piers | \$835 | \$0 | \$687 | \$1,522 |
| 1140 | Pier 14 (Public Pier) | Piers | \$0 | \$0 | \$0 | \$0 |
| 1150 | Pier 15 | Piers | \$141 | \$0 | \$0 | \$141 |
| 1150 | Pier 15 - Bulkhead/Shed Building (contains trailer) | SIMPLE | \$3,239 | \$597 | \$4,098 | \$7,934 |
| 1155 | Pier 15/17 - Office on Marginal Wharf | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1155 | Pier 15/17 Valley - demolition | Piers | \$9,527 | \$0 | \$0 | \$9,527 |
| 1170 | Pier 17 | Piers | \$105 | \$0 | \$0 | \$105 |
| 1170 | Pier 17 - Shed Building | SIMPLE | \$3,350 | \$883 | \$3,439 | \$7,672 |
| 1175 | Pier 17 1/2 | Piers | \$1,552 | \$0 | \$510 | \$2,062 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|-----------------------------------------|---------------|----------|------------------|----------|-----------|
| 1190 | Pier 19 | Piers | \$4,415 | \$0 | \$6,850 | \$11,265 |
| 1190 | Pier 19 - Bulkhead/Shed Building | SIMPLE | \$1,416 | \$179 | \$2,882 | \$4,477 |
| 1195 | Pier 19 1/2 | Piers | \$5,522 | \$0 | \$3,049 | \$8,571 |
| 1195 | Pier 19 1/2 - Bulkhead/Shed | SIMPLE | \$671 | \$82 | \$1,289 | \$2,043 |
| 1225 | Pier 22 1/2 | Piers | \$2,483 | \$0 | \$1,074 | \$3,557 |
| 1225 | Pier 22 1/2 - Fire Station | BASIC | \$715 | \$0 | \$146 | \$861 |
| 1225 | Pier 22 1/2 - Maintenance / Recreation | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1230 | Pier 23 | Piers | \$6,557 | \$0 | \$10,870 | \$17,427 |
| 1230 | Pier 23 - Bulkhead/Shed Building | SIMPLE | \$666 | \$0 | \$2,956 | \$3,622 |
| 1235 | Pier 23 1/2 | Piers | \$3,068 | \$0 | \$504 | \$3,572 |
| 1235 | Pier 23 1/2 Pier 23 Cafe | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1245 | Pier 24 1/2 | Piers | \$4,723 | \$0 | \$3,701 | \$8,424 |
| 1245 | Pier 24 1/2 - Bulkhead/Shed Building | SIMPLE | \$647 | \$0 | \$824 | \$1,471 |
| 1260 | Pier 26 | Piers | \$16,147 | \$0 | \$16,224 | \$32,371 |
| 1260 | Pier 26 - Bulkhead/Shed | SIMPLE | \$3,141 | \$2,349 | \$3,786 | \$9,276 |
| 1265 | Pier 26 1/2 | Piers | \$3,558 | \$0 | \$2,869 | \$6,427 |
| 1265 | Pier 26.5 - Bulkhead | BASIC | \$2,330 | \$952 | \$0 | \$3,282 |
| 1270 | Pier 27 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1270 | Pier 27 - Office Annex | SMALL | \$588 | \$0 | \$0 | \$588 |
| 1280 | Pier 28 | Piers | \$10,371 | \$0 | \$15,303 | \$25,674 |
| 1280 | Pier 28 - Bulkhead/Shed Building | SIMPLE | \$2,465 | \$405 | \$2,266 | \$5,136 |
| 1285 | Pier 28 1/2 | Piers | \$510 | \$0 | \$387 | \$897 |
| 1285 | Pier 28 1/2 - Hildive Restaurant | SMALL | \$216 | \$0 | \$0 | \$216 |
| 1290 | Pier 29 | Piers | \$10,207 | \$0 | \$0 | \$10,207 |
| 1290 | Pier 29 - Bulkhead/Shed Building | SIMPLE | \$0 | \$0 | \$4,564 | \$4,564 |
| 1295 | Pier 29 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1295 | Pier 29 1/2 - Bulkhead Building | SIMPLE | \$1,508 | \$100 | \$1,547 | \$3,155 |
| 1310 | Pier 31 | Piers | \$5,132 | \$0 | \$17,408 | \$22,540 |
| 1310 | Pier 31 - Bulkhead/Shed Building | SIMPLE | \$3,145 | \$1,446 | \$2,801 | \$7,393 |
| 1315 | Pier 31 1/2 | Piers | \$3,834 | \$0 | \$3,152 | \$6,986 |
| 1320 | Pier 30 and 32 | Piers | \$43,903 | \$295 | \$57,582 | \$101,780 |
| 1325 | Pier 32 1/2 Marginal Wharf (Brannan St) | Piers | \$0 | \$0 | \$0 | \$0 |
| 1330 | Pier 33 | Piers | \$6,801 | \$0 | \$11,337 | \$18,138 |
| 1330 | Pier 33 - Bulkhead/Shed Building | SIMPLE | \$2,055 | \$1,951 | \$2,620 | \$6,625 |
| 1335 | Pier 33 1/2 | Piers | \$0 | \$0 | \$495 | \$495 |
| 1335 | Pier 33 1/2 - Bulkhead Building | BASIC | \$114 | \$0 | \$0 | \$114 |
| 1345 | Pier 34 1/2 Marginal Wharf | Piers | \$0 | \$0 | \$0 | \$0 |
| 1350 | Pier 35 - Bulkhead/Shed Building | BASIC | \$5,801 | \$13,836 | \$5,372 | \$25,008 |
| 1350 | Pier 35 Cruise Terminal | Piers | \$42,791 | \$274 | \$10,031 | \$53,095 |
| 1355 | Pier 35 1/2 | Piers | \$0 | \$0 | \$5,402 | \$5,402 |
| 1380 | Pier 38 | Piers | \$19,106 | \$0 | \$16,933 | \$36,039 |
| 1380 | Pier 38 - Bulkhead/Shed Building | SIMPLE | \$411 | \$1,850 | \$3,269 | \$5,531 |
| 1385 | Pier 38 1/2 | Piers | \$656 | \$0 | \$539 | \$1,195 |
| 1390 | Pier 39 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1390 | Pier 39 - Retail Shops | BASIC | \$4,337 | \$4,879 | \$7,699 | \$16,915 |
| 1390 | Pier 39 - Underwater World | BASIC | \$313 | \$854 | \$0 | \$1,167 |
| 1395 | Pier 39 1/2 Marginal Wharf | Piers | \$0 | \$0 | \$0 | \$0 |
| 1400 | Pier 40 | Piers | \$5,487 | \$0 | \$10,887 | \$16,374 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|-----------------------------------------------|---------------|----------|------------------|----------|----------|
| 1400 | Pier 40 - Shed Building | SIMPLE | \$274 | \$728 | \$1,353 | \$2,356 |
| 1400 | Pier 40 Restaurant & Robert Steck Chandelery | BASIC | \$55 | \$228 | \$235 | \$519 |
| 1405 | Pier 40 1/2 (S Beach Harbor Wharf) | Piers | \$2,899 | \$0 | \$477 | \$3,376 |
| 1405 | Pier 40 1/2 - Java House | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1410 | Pier 41 | Piers | \$0 | \$0 | \$3,376 | \$3,376 |
| 1415 | Pier 41 1/2 | Piers | \$2,195 | \$0 | \$0 | \$2,195 |
| 1415 | Pier 41 1/2 - Blue&Gold Bldg. | BASIC | \$0 | \$1,359 | \$435 | \$1,794 |
| 1430 | Pier 43 | Piers | \$0 | \$0 | \$316 | \$316 |
| 1430 | Pier 43 - Arch | SMALL | \$248 | \$0 | \$0 | \$248 |
| 1435 | Pier 43 1/2 | Piers | \$0 | \$0 | \$0 | \$0 |
| 1435 | Pier 43 1/2 - Franciscan Restaurant | BASIC | \$659 | \$267 | \$421 | \$1,347 |
| 1435 | Pier 43 1/2 - Red & White Tours | SMALL | \$0 | \$35 | \$0 | \$35 |
| 1450 | Pier 45 | Piers | \$1,130 | \$2,696 | \$0 | \$3,825 |
| 1450 | Pier 45 - Shed A | SIMPLE | \$732 | \$1,447 | \$2,133 | \$4,312 |
| 1450 | Pier 45 - Shed B | SIMPLE | \$736 | \$1,455 | \$2,145 | \$4,336 |
| 1450 | Pier 45 - Shed C | SIMPLE | \$1,033 | \$1,210 | \$2,184 | \$4,427 |
| 1450 | Pier 45 - Shed D | SIMPLE | \$728 | \$1,252 | \$1,937 | \$3,916 |
| 1461 | Pier 46B China Basin Ferry Terminal | Piers | \$958 | \$0 | \$0 | \$958 |
| 1470 | Pier 47 - Guardinos Storage Bldg | SMALL | \$0 | \$64 | \$0 | \$64 |
| 1470 | Pier 47 - Scoma / Fish Prep Bldg | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1470 | Pier 47 - Scoma Storage Bldg | SMALL | \$0 | \$103 | \$0 | \$103 |
| 1470 | Pier 47 - Scomas Restaurant | BASIC | \$387 | \$1,221 | \$365 | \$1,973 |
| 1470 | Pier 47 - Scomas Storage Shed | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1470 | Pier 47 - Wharf J6, J7, J8 | Piers | \$1,963 | \$0 | \$4,565 | \$6,528 |
| 1470 | Pier 47 WF Albert Seafoods Proc Bldg | SIMPLE | \$143 | \$92 | \$192 | \$427 |
| 1480 | Pier 48 | Piers | \$10,461 | \$0 | \$1,598 | \$12,059 |
| 1480 | Pier 48 - Shed A | SIMPLE | \$2,031 | \$443 | \$0 | \$2,474 |
| 1480 | Pier 48 - Shed B | SIMPLE | \$2,086 | \$455 | \$0 | \$2,542 |
| 1485 | Pier 48 1/2 - Jellys restaurant | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 - Aliotos Restaurant (Wharf J-1) | BASIC | \$0 | \$436 | \$355 | \$791 |
| 1490 | Pier 49 - Fishermans Grotto No. 9 (Wharf J-1) | BASIC | \$0 | \$678 | \$552 | \$1,230 |
| 1490 | Pier 49 - Fishermans Memorial Chapel | SMALL | \$0 | \$166 | \$0 | \$166 |
| 1490 | Pier 49 - Guardinos (Wharf J-1) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 - Sabella & Laforre (Wharf J-1) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 - Tarantinos Restaurant (Wharf J-1) | BASIC | \$0 | \$377 | \$210 | \$587 |
| 1490 | Pier 49 - The Crab Station (Wharf J-1) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1490 | Pier 49 Nicks Lighthouse (Wharf J-1) | SMALL | \$0 | \$185 | \$0 | \$185 |
| 1490 | Wharfs J-1 and J-3 (Pier 49) | Piers | \$0 | \$906 | \$3,485 | \$4,391 |
| 1500 | Pier 50 | Piers | \$24,943 | \$1,973 | \$20,445 | \$47,361 |
| 1500 | Pier 50 - Shed A | SIMPLE | \$2,375 | \$953 | \$2,190 | \$5,518 |
| 1500 | Pier 50 - Shed B | SIMPLE | \$1,233 | \$1,234 | \$2,221 | \$4,688 |
| 1500 | Pier 50 - Shed C | SIMPLE | \$1,847 | \$1,441 | \$2,668 | \$5,957 |
| 1500 | Pier 50 - Shed D | SIMPLE | \$1,515 | \$1,018 | \$3,081 | \$5,615 |
| 1505 | Pier 50 1/2 | Piers | \$0 | \$0 | \$393 | \$393 |
| 1520 | Pier 52 | Piers | \$0 | \$0 | \$4,515 | \$4,515 |
| 1540 | Pier 54 | Piers | \$27,870 | \$0 | \$9,374 | \$37,244 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|----------------------------------------------------------|---------------|---------|------------------|----------|----------|
| 1540 | Pier 54 - Office Bldg | SMALL | \$554 | \$0 | \$0 | \$554 |
| 1540 | Pier 54 - Oil Shed | SMALL | \$132 | \$0 | \$0 | \$132 |
| 1540 | Pier 54 - Shed Building | SIMPLE | \$433 | \$350 | \$725 | \$1,508 |
| 1540 | Pier 54 - Storage Shed | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1600 | Pier 60 - Wharf - wood piles | Piers | \$1,218 | \$0 | \$527 | \$1,745 |
| 1620 | Third Street Bridge House | SMALL | \$0 | \$27 | \$0 | \$27 |
| 1640 | Pier 64 | Piers | \$3,010 | \$0 | \$300 | \$3,310 |
| 1645 | Pier 64 1/2 Kelly Mission Rock Resort Restnt | BASIC | \$0 | \$460 | \$0 | \$460 |
| 1680 | Pier 68 | Piers | \$7,919 | \$43,104 | \$7,855 | \$58,878 |
| 1680 | Pier 70 - Pier 68 - Bathrooms Bldg. #141 | SMALL | \$0 | \$66 | \$0 | \$66 |
| 1680 | Pier 70 - Pier 68 - Beth Street Substation #2, Bldg. #50 | SMALL | \$0 | \$0 | \$9 | \$9 |
| 1680 | Pier 70 - Pier 68 - Beth Street Warehouse Bldg. #30 | SMALL | \$0 | \$0 | \$70 | \$70 |
| 1680 | Pier 70 - Pier 68 - Blast Shed Bldg. #150 | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Boiler/Steam Power House - #103 | SMALL | \$308 | \$0 | \$241 | \$549 |
| 1680 | Pier 70 - Pier 68 - Building #149 | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Cable/Electric Shop - Bldg. #38 | SIMPLE | \$0 | \$0 | \$450 | \$450 |
| 1680 | Pier 70 - Pier 68 - Checkhouse #1, Bldg. #122 | SMALL | \$0 | \$0 | \$197 | \$197 |
| 1680 | Pier 70 - Pier 68 - Checkhouse #2, Bldg. #123 | SMALL | \$0 | \$0 | \$95 | \$95 |
| 1680 | Pier 70 - Pier 68 - Equipment Building #36 | SIMPLE | \$352 | \$48 | \$2,732 | \$3,132 |
| 1680 | Pier 70 - Pier 68 - Machine Shop - Bldg. #105 | SIMPLE | \$538 | \$49 | \$4,403 | \$4,990 |
| 1680 | Pier 70 - Pier 68 - near checkhouse #2, Building #51 | SMALL | \$66 | \$0 | \$0 | \$66 |
| 1680 | Pier 70 - Pier 68 - Office Bldg (#127) | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Office Bldg Annex to #101, Bldg. #40 | BASIC | \$0 | \$0 | \$177 | \$177 |
| 1680 | Pier 70 - Pier 68 - Office Building #101 | BASIC | \$7,231 | \$0 | \$5,736 | \$12,967 |
| 1680 | Pier 70 - Pier 68 - Office Building #104 | BASIC | \$4,568 | \$0 | \$5,127 | \$9,695 |
| 1680 | Pier 70 - Pier 68 - Office/Warehouse Bldg. - Bldg #111 | BASIC | \$6,397 | \$1,447 | \$11,695 | \$19,539 |
| 1680 | Pier 70 - Pier 68 - Ops. Bldg #102 | BASIC | \$1,087 | \$0 | \$2,067 | \$3,154 |
| 1680 | Pier 70 - Pier 68 - Pipe Rack, Bldg. #120 | SMALL | \$0 | \$0 | \$51 | \$51 |
| 1680 | Pier 70 - Pier 68 - Pipe Storage Bldg #107 | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1680 | Pier 70 - Pier 68 - Sheet Metal/Tools Bldg #109 | SIMPLE | \$1,488 | \$803 | \$2,210 | \$4,500 |
| 1680 | Pier 70 - Pier 68 - Shipwright Building #108 | BASIC | \$6,733 | \$0 | \$11,937 | \$18,670 |
| 1680 | Pier 70 - Pier 68 - Steel Shop Office (bldg #121) | SMALL | \$0 | \$102 | \$0 | \$102 |
| 1680 | Pier 70 - Pier 68 - Substation #4 (bldg #58) | SMALL | \$0 | \$0 | \$157 | \$157 |
| 1680 | Pier 70 - Pier 68 - Substation #6, Bldg. #64 | SMALL | \$331 | \$0 | \$1,124 | \$1,455 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|--------------------------------------------------------|---------------|----------|------------------|----------|-----------|
| 1680 | Pier 70 - Pier 68 - Substation #7 (bldg #68) | SMALL | \$0 | \$0 | \$87 | \$87 |
| 1680 | Pier 70 - Pier 68 - Warehouse & 6-ton crane, Bldg. #49 | SIMPLE | \$0 | \$0 | \$500 | \$500 |
| 1680 | Pier 70 - Pier 68 - Yard Washroom, Bldg. #110 | SMALL | \$0 | \$0 | \$1,000 | \$1,000 |
| 1680 | Pier 70 - Pier 68 - Yard Washroom, Bldg. #119 | SMALL | \$0 | \$0 | \$25 | \$25 |
| 1700 | Pier 70 | Piers | \$55,359 | \$0 | \$49,864 | \$105,223 |
| 1800 | Pier 80 | Piers | \$11,505 | \$1,468 | \$67,804 | \$80,777 |
| 1800 | Pier 80 - Entry Canopy | SIMPLE | \$270 | \$0 | \$325 | \$595 |
| 1800 | Pier 80 - Gear & Maintenance Building | SIMPLE | \$1,227 | \$129 | \$1,147 | \$2,503 |
| 1800 | Pier 80 - Office Bldg #2 | SMALL | \$116 | \$0 | \$0 | \$116 |
| 1800 | Pier 80 - Service Building | SIMPLE | \$1,341 | \$1,408 | \$911 | \$3,660 |
| 1800 | Pier 80 - Shed A | SIMPLE | \$0 | \$1,857 | \$25,275 | \$27,132 |
| 1800 | Pier 80 - Shed D | SIMPLE | \$3,289 | \$1,400 | \$4,970 | \$9,659 |
| 1800 | Pier 80 - Terminal Office | SMALL | \$294 | \$0 | \$0 | \$294 |
| 1800 | Pier 80 Office Bldg #1 | SMALL | \$116 | \$0 | \$0 | \$116 |
| 1840 | Copra Crane | BASIC | \$896 | \$0 | \$0 | \$896 |
| 1900 | Pier 90 | Piers | \$11,737 | \$0 | \$0 | \$11,737 |
| 1900 | Pier 90 - Fire Department Building | BASIC | \$81 | \$29 | \$184 | \$294 |
| 1900 | Pier 90 - Maintenance Bldg | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1900 | Pier 90 - Old Powerhouse | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1900 | Pier 90 - Storage Bldg | SMALL | \$0 | \$39 | \$0 | \$39 |
| 1900 | Pier 90 - Truck Pits | SMALL | \$0 | \$108 | \$0 | \$108 |
| 1920 | Pier 92 | Piers | \$4,483 | \$0 | \$0 | \$4,483 |
| 1940 | Pier 94 - 96 wharf area | Piers | \$5,582 | \$0 | \$8,387 | \$13,969 |
| 1940 | Pier 94 - Wharfside Building | SMALL | \$0 | \$66 | \$0 | \$66 |
| 1960 | Pier 96 - Administration Building | BASIC | \$1,147 | \$633 | \$457 | \$2,236 |
| 1960 | Pier 96 - Entry Canopy | SIMPLE | \$244 | \$0 | \$294 | \$538 |
| 1960 | Pier 96 - Exit Canopy | SIMPLE | \$145 | \$0 | \$174 | \$319 |
| 1960 | Pier 96 - Gatehouse Bldg | SMALL | \$0 | \$240 | \$0 | \$240 |
| 1960 | Pier 96 - Maintenance Building | BASIC | \$1,540 | \$1,123 | \$890 | \$3,554 |
| 1960 | Pier 96 - Office/Restroom | SMALL | \$0 | \$0 | \$0 | \$0 |
| 1960 | Pier 96 - Recycling/LASH Terminal | SIMPLE | \$2,626 | \$4,865 | \$5,483 | \$12,974 |
| 1960 | Pier 96 - Storage | SMALL | \$0 | \$159 | \$0 | \$159 |
| 1960 | Pier 96 - Truck Scales | SMALL | \$0 | \$41 | \$0 | \$41 |
| 1980 | Heron's Head Park | BASIC | \$0 | \$0 | \$226 | \$226 |
| 2000 | Fac. 2000 - Ferry Plaza | Piers | \$633 | \$390 | \$0 | \$1,024 |
| 2500 | Hyde Street Pier | Piers | \$0 | \$0 | \$0 | \$0 |
| 2500 | Hyde Street Pier - Storage Buildings (3) | SMALL | \$0 | \$166 | \$0 | \$166 |
| 2505 | Pier 50 Administration Building | BASIC | \$2,019 | \$546 | \$573 | \$3,138 |
| 2740 | Fac. 200 - World Trade Club Restaurant | BASIC | \$338 | \$1,156 | \$883 | \$2,378 |
| 2750 | Fac. 274-175 - Ferry Building Clock Tower | BASIC | \$0 | \$484 | \$360 | \$844 |
| 2750 | Fac. 274-275 Ferry Building | BASIC | \$0 | \$12,995 | \$8,772 | \$21,767 |
| 2750 | Ferry Building: Fac. 274-275 | Piers | \$0 | \$0 | \$0 | \$0 |
| 2770 | Pier 2 - Sinbads | BASIC | \$0 | \$0 | \$0 | \$0 |
| 2780 | Fac. 278 Agriculture Bldg Substructure | Piers | \$5,668 | \$0 | \$3,107 | \$8,775 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|----------------------------------------------------------------|---------------|---------|------------------|----------|----------|
| 2780 | Fac. 278 Agriculture Building | BASIC | \$3,729 | \$288 | \$652 | \$4,669 |
| 2800 | Pier 80 Administration Building | BASIC | \$4,874 | \$1,450 | \$2,309 | \$8,633 |
| 3010 | SWL 301 - Andre Boudin Pavilion | SMALL | \$0 | \$0 | \$0 | \$0 |
| 3010 | SWL 301 - Andre Boudin Restaurant | BASIC | \$0 | \$460 | \$0 | \$460 |
| 3020 | Street - Pier 47, Fish Alley, Al Scoma Way | Street | \$417 | \$0 | \$0 | \$417 |
| 3020 | SWL 302 - Alioto Fish Co. | BASIC | \$0 | \$1,735 | \$465 | \$2,200 |
| 3020 | SWL 302 - Castagnola/Storage Bldg | SMALL | \$0 | \$142 | \$0 | \$142 |
| 3020 | SWL 302 - Crab Boat Owners Assn. | BASIC | \$404 | \$0 | \$79 | \$483 |
| 3020 | SWL 302 - Firewood Cafe | BASIC | \$0 | \$408 | \$117 | \$526 |
| 3020 | SWL 302 - Pompels Grotto | BASIC | \$0 | \$324 | \$121 | \$445 |
| 3020 | SWL 302 - Port Harbor Office | SMALL | \$0 | \$63 | \$0 | \$63 |
| 3020 | SWL 302 - Scomas (Smoke House) | BASIC | \$0 | \$177 | \$141 | \$318 |
| 3020 | SWL 302 - United Shellfish Warehouse | SMALL | \$0 | \$0 | \$0 | \$0 |
| 3020 | SWL 302 Castagnola Rest. | BASIC | \$0 | \$534 | \$435 | \$969 |
| 3020 | SWL 302 Coast Marine Supply Mat. Storage Bldg. | SIMPLE | \$0 | \$485 | \$615 | \$1,100 |
| 3020 | SWL 302 Coastal Marine Retail Space | SMALL | \$0 | \$301 | \$0 | \$301 |
| 3020 | SWL 302 D&G Co. d.b.a. Lou Blues | SMALL | \$0 | \$610 | \$0 | \$610 |
| 3020 | SWL 302 Franks Fisherman Supply | BASIC | \$102 | \$431 | \$241 | \$773 |
| 3020 | SWL 302 Substructure (Wharf J-9) | Piers | \$5,833 | \$0 | \$2,055 | \$7,888 |
| 3020 | SWL 302 United Shellfish Processing | SIMPLE | \$0 | \$45 | \$50 | \$95 |
| 3030 | Street - Hyde Alley, Fish Alley | Street | \$309 | \$0 | \$0 | \$309 |
| 3030 | SWL 302 Cal Shell Fish Shed | SMALL | \$0 | \$122 | \$0 | \$122 |
| 3030 | SWL 303 - Alioto Fish Co. | BASIC | \$266 | \$710 | \$216 | \$1,192 |
| 3030 | SWL 303 - Cal Shell Fish | BASIC | \$156 | \$172 | \$144 | \$472 |
| 3030 | SWL 303 - Cioppinos/(Hoppe) | BASIC | \$0 | \$748 | \$336 | \$1,084 |
| 3030 | SWL 303 - Franceschis Restaurant | BASIC | \$0 | \$195 | \$109 | \$304 |
| 3030 | SWL 303 - GP Resources | SMALL | \$34 | \$0 | \$0 | \$34 |
| 3030 | SWL 303 - SP Trantino/Martell Ins | SMALL | \$0 | \$0 | \$0 | \$0 |
| 3030 | SWL 303 - The Bay Company, Hoppe, Arthur N. | BASIC | \$0 | \$439 | \$245 | \$684 |
| 3110 | SWL 311 Pier 39 Garage | SIMPLE | \$0 | \$942 | \$7,121 | \$8,063 |
| 3130 | SWL 313 Embarcadero Triangle Lot Assn. | SIMPLE | \$0 | \$428 | \$3,376 | \$3,804 |
| 3150 | SWL 315 Office Building (HHC Investment limited) | BASIC | \$0 | \$8,241 | \$3,889 | \$12,130 |
| 3160 | SWL 316 Houstons Restaurant | BASIC | \$0 | \$1,056 | \$371 | \$1,427 |
| 3170 | SWL 317 Office Building | BASIC | \$0 | \$9,047 | \$4,268 | \$13,315 |
| 3180 | SWL 318 Roundhouse One | BASIC | \$367 | \$923 | \$592 | \$1,882 |
| 3180 | SWL 318 Roundhouse Two | BASIC | \$1,115 | \$181 | \$804 | \$2,100 |
| 3180 | SWL 318 Sandhouse | SMALL | \$0 | \$238 | \$0 | \$238 |
| 3190 | SWL 319 Fog City Diner | BASIC | \$0 | \$163 | \$137 | \$300 |
| 3220 | SWL 322 ABC TV | BASIC | \$0 | \$6,341 | \$4,984 | \$11,325 |
| 3270 | Epic Roasthouse | BASIC | \$0 | \$149 | \$0 | \$149 |
| 3270 | Waterbar Restaurant | BASIC | \$0 | \$149 | \$0 | \$149 |
| 3310 | SWL 331 & 332 Delancey Street Foundation | BASIC | \$0 | \$6,007 | \$4,820 | \$10,827 |
| 3450 | Pier 70 - SWL 345 - Kneass Boatworks, Main Office/boat storage | SIMPLE | \$0 | \$0 | \$1,862 | \$1,862 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-----------|--------------------------------------------------------------|---------------|---------|------------------|----------|----------|
| 3450 | Pier 70 - SWL 345 - Kneass, Pier 66 Boatyard Office | SMALL | \$331 | \$0 | \$0 | \$331 |
| 3450 | SWL 345 - SF Boat Works Office/Shop | BASIC | \$208 | \$275 | \$227 | \$708 |
| 3450 | SWL 345 - SF Boat Works Storage/The Ramp | SIMPLE | \$175 | \$24 | \$188 | \$387 |
| 3490 | Pier 70 - SWL 349 - Auto Yard Shop Bldg #19 | SIMPLE | \$241 | \$0 | \$1,243 | \$1,454 |
| 3490 | Pier 70 - SWL 349 - Beth Street Stress Relieving Bldg. #16 | SIMPLE | \$297 | \$0 | \$1,383 | \$1,680 |
| 3490 | Pier 70 - SWL 349 - Beth Street Warehouse, Bldg. #32 | SIMPLE | \$384 | \$0 | \$1,704 | \$2,088 |
| 3490 | Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #24 | SMALL | \$568 | \$0 | \$790 | \$1,358 |
| 3490 | Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #25 | SMALL | \$0 | \$247 | \$60 | \$307 |
| 3490 | Pier 70 - SWL 349 - Beth Street Washroom & Locker, Bldg. #29 | SMALL | \$612 | \$0 | \$938 | \$1,550 |
| 3490 | Pier 70 - SWL 349 - Brass Foundry, Bldg. #115 | SIMPLE | \$577 | \$0 | \$2,404 | \$2,981 |
| 3490 | Pier 70 - SWL 349 - Foundry, Bldg. #116 | SIMPLE | \$577 | \$0 | \$5,184 | \$5,761 |
| 3490 | Pier 70 - SWL 349 - Test Room, Bldg. #23 | SMALL | \$721 | \$0 | \$281 | \$1,002 |
| 3490 | Pier 70 - SWL 349 - UIW Machine Shop, Bldg. #114 | SIMPLE | \$288 | \$0 | \$4,731 | \$5,019 |
| 3490 | Pier 70 - SWL 349 Building #6 (condemned) | SIMPLE | \$1,234 | \$0 | \$7,652 | \$8,886 |
| 3490 | Pier 70 - SWL 349 Equipment Bldg - Bldg #14 | SIMPLE | \$517 | \$0 | \$2,531 | \$3,048 |
| 3490 | Pier 70 - SWL 349 Heavy Machine Shop - Bldg #113 | SIMPLE | \$2,758 | \$0 | \$21,765 | \$24,523 |
| 3490 | Pier 70 - SWL 349 Office Building - Bldg. #11 Noonan | BASIC | \$0 | \$0 | \$531 | \$531 |
| 3490 | Pier 70 - SWL 349 SF Shipyard Training Bldg 117 | SIMPLE | \$0 | \$0 | \$464 | \$464 |
| 3490 | Pier 70 - SWL 349 Shop Building - Bldg #21 | SIMPLE | \$0 | \$0 | \$4,062 | \$4,062 |
| 3490 | Pier 70 - SWL 349 Traffic Department Bldg. #12 & #15 | BASIC | \$0 | \$0 | \$33,321 | \$33,321 |
| 3490 | Pier 70 - SWL 349 Traffic Dept. Shed - Bldg #66 | SIMPLE | \$734 | \$0 | \$649 | \$1,383 |
| 3490 | Pier 70 - SWL 349 Warehouse - Bldg.2 | SIMPLE | \$0 | \$0 | \$18,395 | \$18,395 |
| 3520 | SWL 352 - Backlands Redevelopment | BASIC | \$2,748 | \$0 | \$0 | \$2,748 |
| 4001 | Street - Hyde N of Jefferson to Hyde St Pier | Street | \$250 | \$0 | \$0 | \$250 |
| 4002 | Street - Jefferson from Leavenworth to Hyde | Street | \$135 | \$0 | \$348 | \$483 |
| 4003 | Street - R.H. Dana Dr. (Leavenworth) N of Jefferso | Street | \$154 | \$0 | \$0 | \$154 |
| 4004 | Street - Jefferson btw Jones and Leavenworth | Street | \$130 | \$0 | \$0 | \$130 |
| 4006 | Street - Taylor Street btw. Jefferson and Embarcadero | Street | \$319 | \$0 | \$301 | \$620 |
| 4008 | Street - Embarcadero from Taylor to | Street | \$0 | \$586 | \$0 | \$586 |

| Bldg. No. | Building Name | Building Type | Backlog | 10 Year Renewals | One-Time | Total |
|-------------------|-------------------------------------------------------|---------------|------------------|------------------|------------------|--------------------|
| | Powell | | | | | |
| 4017 | Street - Lombard btw Sansome and Embarcadero | Street | \$187 | \$0 | \$0 | \$187 |
| 4020 | Street - Green between Davis and Front | Street | \$175 | \$0 | \$0 | \$175 |
| 4022 | Street - Broadway btw Embarcadero & Vallejo | Street | \$527 | \$0 | \$0 | \$527 |
| 4033 | Street - T. Francois along China Basin | Street | \$525 | \$0 | \$0 | \$525 |
| 4034 | Street - T. Francois btw China Basin and Mission R | Street | \$5,494 | \$0 | \$0 | \$5,494 |
| 4036 | Street - 20th east of Illinois | Street | \$479 | \$0 | \$0 | \$479 |
| 4038 | Street - 24th from Michigan to Maryland | Street | \$667 | \$410 | \$596 | \$1,673 |
| 4040 | Street - Marin east of Michigan | Street | \$175 | \$0 | \$0 | \$175 |
| 4041 | Street - TN, IN, MN btw Tulare and Marin | Street | \$918 | \$0 | \$0 | \$918 |
| 4043 | Street - Amador and extension | Street | \$2,117 | \$442 | \$0 | \$2,558 |
| 5470 | Wharf J-4 | Piers | \$0 | \$0 | \$0 | \$0 |
| 5470H | Joint Operations Center / Hyde Harbor Office | SIMPLE | \$0 | \$0 | \$0 | \$0 |
| 5470H | Wharf J-11 | Piers | \$0 | \$0 | \$0 | \$0 |
| 6020 | Freight Yard - Intermodal Container Transfer Facility | Street | \$4,003 | \$11,738 | \$5,041 | \$20,782 |
| PORT TOTAL | | | \$569,376 | \$570,186 | \$956,320 | \$2,095,883 |

APPENDIX B - Allocation Strategy for Port Capital Funds

The Port's process for allocating its own limited capital funding involves a series of meetings with designated representatives from each of the Port's seven Divisions – the Capital Projects Working Group ("CP Group"). The CP Group developed the Port's evaluation criteria for capital projects, and weighting for each criterion. Annually, the CP Group allocates a total score to each capital project proposed by Port staff.

These first set of criteria address public safety concerns and conformance with the Port's mission, as set out in the Burton Act and Transfer Agreement of 1969, and are scored as follows:

| <u>Review Criterion</u> | <u>Maximum Score</u> |
|----------------------------------------------------------------------|----------------------|
| Does the project address a code or regulatory issue? | 20 |
| Does the project significantly reduce liability to the Port? | 15 |
| Does the project promote maritime commerce, navigation or fisheries? | 10 |
| Does the project attract people to the waterfront? | 10 |
| Does the project protect natural or cultural resources? | 15 |

The review process also employs two complimentary ways of scoring capital projects that would bring in additional revenue and/or reduce operating costs, the first intended to capture the efficiency of the investment, the second the scale of the financial impact:

| | |
|-----------------------------------------------------------|----|
| What is the payback period, if 10 years or less? | 10 |
| What is the total ten-year financial benefit to the Port? | 20 |

Where a project would pay for itself in 10 years, that project was scored by subtracting the payback period, in years, from 11. For example, a project with a payback period of three years would score 8 points in this category.

To determine the score assigned for the ten-year financial benefit, the CP Group took the real benefits, as recorded in dollars, and then considered the distribution of all the values returned for projects at the end of the review process. The results were a rather even distribution, which made appropriate a simple method of scaling, where a project received 1 point for every \$500,000 worth of benefit within the ten-year period. For example, a \$4 million project that would generate \$1 million per year in new revenues would score 12 points in this category $[(\$10 \text{ million} - \$4 \text{ million}) / \$500,000]$.

Finally, Port staff reviewed all projects to determine if they fell into one or more of the four major categories listed below. The CP Group determined that a project belonging to one of these groups was worthy of separate consideration either before or after other projects, depending on the category.

Prioritization Category

- Is the project required to address an emergency, defined as an immediate threat to human health or the environment?
- Is the project legally mandated by a regulatory order or legal judgment?

- Is the project substantially matched by outside funding sources?

De-prioritization Category

- Is the project non-revenue generating and does it have less than 25% in outside matching funds?

The project review process concludes with a proposed programming of Port capital funds over two years based on the above evaluation, which becomes the Port's two-year capital budget. For the remaining years of the ten-year capital plan, expenditures are assumed to be proportional to the categories funded in the two-year budget.

APPENDIX C – Criteria for Formation of Port IFD Project Areas

The Port IFD Guidelines establish the following minimum criteria regarding the formation of IFD project areas on Port property:

1. **Port land.** Consistent with the IFD law, the Port IFD may initially be formed only with Port land.
2. **Annexing non-Port land.** If an owner of non-Port land petitions to add adjacent property to a waterfront district in accordance with the IFD law, the City will consider on a case-by-case basis whether to annex such property and to what extent tax increment generated in the non-Port land but not used for waterfront district infrastructure should be subject to the City IFD Guidelines.
3. **CEQA.** Although the City may initially form the Port IFD to include all of the Port land, neither the Port IFD nor any project-specific project area will be authorized to use property tax increment until the City has completed environmental review of the proposed development project and any proposed public facilities to be financed with property tax increment from the project area.
4. **Priority of improvements.** Waterfront districts must finance improvements that are consistent with the IFD law, the Port's then-applicable Waterfront Land Use Plan, the Public Trust (if constructed on trust property), and the Port's 10-Year Capital Plan.
5. **Economic benefit.** The Infrastructure Financing Plan ("IFP") developed for the Port IFD will include a projection for each project area/waterfront district of the amount of total revenue that the City's General Fund is projected to receive as a result of the proposed development project and the number of jobs and other economic development benefits the waterfront district is projected to produce, similar to the type of analysis that City staff and consultants perform to comply with Chapter 29 of the Administrative Code to determine that projects requiring public funding are fiscally feasible and responsible.
6. **State and City matching contributions.** In those cases where the IFD Law authorizes the allocation of the State's share of property tax increment to a waterfront district in proportion to the City's allocation of tax increment to the waterfront district, the City will allocate to the waterfront district the amount of tax increment that will maximize the amount of the State's tax increment that is available to fund eligible projects in the waterfront district.
7. **Amount of increment allocated.** The waterfront districts will fund eligible waterfront improvements necessary for each proposed development project in an amount 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. The allocation should be sufficient to enable the Port to (a) obtain fair market rent for Port leases, and (b) enable proposed development projects to attract private equity. No

increment will be used to pay a developer's return. The Board of Supervisors in its discretion may allocate additional increment to other waterfront projects that require funding. Increment will be disbursed to the project area to fund (a) debt service and debt service coverage for bonds issued under the Mello-Roos Act ("Community Facilities District Bonds" or "CFD Bonds") or IFD bonds, and/or (b) eligible costs on a pay-as-you-go basis.¹⁵

8. **Excess increment.** Tax increment not required to fund eligible project-specific infrastructure will be allocated to the City's General Fund or to improvements to the City's seawall and measures to protect against sea level rise.
9. **Port annual capital program.** If the Port issues Port revenue bonds¹⁶ repaid by tax increment revenue generated in one or more waterfront districts, to further the purposes of Port Commission Resolution No. 12-22, adopting the Port's Policy for Funding Capital Budget Expenditures, the Port will annually invest in its annual Capital Program any tax increment revenue allocated to the waterfront district for the purpose of providing debt service coverage on Port revenue bond debt payable from tax increment.
10. **Funding for infrastructure maintenance.** Tax increment will be allocated to the Port IFD from a waterfront district only when the Port has identified a source of funding for the maintenance of any infrastructure to be financed. This source could be in the form of: (a) private financing mechanisms, such as a homeowners' association assessment; (b) a supplemental special tax (such as a community facilities district formed under the Mello-Roos Act) or assessment district (such as a community benefit district); or (c) the Port's maintenance budget or other allocation of the Port Harbor Fund.

¹⁵ For example, one vehicle for efficiently leveraging tax increment to finance public infrastructure would involve (i) formation of a community facilities district ("CFD") under the Mello-Roos Act and an IFD project area — the boundaries of which are coterminous with the boundaries of the private development — prior to construction of the public infrastructure, (ii) issuance of CFD bonds early in the development cycle, i.e., prior to generation of significant tax increment that can be allocated to the IFD, (iii) application of special taxes levied in the CFD to pay debt service as long as tax increment is not available and (iv) use of tax increment, when available, to pay debt service on the bonds, which allows a reduction in the amount of special taxes levied for that purpose.

¹⁶ City staff currently assumes that the preferred method for debt issuance would be a CFD bond repaid with IFD proceeds.

APPENDIX A FOR PROJECT AREA A

(To be Attached.)

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APPENDIX B FOR PROJECT AREA B

(To be Attached.)

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APPENDIX C FOR PROJECT AREA C

(To be Attached.)

APPENDIX D FOR PROJECT AREA D

(To be Attached.)

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APPENDIX E FOR PROJECT AREA E

(To be Attached.)

APPENDIX F FOR PROJECT AREA F

(To be Attached.)

APPENDIX G FOR PROJECT AREA G

(To be Attached.)

Appendix G-1
Sub-Project Area G-1
(Pier 70 - Historic Core)

This Appendix G-1 ("Appendix" or "Appendix G-1") supplements and amends the main body of the Infrastructure Financing Plan (the "IFP") as it relates to Sub-Project Area G-1. In the event of any inconsistency between the main body of this Infrastructure Financing Plan and this Appendix, the provisions of this Appendix shall govern with respect to Sub-Project Area G-1. The Board of Supervisors has appointed the City and County of San Francisco (the "City"), acting by and through its Port Commission ("Port"), as the agent of the IFD to implement this Appendix.

Boundaries of Sub-Project Area G-1. The boundaries of the proposed IFD, including the boundaries of Sub-Project Area G-1, are described in the map attached to the main body of the Infrastructure Financing Plan as Exhibit A. The legal description of Sub-Project Area G-1 is also attached to the main body of the Infrastructure Financing Plan as Exhibit A.

Pier 70 District; Pier 70 Enhanced Financing Plan. Sub-Project Area G-1 is a "Pier 70 district," as defined in Section 53395.8(c)(11) of the IFD Law, and this Appendix constitutes a "Pier 70 enhanced financing plan" as defined in Section 53395.8(c)(12) of the IFD Law. Terms used but not defined in this Appendix have the meanings ascribed to them in the IFD Law or the IFP.

Summary of Financing Plan. The financing plan is presented in Table 2 and summarized in Exhibit G-1c. For purposes of this Appendix G-1, "debt" has the meaning given that term in Section 53395.8(c)(4) of the IFD Law and "ERAF-secured debt" has the meaning given that term in Section 53395.8(c)(7) of the IFD Law.

In order for the capital facilities (the "**Facilities**") authorized by Section 53395.8(d) of the IFD Law and listed in Exhibit G-1b and Table 1 to be developed concurrently with the Historic Core buildings, and because there will be some lag time between the construction of the Facilities and availability of Allocated Tax Increment (defined herein), the following forms of debt/ERAF-secured debt will be needed to finance the Facilities :

- The IFD will repay Historic Pier 70, LLC (the "**Developer**"), the master tenant of certain property in Sub-Project Area G-1, from Allocated Tax Increment for the Developer's advance of funds to pay for Facilities;
- The IFD will repay the Port from Allocated Tax Increment for advances it will make to pay for Facilities;
- The IFD will pay from Allocated Tax Increment debt service on bonds that will be issued by the IFD and/or a community facilities district (the "**CFD**") established by the City to include the property in Sub-Project Area G-1 to finance the Facilities; and

- The IFD will pay Facilities costs from annual deposits of Allocated Tax Increment.

All of the repayment obligations described above are secured by and payable from Allocated Tax Increment, as described in this Appendix G-1.

A. Base Year; Commencement of Tax Increment Allocation

The “**Base Year**” for Sub-Project Area G-1 is the fiscal year in which the assessed value of taxable property in Sub-Project Area G-1 was last equalized prior to the effective date of the ordinance adopted to create Sub-Project Area G-1 or a subsequent fiscal year. The Base Year for Sub-Project Area G-1 is FY 2015-2016.

Tax increment may begin to be allocated to the IFD from Sub-Project Area G-1 beginning in the fiscal year following the Base Year: FY 2016-2017.

B. Allocation of Tax Increment

- (1) The annual allocation of tax increment generated in Sub-Project Area G-1 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 special fund established for Sub-Project Area G-1.
- (2) In the main body of the IFP, the Board of Supervisors concluded that, under the IFD Law, it may (i) allocate to the IFD all or a portion of the incremental tax revenue generated in a Project Area for the period specified in the applicable appendix, (ii) irrevocably allocate incremental tax revenue to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors, (iii) reserve the right to make discretionary annual appropriations and (iv) reserve the right to amend the appendix for a Project Area to terminate an allocation to the IFD of any incremental tax revenue not irrevocably allocated to pay bonds or other debt pursuant to contracts approved by the Board of Supervisors.
- (3) This Appendix assumes that the Board of Supervisors will appropriate 100 percent of the Allocated Tax Increment for allocation to the IFD until the IFD repays all debt, including all ERAF-secured debt, payable from Allocated Tax Increment to fund the Facilities.

As a result, this Appendix also assumes that 100% of the “ERAF Tax Increment” (as defined below) will be allocated to the IFD. 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 Sub-Project Area G-1 must be equal to the portion of the incremental tax

revenue of the ERAF share proposed to be committed to Sub-Project Area G-1.¹

- (4) However, 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 Area G-1 to the IFD to the extent that the City Share of Tax Increment is necessary to repay bonds or related agreements (including Pledge Agreements, as described below) 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, 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 Area G-1 to the IFD to pay for debt that is not described in the preceding clause (A), including repayment of loans made to pay Facilities costs and to satisfy contractual obligations from annual deposits of Allocated Tax Increment.

- (5) For purposes of this Appendix G-1, the following terms are defined as follows:

"Gross Tax Increment" is 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within Sub-Project Area G-1.

"Incremental Assessed Property Value" is, in any fiscal year, the difference between the assessed value of the property within Sub-Project Area G-1 for that fiscal year and the assessed value of the property within the Sub-Project Area G-1 in the Base Year, to the extent that the difference is a positive number.

"ERAF Tax Increment" is 25.330110% of Gross Tax Increment. The "ERAF Tax Increment" is the "ERAF share" as defined in Section 53395.8(c)(8) of the IFD Law, and it is available to be allocated to the IFD because Sub-Project Area G-1 is a Pier 70 district.

"City Share of Tax Increment" is 64.588206% of Gross Tax Increment. The City Share of Tax Increment is the incremental property tax revenue that, in the absence of the allocation to the IFD pursuant to this Appendix, would be allocated to the City and

¹ This Appendix G-1 assumes allocation of 100% of the City Share of Tax Increment and 100% of the ERAF Tax Increment for the period permitted under the IFD Law. If, because of time limitations applicable to the ERAF Tax Increment established by the IFD Law, the ERAF Tax Increment is no longer available under the IFD Law during the period specified in Section H, the City Share of Increment will remain available as provided in this Appendix G-1.

County General Fund and includes amounts set aside for the City and County Children's Fund, the City and County Library Protection Fund, and the City and County Open Spaces Fund.

"Allocated Tax increment" is the sum of ERAF Tax Increment and City Share of Tax Increment.

C. Maximum Portion of Tax Increment Revenue of San Francisco and Affected Taxing Agencies to be Committed to Sub-Project Area G-1

The taxing agencies that provide services to the IFD properties and the distribution of property tax increment among the agencies / funds are as follows:

Exhibit G1a – FY 2015/16 Distribution of 1% Property Tax Rate among Taxing Agencies/Funds

| | <i>FY 2015/16 Distribution of 1% Property Tax Rate²</i> |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| City and County General Fund (inclusive of the Children's Fund, Library Fund, and Open Space Fund) | 64.588206% |
| Education Revenue Augmentation Fund | 25.330113% |
| San Francisco Unified School District | 7.698857% |
| San Francisco Community College Fund | 1.444422% |
| Bay Area Rapid Transit District | 0.632528% |
| Bay Area Air Quality Management District | 0.208539% |
| County Office of Education | 0.097335% |
| Total | 100.000000% |

The IFD will be funded solely from Allocated Tax Increment, which consists of the City Share of Tax Increment and the ERAF Tax Increment.

The maximum portion of the City Share of Tax Increment that is allocated to the IFD is 100%. The maximum portion of the ERAF Tax Increment that is allocated to the IFD is 100%.

This IFP does not allocate any portion of tax increment of the local educational agencies to Sub-Project Area G-1.

D. Projection of Tax Increment Revenue to Sub-Project Area G-1

The financing section must include a projection of the amount of tax increment expected to be allocated to the IFD from Sub-Project Area G-1, assuming an allocation period that ends

² City and County of San Francisco annual property tax rate ordinance (Ordinance No. 169-15).

no later than 45 years after the date on which the City projects that the IFD will have received \$100,000 of tax increment from Sub-Project Area G-1 under the IFD Law.

The projection of Allocated Tax Increment from Sub-Project Area G-1 to be allocated to the IFD is attached as Rider #1 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 Infrastructure Financing Plan, subject to amendment of the Infrastructure Financing Plan.

The tax increment limit for Sub-Project Area G-1, including the limit on ERAF Tax Increment, is initially established at \$64,000,000. This limit reflects the projected total Allocated Tax Increment of \$49,220,000 plus a contingency factor of 30%.

F. Pier 70 ERAF Allocation Limit

In accordance with Section 53395.8(g)(3)(D)(ii)(II) of the IFD Law, Sub-Project Area G-1 is subject to a limitation on the number of dollars of the ERAF share to be divided and allocated to the IFD from Sub-Project Area G-1. Pursuant to IFD Law the limit of ERAF dollars allocated to the IFD shall be established in consultation with the San Francisco Controller 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 limit on the ERAF Tax Increment to be divided and allocated to the IFD from Sub-Project Area G-1 is initially established at \$18,000,000, which reflects the projected ERAF Tax Increment allocation to Sub-Project Area G-1 plus a contingency factor of 30%.

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 development of Phase 2 of Crane Cove Park involves shoreline restoration and will provide public access to the waterfront; consequently, the costs associated with Phase 2 of Crane Cove Park are an Authorized Set-Aside Use. 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. The IFD Law allows the Set-Aside Requirement applicable to Project Area G (Pier 70) to be met on a Project Area G-wide basis rather than on a Sub-Project Area basis. As such, the Port's use of more than 20% of the Allocated Tax Increment from Sub-Project Area G-1 on Authorized Set-Aside Uses would allow the IFD, at its discretion, to spend less than 20%

of Allocated Tax Increment from other Sub-Project Areas in Project Area G on Authorized Set-Aside Uses.

H. Time Limits

Under the IFD Law, the financing section must include the following time limits:

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

(B) a time limit on the IFD's authority to repay indebtedness with incremental tax revenues received in Sub-Project Area G-1 under the IFD Law, not to exceed 45 years from the date the IFD actually received \$100,000 in incremental tax revenues from Sub-Project Area G-1; and

(C) a time limit on the issuance of new ERAF-secured debt 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 (which would include any Sub-Project Area) subject to a Pier 70 enhanced financing plan first issues debt.

For Sub-Project Area G-1, the following are the applicable time limits under the IFD Law:

Date on which the effectiveness of the infrastructure financing plan with respect to Sub-Project Area G-1 and all tax increment allocations to Sub-Project Area G-1 will end: **45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.**

Date after which the IFD may no longer repay indebtedness with incremental tax revenues received under the IFD Law from Sub-Project Area G-1: **45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.**

Date after which the IFD may not issue new ERAF-secured debt with respect to Sub-Project Area G-1: **June 30, 2036.** 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.³

³ For purposes of this Appendix G-1, ERAF-secured debt includes the obligation of the IFD to use ERAF Tax Increment to pay directly for Facilities. This ERAF-secured debt shall be considered to be issued in the first fiscal year in which the IFD uses ERAF Tax Increment to pay directly for Facilities and shall be payable for the period ending 45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.

I. Description of Public Improvements and Facilities

The IFD Law requires an infrastructure financing plan to contain the following information with respect to Sub-Project Area G-1.

(1) Public improvements and facilities to be provided by the private sector.

Under the terms of the Lease Disposition and Development Agreement (the "LDDA") between the Port and the Developer, the Developer is responsible for developing an outdoor plaza/venue and an indoor lobby/atrium in Building 113, both of which will be made accessible to the public. The plaza will be a multi-use space available for public plaza uses, special events, loading, and tenant yard uses.

These costs will not be repaid to the Developer from Allocated Tax Increment generated in Sub-Project Area G-1.

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

The Port is currently in the process of designing Crane Cove Park and intends to construct the park in two phases. Phase I, with a budget of \$31.48 million, will consist of: the creation of a beach shoreline to the north, two new pier overlooks, a sediment cap to contain contamination, a new multi-purpose lawn area, a children's play area, a sun deck, adaptive reuse of Building 49 for a human powered aquatic center, a dog play area, landscape beds, pathways, site interpretation including artifacts, site furnishings, and ship building slipway 4 and its components including two new cranes. The Port has secured funds for Phase 1 and does not anticipate seeking funding from the IFD for Phase 1.

(3) Facilities to be financed with assistance from Sub-Project Area G-1.

The Facilities that will be funded with Sub-Project Area G-1's Allocated Tax Increment are those authorized by Section 53395.8(d) and listed in Table 1. **The actual cost of the improvements to be funded by the IFD may vary from and are not limited in any way by the cost estimates contained in Exhibit G1-b, Table 1 and throughout Appendix G-1.** The Facilities can be grouped into three general categories:

- a) Improvements to adjacent streets and sidewalks that will serve Pier 70. The street and sidewalk improvements need to be completed in the near term to serve the new Pier 70 tenants.
- b) The relocation of electrical systems now in Building 102 that serve the BAE shipyard (located in Project Area G, north of Sub-Project Area G-1) that the Port is responsible to undertake pursuant to the terms of the LDDA.

- c) Phase 2 improvements to Crane Cove Park. Phase 2 will include the adaptive reuse of historic Building 109, shoreline clean-up on the eastern shoreline and a sediment cap, a new pier overlook, new native shoreline landscape areas, pathways, site interpretation and artifacts, and furnishings. These improvements will comply with the Port's Pier 70 Risk Management Plan, which the San Francisco Bay Regional Water Quality Control Board approved in 2014. The schedule for Phase 2 will be driven by the availability of funding. It is anticipated that the IFD will provide approximately \$13.9 million of the \$30 million budgeted for the Phase 2 improvements. Given that it is anticipated that the IFD will not generate sufficient funding for all of the Phase 2 improvements, the Port will need to secure other funding to complete Phase 2.

Exhibit G-1b

| Facilities to be funded by IFD | Estimated Cost, 2015 Dollars | Target Completion Schedule |
|-----------------------------------------------|------------------------------|-------------------------------------------------|
| Street, sidewalk, traffic signal improvements | \$1,271,000 | FY 2016/2017 – FY 2017/2018 |
| Bldg. 102 Electrical Relocation/Improvements | \$3,090,000 | FY 2016/2017 |
| Phase 2 of Crane Cove Park | \$13,899,000 ⁴ | No set date – driven by availability of funding |
| Total | \$18,260,000 | |

(4) Public improvements and facilities to be provided jointly by the private sector and governmental entities

There are no improvements or facilities that will be jointly provided by the private and governmental entities.

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 Area G-1, and any other legally available sources of funds.

The financing plan is presented in Table 2 and summarized in Exhibit G-1c. In order to maximize funding for the improvements, it is assumed that 100% of the City Share of Tax Increment and 100% of the ERAF Tax Increment will be allocated to the IFD throughout the 45-year term of Sub-Project Area G-1. Pursuant to IFD Law, the allocation of ERAF Tax Increment and City Share of Tax Increment will be evidenced by debt obligations and reflected

⁴ This reflects the amount of funding anticipated to be available from Sub-Project Area G-1 for Crane Cove Park. Phase 2 costs are anticipated to total \$30 million, which exceeds the amount of available funding from Sub-Project Area G-1.

in each annual Statement of Indebtedness for Sub-Project Area G-1. It is anticipated that the Facilities will be financed with a combination of:

1. bridge financing to be advanced by the Developer (to be secured by and repaid by the IFD with Allocated Tax Increment from Sub-Project Area G-1);
2. bridge financing to be advanced by the Port (to be secured by and repaid by the IFD with Allocated Tax Increment from Sub-Project Area G-1);
3. bond proceeds (the bonds will be secured by and repaid by the IFD with Allocated Tax Increment from Sub-Project Area G-1); and
4. annual deposits of Allocated Tax Increment from Sub-Project Area G-1 beyond the amount needed to repay bridge financing and bond debt. The obligation of the IFD to use Allocated Tax Increment from Sub-Project Area G-1 to pay for the Facilities is secured by and payable from Allocated Tax Increment and will be reflected in the annual Statement of Indebtedness.

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 CFD bonds, the IFD will execute a Pledge Agreement, in which it will pledge Allocated Tax Increment to payment of debt service on the CFD Bonds). The type of bond to be issued will be determined based on market conditions approaching the time of issuance.

Exhibit G-1c

| Anticipated Sources and Uses of Funds | | |
|-------------------------------------------------------------------------------|---------------------|---------------------|
| | 2015/16 Dollars | Nominal Dollars |
| Anticipated Sources of Funds | | |
| Developer Loan for Street Improvements | \$746,000 | \$783,000 |
| Port Loan for Bldg. 102 and 20 th Street Sidewalk improvements | \$3,110,000 | \$3,203,000 |
| IFD or CFD Bond Proceeds | \$6,559,000 | \$7,832,000 |
| Port Loan for Street Improvements funded by Required Developer Reimbursements | \$504,000 | \$526,000 |
| Allocated Tax Increment ⁵ | \$23,412,000 | \$49,220,000 |
| Total Sources | \$34,331,000 | \$61,564,000 |
| Uses of Funds (Facilities) | | |
| Phase 2 Crane Cove Park ⁶ | \$13,899,000 | \$31,490,000 |
| Streetscape Improvements | \$1,271,000 | \$1,329,000 |
| Bldg. 102 Electrical Improvements | \$3,090,000 | \$3,183,000 |
| Repay Developer Loan | \$806,000 | \$887,000 |
| Repay Port Loans | \$3,999,000 | \$4,684,000 |
| Bond Debt Service | \$11,267,000 | \$19,991,000 |
| Total Uses | \$34,331,000 | \$61,564,000 |

Under the terms of the LDDA, the Port may ask the Developer to advance funds to pay for certain public improvements (the “**Other Tasks**”). Approximately \$746,000 of the streetscape improvements to be funded by the IFD are eligible Other Tasks for which the Port will request a Developer advance the “**Developer Loan**”⁷. The Developer Loan will accrue interest at the rate equal to the rate set forth in the most senior construction loan for the improvements to be undertaken by the Developer. The Developer’s most recent project pro forma estimates this rate at 4.5% per annum. It is anticipated that the Developer Loan will be fully repaid from Allocated Tax Increment by FY 2019-2020.

The Port will advance \$3.1 million to fund the Building 102 electrical improvements and construction of a sidewalk on the north side of 20th Street (the “**Port Loan**”). The Port Loan will be due and payable in 15 years and will accrue interest at the rate of 4.4%. The Port Loan will be repaid from a combination of annual deposits of Allocated Tax Increment and bond proceeds. It is anticipated that the Port Loan will be fully repaid after bond proceeds are available in FY 2021-2022.

⁵ Includes an anticipated \$7.5 million of ERAF Tax Increment and \$19.3 million of City Share Tax Increment that will be allocated to the IFD to pay for Facilities on a pay-go basis pursuant to Government Code Section 53395.2. As described elsewhere in this Appendix G-1, the obligation of the IFD to use Allocated Tax Increment to pay for the Facilities under this IFD constitutes a debt and an ERAF-secured debt and shall be payable through the period ending 45 years from the date the IFD actually receives \$100,000 of Allocated Tax Increment from Sub-Project Area G-1.

⁶ Includes the Allocated Tax Increment used to pay directly for Facilities.

⁷ “Other Tasks” are listed on Table 7.

Under the terms of the LDDA, the Developer is also obligated to advance funds for all Required ODI Tasks (the “**Required Port Benefit Tasks**”). It is estimated that approximately \$504,000 of the streetscape improvements to be funded by the IFD are Required Port Benefit Tasks. Although the Port is obligated under the LDDA to reimburse the Developer for the advance, any such reimbursement will be reduced by 100% of the outstanding Deferred Port Transaction Costs, which are currently approximately \$800,000. The funding of the streetscape improvements will be credited against the Developer’s obligation to reimburse the Port for \$800,000 in outstanding Deferred Port Transaction Costs and the Developer will not be reimbursed for the advance. This advance of \$504,000 is a “Port Loan” and will be repaid by the IFD.

As shown in Table 2, in order to serve the Historic Core Pier 70 development, approximately \$3.8 million of Facilities will need to be constructed in FY 2016-2017 and \$708,000 in FY 2017-2018. While Allocated Tax Increment is anticipated to be allocated to the IFD from Sub-Project Area G-1 starting in FY 2016-2017 as a result of supplemental assessments, deposits through FY 2018-2019 will not be sufficient to pay the scheduled Facilities costs in a timely manner. The Developer Loan and the Port Loan will be repaid from Allocated Tax Increment and a portion of the net proceeds of the IFD or CFD bonds. It is anticipated that the bonds will be issued at the beginning of FY 2021-2022, after the assessed value of the taxable property in Sub-Project Area G-1 has reached stabilization. It is estimated that the bonds will yield approximately \$7.8 million of net proceeds, which will be sufficient to retire the outstanding balance on the Port Loan and contribute \$4.7 million towards the development of Phase 2 of Crane Cove Park. 100% of the debt service on the bonds will be secured by and paid with Allocated Tax Increment from Sub-Project Area G-1.

K. Accounting Procedures

The IFD will maintain accounting procedures for Sub-Project Area G-1 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 Area G-1 while Sub-Project Area G-1 is being developed and after it is 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 Area G-1.

- (1) Costs to the City’s General Fund for providing facilities and services to Sub-Project Area G-1 while it is being developed and after Sub-Project Area G-1 is developed.

Estimates of costs to the City's General Fund for providing facilities and services to Sub-Project Area G-1 while it is being developed and after it is developed are detailed in Attachment 1: "Fiscal and Economic Impact Analysis – Historic Core Pier 70" and summarized in the following Exhibit G-1d. As shown, the annual cost to the City's General Fund to provide services to the project will approximate \$91,000 upon anticipated build-out in FY 2018-2019. Service costs during the entire construction period are estimated at \$76,000. General Fund costs are costs to provide police, fire, and emergency medical services to the project. The cost of maintaining and operating Crane Cove Park and other spaces/facilities will not be funded by the General Fund. It is currently expected that 100% of these costs will be funded by a CFD maintenance special 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 Area G-1.

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 Area G-1 are detailed in Attachment 1: "Fiscal and Economic Impact Analysis – Historic Core Pier 70" and summarized in the following Exhibit G-1d. As shown, upon stabilization in FY 2018-2019, the project is anticipated to annually generate from \$264,000 to \$425,000 of revenue to the City's General Fund. The range of revenues reflects differing assumptions about the average level of gross receipts of the businesses to locate within the project, which impacts the calculation of gross receipts taxes.

As shown in Exhibit G-1d, it is estimated that the Historic Core Pier 70 development will annually generate a net fiscal surplus to the City's General Fund ranging from \$174,000 to \$334,000 per year, expressed in nominal dollars. After discounting the projection for inflation and the value of time, the present value of the annual General Fund surplus approximates \$142,000 to \$273,000.

Exhibit G-1d

| Estimated General Fund Revenue / Expenditure | Lower Revenue Scenario - Gross Receipts Tax Does Not Apply | | | Higher Revenue Scenario - Gross Receipts Tax Applies to All | | |
|----------------------------------------------|---------------------------------------------------------------|------------------------------------|---------------------|----------------------------------------------------------------|------------------------------------|---------------------|
| | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term |
| Revenues | | | | | | |
| Possessory Interest Tax | | | | | | |
| Not Deposited in IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | 0 | 0 | 0 | \$119,400 | \$193,400 | \$17,343,100 |
| Sales Tax | \$78,300 | \$68,300 | \$6,156,700 | \$78,300 | \$68,300 | \$6,156,700 |
| Utility Users Tax | \$42,700 | \$51,300 | \$4,607,600 | \$42,700 | \$51,300 | \$4,607,600 |
| Prop. Tax In-Lieu of VLF | \$46,900 | \$63,900 | \$5,835,500 | \$46,900 | \$63,900 | \$5,835,500 |
| Business Registration Fee | \$48,900 | \$58,100 | \$5,225,400 | \$21,000 | \$24,900 | \$2,239,500 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Taxes and Fees | \$114,500 | \$22,800 | \$2,144,200 | \$114,500 | \$22,800 | \$2,144,200 |
| Total Revenues | \$331,300 | \$264,400 | \$23,969,400 | \$422,800 | \$424,600 | \$38,326,600 |
| Expenditures | | | | | | |
| Police | \$17,500 | \$20,900 | \$1,881,300 | \$17,500 | \$20,900 | \$1,881,300 |
| Fire and EMS | \$58,100 | \$69,800 | \$6,271,400 | \$58,100 | \$69,800 | \$6,271,400 |
| Total Expenditures | \$75,600 | \$90,700 | \$8,152,700 | \$75,600 | \$90,700 | \$8,152,700 |
| Net General Fund Impact | | | | | | |
| <i>Nominal Dollars</i> | \$256,000 | \$174,000 | \$15,817,000 | \$347,000 | \$334,000 | \$30,174,000 |
| <i>\$2015 (3% discount)</i> | \$234,000 | \$159,000 | \$7,392,000 | \$318,000 | \$306,000 | \$13,929,000 |
| <i>NPV (7% discount)</i> | \$209,000 | \$142,000 | \$5,117,000 | \$283,000 | \$273,000 | \$8,041,000 |

- (1) The Assessor is currently determining the magnitude of transfer tax due as a result of the lease. Given that the amount has not yet been established, this analysis does not include any transfer tax revenue.

Appendix G-1

Rider No 1

**PROJECTION OF ALLOCATED TAX INCREMENT, PROJECT AREA G-1 (PIER 70 –
HISTORIC CORE)**

| FY 2015/16 | Base Year - \$0 |
|------------|-----------------|
| FY 2016/17 | \$36,000 |
| FY 2017/18 | \$359,000 |
| FY 2018/19 | \$539,000 |
| FY 2019/20 | \$719,000 |
| FY 2020/21 | \$733,000 |
| FY 2021/22 | \$749,000 |
| FY 2022/23 | \$762,000 |
| FY 2023/24 | \$779,000 |
| FY 2024/25 | \$794,000 |
| FY 2025/26 | \$811,000 |
| FY 2026/27 | \$827,000 |
| FY 2027/28 | \$841,000 |
| FY 2028/29 | \$876,000 |
| FY 2029/30 | \$895,000 |
| FY 2030/31 | \$911,000 |
| FY 2031/32 | \$930,000 |
| FY 2032/33 | \$948,000 |
| FY 2033/34 | \$968,000 |
| FY 2034/35 | \$986,000 |
| FY 2035/36 | \$1,008,000 |
| FY 2036/37 | \$1,027,000 |
| FY 2037/38 | \$1,047,000 |
| FY 2038/39 | \$1,069,000 |
| FY 2039/40 | \$1,089,000 |
| FY 2040/41 | \$1,112,000 |
| FY 2041/42 | \$1,123,000 |

Appendix G-1
Rider No 1 Continued

| | |
|---------------------------|--------------|
| FY 2042/43 | \$1,135,000 |
| FY 2043/44 | \$1,157,000 |
| FY 2044/45 | \$1,179,000 |
| FY 2045/46 | \$1,202,000 |
| FY 2046/47 | \$1,227,000 |
| FY 2047/48 | \$1,253,000 |
| FY 2048/49 | \$1,277,000 |
| FY 2049/50 | \$1,302,000 |
| FY 2050/51 | \$1,328,000 |
| FY 2051/52 | \$1,356,000 |
| FY 2052/53 | \$1,381,000 |
| FY 2053/54 | \$1,409,000 |
| FY 2054/55 | \$1,438,000 |
| FY 2055/56 | \$1,467,000 |
| FY 2056/57 | \$1,496,000 |
| FY 2057/58 | \$1,525,000 |
| FY 2058/59 | \$1,556,000 |
| FY 2059/60 | \$1,587,000 |
| FY 2060/61 | \$1,619,000 |
| FY 2061/62 | \$1,651,000 |
| Cumulative Total, Rounded | \$49,220,000 |

Table 1
Appendix G-1
Improvements to be Funded by IFD
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)

| <u>Location of Improvements</u> | <u>Description of Improvements</u> | <u>2015/16 Cost Est.</u> |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Illinois St., in front of Bldgs. 101 and 40 | East sidewalk - Upgrade curb ramps to meet ADA standards, replace historical fence, remove fence around Bldg. 101, remove asphalt | \$27,517 ¹ |
| 20th and Illinois | Upgrade traffic signal - 20% share of cost | \$70,643 ² |
| 20th St., north side (west of Georgia) | North sidewalk - Patch concrete segments, fix historical fence, remove chain link fence | \$31,165 ¹ |
| 20th St. at Georgia | North sidewalk - Install Ped/ADA path of travel improvements, install crosswalk and ADA-compliant ramps | \$31,937 ¹ |
| 20th, east of Georgia | North sidewalk - Overlay asphalt sidewalk, shoring of Bldg. 103, and remove chain-link fence | \$20,125 ¹ |
| 20th and Louisiana | Intersection - Add ADA-compliant curb ramps, remove SW corner of Bldg. 113 landing, rebuild concrete sidewalk, install bollards on the north side, add crosswalks (west and south), and add stop signs | \$54,477 ¹ |
| Louisiana Street | Add overlay of new asphalt pavement, regrade parking area, install retaining wall, install asphalt sidewalk with curb on east side, install crosswalk and ADA-compliant curb cut, install ped/ADA path of travel, remove and install chain-link fence, modify electrical equipment at NE face of Bldg 113 | \$340,809 ¹ |
| 20th St, south side | South sidewalk - Install ramp and stairs adjacent to west end of bldg. 113, patch sidewalk between Michigan and Bldg 1113 entrance, patch sidewalk between bldg 113 and Louisiana, install ADA-compliant curb ramps at Bldg. 113 entry and at Michigan, add railing along edge, add crosswalk at west of Bldg 113 | \$97,486 ¹ |
| Michigan Street | Add ped/ADA path of travel on west side, add asphalt overlay, add crosswalk at south end and curb and gutter on east side | \$284,252 ¹ |
| Louisiana, Georgia, Michigan, 20th | Install street lighting | \$312,142 ¹ |
| Building 102 | Remove PCBs and transformers from ODI option parcel, increase power reliability to BAE, purchase & install new transformers & switchgear, remove & dispose of old transformers, install new electric feeder lines east of ODI leasehold | \$3,090,000 ³ |
| Crane Cove Park | Phase 2. Construct public park and removal of bay fill. Work will include adaptive reuse of bldg: 109, shoreline cleanup, sediment cap, new pier overlook, new native shoreline landscape areas, pathways, site interpretation and artifacts, and furnishings. Improvements will comply with the Port's Remedial Action Plan. | Ph. 2 cost = \$30 million. IFD's funding capacity est. at \$13.9 mil. ⁴ |
| Est. Improvement Costs to be Funded by IFD | | \$18,259,676 |

¹ Based on 2014 cost estimate prepared by CHS Consulting, provided as Table 3. 2015/16 cost estimate reflects 3% inflation adjustment.

² Required mitigation measure of the project. ODI will fund 20% of project to be reimbursed. Balance is being funded by SFMTA.

³ Work is needed for the BAE shipyard. Port has already budgeted this task in its supplemental FY 2015/16 budget.

⁴ Cost estimate prepared by Port staff. It is estimated that IFD will generate sufficient funds for approximately 46% of the costs of Phase 2. Funding for the balance will be secured from other sources.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | | Total 2015/16 Dollars | Total Nominal Dollars | IFD Year ¹ FY 16/17 | Year 1 FY 17/18 | Year 2 FY 18/19 | Year 3 FY 19/20 | Year 4 FY 20/21 | Year 5 FY 21/22 | Year 6 FY 22/23 | Year 7 FY 23/24 | Year 8 FY 24/25 | Year 9 FY 25/26 |
|------------------------------------------------------------------------------------------|------|-----------------------------|-----------------------------|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Available Property / Possessory Interest Tax Increment Revenue to IFD² | | | | | | | | | | | | | |
| City Share of Tax Increment | 100% | \$16,815,978 | \$35,354,000 | \$26,000 | \$258,000 | \$387,000 | \$516,000 | \$526,000 | \$538,000 | \$547,000 | \$560,000 | \$570,000 | \$583,000 |
| ERAF Tax Increment | 100% | \$6,595,934 | \$13,866,000 | \$10,000 | \$101,000 | \$152,000 | \$203,000 | \$207,000 | \$211,000 | \$215,000 | \$219,000 | \$224,000 | \$228,000 |
| Annual Total | | \$23,411,912 | \$49,220,000 | \$36,000 | \$359,000 | \$539,000 | \$719,000 | \$733,000 | \$749,000 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| IFD Sources of Funds | | | | | | | | | | | | | |
| Annual Tax Increment | | \$23,411,912 | \$49,220,000 | \$36,000 | \$359,000 | \$539,000 | \$719,000 | \$733,000 | \$749,000 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| Developer Loan - Not Required Tasks ³ | | \$746,350 | \$782,777 | \$300,844 | \$481,933 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ³ | | \$3,110,125 | \$3,203,429 | \$3,203,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | | \$504,079 | \$525,776 | \$300,049 | \$225,726 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds ³ | | \$6,558,879 | \$7,831,644 | \$0 | \$0 | \$0 | \$0 | \$7,831,644 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | | \$34,331,344 | \$61,563,625 | \$3,840,322 | \$1,066,659 | \$539,000 | \$719,000 | \$733,000 | \$8,580,644 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| IFD Uses of Funds | | | | | | | | | | | | | |
| Bond Debt Service ³ | | \$11,266,552 | \$19,990,909 | \$0 | \$0 | \$0 | \$0 | \$0 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 |
| Repay Developer Loan ⁴ | | \$806,218 | \$886,720 | \$18,000 | \$179,500 | \$269,500 | \$419,720 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | | \$3,998,898 | \$4,684,291 | \$18,000 | \$179,500 | \$269,500 | \$299,280 | \$733,000 | \$3,185,011 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | | \$13,899,123 | \$31,489,724 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,729,269 | \$95,636 | \$112,636 | \$127,636 | \$144,636 |
| Building 102 Electrical Improvements | | \$3,090,000 | \$3,182,700 | \$3,182,700 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Streetscape Improvements | | \$1,270,553 | \$1,329,281 | \$621,622 | \$707,659 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | | \$34,331,344 | \$61,563,625 | \$3,840,322 | \$1,066,659 | \$539,000 | \$719,000 | \$733,000 | \$8,580,644 | \$762,000 | \$779,000 | \$794,000 | \$811,000 |
| Net IFD Fund Balance | | \$0 | \$0 | \$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% | 151% | 124% | 106% | 93% | 83% |
|-----------------------------------------------------------------------------------|----|----|----|----|----|----|------|------|------|-----|-----|

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | Year 10 FY 26/27 | Year 11 FY 27/28 | Year 12 FY 28/29 | Year 13 FY 29/30 | Year 14 FY 30/31 | Year 15 FY 31/32 | Year 16 FY 32/33 | Year 17 FY 33/34 | Year 18 FY 34/35 | Year 19 FY 35/36 | Year 20 FY 36/37 | Year 21 FY 37/38 |
|-----------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Available Property /Possessory Interest Tax Inc | | | | | | | | | | | | |
| City Share of Tax Increment 100% | \$594,000 | \$604,000 | \$618,000 | \$629,000 | \$643,000 | \$654,000 | \$668,000 | \$681,000 | \$695,000 | \$708,000 | \$724,000 | \$738,000 |
| ERAF Tax Increment 100% | \$233,000 | \$237,000 | \$242,000 | \$247,000 | \$252,000 | \$257,000 | \$262,000 | \$267,000 | \$273,000 | \$278,000 | \$284,000 | \$289,000 |
| Annual Total | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| IFD Sources of Funds | | | | | | | | | | | | |
| Annual Tax Increment | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| Developer Loan - Not Required Tasks ¹ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ² | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| IFD Uses of Funds | | | | | | | | | | | | |
| Bond Debt Service ³ | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 |
| Repay Developer Loan ⁴ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | \$160,636 | \$174,636 | \$193,636 | \$209,636 | \$228,636 | \$244,636 | \$263,636 | \$281,636 | \$301,636 | \$319,636 | \$341,636 | \$360,636 |
| Building 102 Electrical Improvements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Streetscape Improvements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | \$827,000 | \$841,000 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 |
| Net IFD Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits | 76% | 70% | 65% | 61% | 58% | 56% | 54% | 52% | 51% | 50% | 49% | 48% |

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | Year 22 FY 38/39 | Year 23 FY 39/40 | Year 24 FY 40/41 | Year 25 FY 41/42 | Year 26 FY 42/43 | Year 27 FY 43/44 | Year 28 FY 44/45 | Year 29 FY 45/46 | Year 30 FY 46/47 | Year 31 FY 47/48 | Year 32 FY 48/49 | Year 33 FY 49/50 |
|---------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Available Property / Possessory Interest Tax Inc | | | | | | | | | | | | |
| City Share of Tax Increment 100% | \$752,000 | \$768,000 | \$782,000 | \$799,000 | \$816,000 | \$831,000 | \$847,000 | \$863,000 | \$881,000 | \$900,000 | \$917,000 | \$935,000 |
| ERAF Tax Increment 100% | \$295,000 | \$301,000 | \$307,000 | \$313,000 | \$319,000 | \$326,000 | \$332,000 | \$339,000 | \$346,000 | \$353,000 | \$360,000 | \$367,000 |
| Annual Total | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| IFD Sources of Funds | | | | | | | | | | | | |
| Annual Tax Increment | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| Developer Loan - Not Required Tasks ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| IFD Uses of Funds | | | | | | | | | | | | |
| Bond Debt Service ³ | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 | \$666,364 |
| Repay Developer Loan ⁴ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | \$380,636 | \$402,636 | \$422,636 | \$445,636 | \$468,636 | \$490,636 | \$512,636 | \$535,636 | \$560,636 | \$586,636 | \$610,636 | \$635,636 |
| Building 102 Electrical Improvements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Streetscape Improvements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | \$1,047,000 | \$1,069,000 | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 |
| Net IFD Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cumulative Waterfront Expenditures as a % of Cumulative IFD Increment Deposits | | | | | | | | | | | | |
| | 47% | 47% | 46% | 46% | 46% | 45% | 45% | 45% | 45% | 45% | 46% | 46% |

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 2
Appendix G-1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | Year 34 FY 50/51 | Year 35 FY 51/52 | Year 36 FY 52/53 | Year 37 FY 53/54 | Year 38 FY 54/55 | Year 39 FY 55/56 | Year 40 FY 56/57 | Year 41 FY 57/58 | Year 42 FY 58/59 | Year 43 FY 59/60 | Year 44 FY 60/61 | Year 45 FY 61/62 |
|--------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Available Property /Possessory Interest Tax Inc | | | | | | | | | | | | |
| City Share of Tax Increment 100% | \$954,000 | \$974,000 | \$992,000 | \$1,012,000 | \$1,033,000 | \$1,054,000 | \$1,075,000 | \$1,095,000 | \$1,118,000 | \$1,140,000 | \$1,163,000 | \$1,186,000 |
| ERAF Tax Increment 100% | \$374,000 | \$382,000 | \$389,000 | \$397,000 | \$405,000 | \$413,000 | \$421,000 | \$430,000 | \$438,000 | \$447,000 | \$456,000 | \$465,000 |
| Annual Total | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| IFD Sources of Funds | | | | | | | | | | | | |
| Annual Tax Increment | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| Developer Loan - Not Required Tasks ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan, Bldg. 102 + 20th St. Sidewalk ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Port Loan of Required Dev. Rmbmts ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds ³ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Net Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sources of Funds | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| IFD Uses of Funds | | | | | | | | | | | | |
| Bond Debt Service ³ | \$666,364 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Developer Loan ⁴ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repay Port Loan ⁴ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Crane Cove Park Improvements | \$661,636 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| Building 102 Electrical Improvements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Streetscape Improvements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses of Funds | \$1,328,000 | \$1,356,000 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |
| Net IFD Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cumulative Waterfront Expenditures as a % of | | | | | | | | | | | | |
| Cumulative IFD Increment Deposits | 46% | 48% | 50% | 52% | 54% | 55% | 57% | 59% | 60% | 61% | 63% | 64% |

¹ Term is 45 years from the date that Project Area E1 receives one hundred thousand (\$100,000) in incremental property tax revenue.

² Projection of Assessed Value is provided in Table 4. Projection of possessory interest/property tax increment is provided in Table 5.

³ Table 6.

⁴ Table 7.

Table 3
Appendix G-1
Cost Estimate for Streetscape Improvements
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Historic Core, Pier 70)
Port Of San Francisco

| ITEMS | PROJECT | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------|-------------------|----------------------|--------------------|----------------------|--------------------|----------|
| | QUANTITY | UNIT | BASE UNIT COST | DESIGN COST (10%) | MANAGEMENT (5%) | CONTINGENCY (30%) | TOTAL UNIT COST | AMOUNT |
| Illinois St. East Sidewalk (in front of Bldgs 101 and 40) | | | | | | | | |
| Remove chain-link fence around Bldg 101 | 145 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$2,103 |
| Replace historic fence around Bldg 101 | 145 | linear feet | \$20.00 | \$2.00 | \$1.00 | \$6.00 | \$29.00 | \$4,205 |
| Remove Asphalt | 40 | square feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$580 |
| Upgrade curb ramps at the east side of Illinois at 20th to meet ADA standards | 4 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$17,400 |
| Subtotal | | | | | | | | \$24,288 |
| Estimate Permit Costs | 10% | | | | | | | \$2,429 |
| Total Cost | | | | | | | | \$26,716 |
| 20th St. North Side (West of Georgia) | | | | | | | | |
| Patch concrete segments and clean up debris (20% of total square feet) | 1,120 | square feet | \$11.00 | \$1.10 | \$0.55 | \$3.30 | \$15.95 | \$17,864 |
| Fix historical fence (Bldg 101) | 170 | linear feet | \$30.00 | \$3.00 | \$1.50 | \$9.00 | \$43.50 | \$7,395 |
| Remove chain link fence (Bldg 104) | 155 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$2,248 |
| Subtotal | | | | | | | | \$27,507 |
| Estimate Permit Costs | 10% | | | | | | | \$2,751 |
| Total Cost | | | | | | | | \$30,257 |
| 20th St. at Georgia | | | | | | | | |
| Ped/ADA path of travel improvements leading north to the parking lot with bollards AND truncated domes (no curb and gutters) | 90 | linear feet | \$100.00 | \$10.00 | \$5.00 | \$30.00 | \$145.00 | \$13,050 |
| Install a continental style crosswalk (north) per Sherwood plan dated 3/6/14 | 35 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$914 |
| Install a continental style crosswalk (west) per Sherwood plan dated 3/6/14 | 45 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,175 |
| Install ADA-compliant curb ramps per Sherwood plan | 3 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$13,050 |
| Subtotal | | | | | | | | \$28,188 |
| Estimate Permit Costs | 10% | | | | | | | \$2,819 |
| Total Cost | | | | | | | | \$31,007 |
| 20th St. north Side (east of Georgia) | | | | | | | | |
| Remove chain-link fence | 225 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$3,263 |
| Shoring of Bldg 103 to open sidewalk | 215 | linear feet | N/A | | | | | N/A |
| Overlay asphalt sidewalk and clean up debris (100%) | 2,500 | square feet | \$4.00 | \$0.40 | \$0.20 | \$1.20 | \$5.80 | \$14,500 |
| Subtotal | | | | | | | | \$17,763 |
| Estimate Permit Costs | 10% | | | | | | | \$1,776 |
| Total Cost | | | | | | | | \$19,539 |
| 20th and Louisiana Intersection | | | | | | | | |
| Add ADA-compliant curb ramps per Sherwood plan | 4 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$17,400 |
| Add crosswalk (west) per Sherwood plan | 45 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,175 |
| Install bollards on the north side (spaced 5' OC) to prevent parking | 9 | each | \$400.00 | \$40.00 | \$20.00 | \$120.00 | \$580.00 | \$5,220 |
| Add crosswalk (south) per Sherwood plan | 50 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,305 |
| Partial removal of Bldg 113 landing at the SW corner (approximately 23' from building corner), should align with gap between 1st and 2nd window | 1,725 (25'*23'*3') | cubic feet | \$5.00 | \$0.50 | \$0.25 | \$1.50 | \$7.25 | \$12,506 |
| Rebuild concrete sidewalk at the SW corner | 575 | square feet | \$11.00 | \$1.10 | \$0.55 | \$3.30 | \$15.95 | \$9,171 |
| Add stop signs at 20th and Louisiana | 3 | each | \$300.00 | \$30.00 | \$15.00 | \$90.00 | \$435.00 | \$1,305 |
| Subtotal | | | | | | | | \$48,082 |
| Estimate Permit Costs | 10% | | | | | | | \$4,808 |
| Total Cost | | | | | | | | \$52,890 |

| | | | | | | | | |
|--------------------------------------------------------------------------------|--------------------------|-------------|-------------|------------|----------|------------|-------------|--------------------|
| Louisiana St. | | | | | | | | |
| Regrade parking area | 8,700 (290'*20'*1.5') | cubic feet | \$3.50 | \$0.35 | \$0.18 | \$1.05 | \$5.08 | \$44,153 |
| Install retaining wall | 260 | linear feet | \$60.00 | \$6.00 | \$3.00 | \$18.00 | \$87.00 | \$22,620 |
| Install 10' wide asphalt sidewalk with a 6" curb on the east side only | 3,000 | square feet | \$4.00 | \$0.40 | \$0.20 | \$1.20 | \$5.80 | \$17,400 |
| Modify electrical equipment at the NE face of Bldg 113 | 1 | each | \$1,000.00 | \$100.00 | \$50.00 | \$300.00 | \$1,450.00 | \$1,450 |
| Add an overlay new asphalt pavement | 10,000 | square feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$145,000 |
| Remove chain-link fence | 350 | linear feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$5,075 |
| Install chain-link fence | 300 | linear feet | \$20.00 | \$2.00 | \$1.00 | \$6.00 | \$29.00 | \$8,700 |
| Install crosswalk at south side of Bldg 14 | 50 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,305 |
| Install ADA-compliant curb cut at southeast of Bldg 14 | 1 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$4,350 |
| Install ped/ADA path of travel toward courtyard (bollards and truncated domes) | 350 | linear feet | \$100.00 | \$10.00 | \$5.00 | \$30.00 | \$145.00 | \$50,750 |
| Subtotal | | | | | | | | \$300,803 |
| Estimate Permit Costs | 10% | | | | | | | \$30,080 |
| Total Cost | | | | | | | | \$330,883 |
| 20th St. South Side | | | | | | | | |
| Patch concrete sidewalk between Michigan and Bldg 113 entrance (50%) | 1,500 | square feet | \$11.00 | \$1.10 | \$0.55 | \$3.30 | \$15.95 | \$23,925 |
| Patch asphalt sidewalk between Bldg 113 and Louisiana (100%) | 3,000 | square feet | \$4.00 | \$0.40 | \$0.20 | \$1.20 | \$5.80 | \$17,400 |
| Install ADA-compliant curb ramps at Bldg 113 entry | 2 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$8,700 |
| Install a 2-5% ramp adjacent to street at west end of Bldg 113 | 800 | cubic feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$20,880 |
| Install stairs adjacent to West end of Bldg 113 | 50 | cubic feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$1,305 |
| Add railing along edge where drop off exceeds 18" | 60 | linear feet | \$50.00 | \$5.00 | \$2.50 | \$15.00 | \$72.50 | \$4,350 |
| Add ADA-compliant curb ramps at Michigan | 2 | each | \$3,000.00 | \$300.00 | \$150.00 | \$900.00 | \$4,350.00 | \$8,700 |
| Add a crosswalk at west of Bldg 113 | 30 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$783 |
| Subtotal | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$86,043 |
| Estimate Permit Costs | 10% | | | | | | | \$8,604 |
| Total Cost | | | | | | | | \$94,647 |
| Michigan St. | | | | | | | | |
| Add a ped/ADA path of travel on west side of street | 360 | linear feet | \$100.00 | \$10.00 | \$5.00 | \$30.00 | \$145.00 | \$52,200 |
| Add asphalt overlay | 12,500 | square feet | \$10.00 | \$1.00 | \$0.50 | \$3.00 | \$14.50 | \$181,250 |
| Add a crosswalk at south end of Michigan | 28 | linear feet | \$18.00 | \$1.80 | \$0.90 | \$5.40 | \$26.10 | \$731 |
| Curb and gutter for the east side of Michigan | 360 | linear feet | \$32.00 | \$3.20 | \$1.60 | \$9.60 | \$46.40 | \$16,704 |
| Subtotal | | | | | | | | \$250,885 |
| Estimate Permit Costs | 10% | | | | | | | \$25,088 |
| Total Cost | | | | | | | | \$275,973 |
| Install Street Lighting (spaced 140' OC) | | | | | | | | |
| Louisiana | 3 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$43,500 |
| Georgia | 1 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$14,500 |
| Michigan | 3 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$43,500 |
| 20th | 12 | each | \$10,000.00 | \$1,000.00 | \$500.00 | \$3,000.00 | \$14,500.00 | \$174,000 |
| Subtotal | | | | | | | | \$275,500 |
| Estimate Permit Costs | 10% | | | | | | | \$27,550 |
| Total Cost | | | | | | | | \$303,050 |
| Phase 1: Project Improvements Total | | | | | | | | \$1,164,962 |

PIER 70 INFRASTRUCTURE FINANCING DISTRICT PHASE 2 IMPROVEMENTS

COST ESTIMATES

| ITEMS | QUANTITY | UNIT | BASE UNIT COST | DESIGN COST (10%) | PROJECT | | TOTAL UNIT COST | AMOUNT |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|-------------------|----------------------|--------------------|----------------------|--------------------|-------------|
| | | | | | MANAGEMENT (5%) | CONTINGENCY (30%) | | |
| Illinois St. East Sidewalk (In front of Bldgs 101 and 40) | | | | | | | | |
| Upgrade traffic signal at 20th/Illinois (new pole, signal head, and controller box), and remove abandoned equipment (poles, conduit, and utility boxes) | 1 | lump sum | \$215,000.00 | \$21,500.00 | \$10,750.00 | \$64,500.00 | \$311,750.00 | \$311,750 |
| Subtotal | | | | | | | | \$311,750 |
| Estimate Permit Costs | | 10% | | | | | | \$31,175 |
| Total Cost | | | | | | | | \$342,925 |
| Phase 2 Project Improvements Total | | | | | | | | \$342,925 |
| Pier 70 Infrastructure Financing District Improvements Total | | | | | | | | \$1,507,887 |

Table 4
Appendix G-1
Assessed Value and Possessory Income Tax Projection - Capitalized Income Approach to Valuation
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 |
|-------------------------------------------|----------|----------|----------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Revenue per 3/27/15 pro forma, 2018 | | | | | \$7,995,755 | | | | | | | | | |
| Expenses | | | | | \$2,398,537 | | | | | | | | | |
| Adjusted NOI | | | | | \$5,597,218 | | | | | | | | | |
| Cap Rate | | | | | 7.00% | | | | | | | | | |
| Assessed Value (\$000) | | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 | \$93,686 | \$95,560 |
| Escalation factor | | 0.05 | 0.5 | 0.75 | 1 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Sale of Leasehold | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| AV for projection | | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 | \$93,686 | \$95,560 |

1172

Table 4
Appendix G-1
Assessed Value and Possessory Income Tax Projection - Capitalized Income Approach to Valuation
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | 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 | FY 43/44 | FY 44/45 | FY 45/46 |
|--------------------------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Revenue per 3/27/15 pro forma, | | | | | | | | | | | | | | | | | |
| Expenses | | | | | | | | | | | | | | | | | |
| Adjusted NOI | | | | | | | | | | | | | | | | | |
| Cap Rate | | | | | | | | | | | | | | | | | |
| Assessed Value (\$000) | \$97,471 | \$99,421 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,964 | \$114,203 | \$116,487 | \$118,817 | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 |
| Escalation factor | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Sale of Leasehold | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| AV for projection | \$97,471 | \$99,421 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,964 | \$114,203 | \$116,487 | \$118,817 | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 |

1173

Table 4
Appendix G-1
Assessed Value and Possessory Income Tax Projection - Capitalized Income Approach to Valuation
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 | FY 51/52 | FY 52/53 | 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 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Revenue per 3/27/15 pro forma: | | | | | | | | | | | | | | | | |
| Expenses | | | | | | | | | | | | | | | | |
| Adjusted NOI | | | | | | | | | | | | | | | | |
| Cap Rate | | | | | | | | | | | | | | | | |
| Assessed Value (\$000) | \$136,483 | \$139,213 | \$141,997 | \$144,837 | \$147,734 | \$150,688 | \$153,702 | \$156,776 | \$159,912 | \$163,110 | \$166,372 | \$169,700 | \$173,094 | \$176,555 | \$180,087 | \$183,688 |
| Escalation factor | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Sale of Leasehold | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| AV for projection | \$136,483 | \$139,213 | \$141,997 | \$144,837 | \$147,734 | \$150,688 | \$153,702 | \$156,776 | \$159,912 | \$163,110 | \$166,372 | \$169,700 | \$173,094 | \$176,555 | \$180,087 | \$183,688 |

1174

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | NPV ² | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 |
|----------------------------------------------------|------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Incremental AV on-Tax Roll (\$1,000s) ¹ | | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 | \$93,686 |
| Property Tax Increment at 1% 1.00% | \$26,036,766 | \$39,980 | \$399,801 | \$599,702 | \$799,603 | \$815,595 | \$831,907 | \$848,545 | \$865,516 | \$882,826 | \$900,482 | \$918,492 | \$936,862 |
| Property Tax Distributed to IFD | | | | | | | | | | | | | |
| General Fund 64.59% | \$16,815,784 | \$25,800 | \$258,000 | \$387,000 | \$516,000 | \$526,000 | \$538,000 | \$547,000 | \$560,000 | \$570,000 | \$583,000 | \$594,000 | \$604,000 |
| ERAF 25.33% | \$6,596,031 | \$10,100 | \$101,000 | \$152,000 | \$203,000 | \$207,000 | \$211,000 | \$215,000 | \$219,000 | \$224,000 | \$228,000 | \$233,000 | \$237,000 |
| Total 89.92% | \$23,411,815 | \$35,900 | \$359,000 | \$539,000 | \$719,000 | \$733,000 | \$749,000 | \$762,000 | \$779,000 | \$794,000 | \$811,000 | \$827,000 | \$841,000 |

¹ Table 4

1175

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | NPV ² | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 | FY 39/40 |
|----------------------------------------------------|------------------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Incremental AV on Tax Roll (\$1,000s) ¹ | | \$95,560 | \$97,471 | \$99,421 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,964 | \$114,203 | \$116,487 | \$118,817 |
| Property Tax Increment at 1% 1.00% | \$26,036,766 | \$955,599 | \$974,711 | \$994,205 | \$1,014,089 | \$1,034,371 | \$1,055,059 | \$1,076,160 | \$1,097,683 | \$1,119,637 | \$1,142,029 | \$1,164,870 | \$1,188,167 |
| Property Tax Distributed to IFD | | | | | | | | | | | | | |
| General Fund 64.59% | \$16,815,784 | \$618,000 | \$629,000 | \$643,000 | \$654,000 | \$668,000 | \$681,000 | \$695,000 | \$708,000 | \$724,000 | \$738,000 | \$752,000 | \$768,000 |
| ERAF 25.33% | \$6,596,031 | \$242,000 | \$247,000 | \$252,000 | \$257,000 | \$262,000 | \$267,000 | \$273,000 | \$278,000 | \$284,000 | \$289,000 | \$295,000 | \$301,000 |
| Total 89.92% | \$23,411,815 | \$860,000 | \$876,000 | \$895,000 | \$911,000 | \$930,000 | \$948,000 | \$968,000 | \$986,000 | \$1,008,000 | \$1,027,000 | \$1,047,000 | \$1,069,000 |

¹ Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2; Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | | | NPV ² | FY 40/41 | FY 41/42 | FY 42/43 | 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 |
|----------------------------------------------------|--------|--------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Incremental AV on Tax Roll (\$1,000s) ¹ | | | | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 | \$136,483 | \$139,213 | \$141,997 | \$144,837 | \$147,734 | \$150,688 |
| Property Tax Increment at 1% 1.00% | | | \$26,036,766 | \$1,211,931 | \$1,236,169 | \$1,260,893 | \$1,286,111 | \$1,311,833 | \$1,338,069 | \$1,364,831 | \$1,392,127 | \$1,419,970 | \$1,448,369 | \$1,477,337 | \$1,506,884 |
| Property Tax Distributed to IFD | | | | | | | | | | | | | | | |
| General Fund | 64.59% | \$16,815,784 | | \$782,000 | \$799,000 | \$816,000 | \$831,000 | \$847,000 | \$863,000 | \$881,000 | \$900,000 | \$917,000 | \$935,000 | \$954,000 | \$974,000 |
| ERAF | 25.33% | \$6,596,031 | | \$307,000 | \$313,000 | \$319,000 | \$326,000 | \$332,000 | \$339,000 | \$346,000 | \$353,000 | \$360,000 | \$367,000 | \$374,000 | \$382,000 |
| Total | 89.92% | \$23,411,815 | | \$1,089,000 | \$1,112,000 | \$1,135,000 | \$1,157,000 | \$1,179,000 | \$1,202,000 | \$1,227,000 | \$1,253,000 | \$1,277,000 | \$1,302,000 | \$1,328,000 | \$1,356,000 |

¹Table 4

Table 5
Appendix G-1
Assessed Value and Property Tax Projection
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Property Tax Projection | | NPV ² | FY 52/53 | 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 |
|----------------------------------------------------|--------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Incremental AV on Tax Roll (\$1,000s) ¹ | | | \$153,702 | \$156,776 | \$159,912 | \$163,110 | \$166,372 | \$169,700 | \$173,094 | \$176,555 | \$180,087 | \$183,688 |
| Property Tax Increment at 1% | 1.00% | \$26,036,766 | \$1,537,021 | \$1,567,762 | \$1,599,117 | \$1,631,099 | \$1,663,721 | \$1,696,996 | \$1,730,935 | \$1,765,554 | \$1,800,865 | \$1,836,883 |
| Property Tax Distributed to IFD | | | | | | | | | | | | |
| General Fund | 64.59% | \$16,815,784 | \$992,000 | \$1,012,000 | \$1,033,000 | \$1,054,000 | \$1,075,000 | \$1,095,000 | \$1,118,000 | \$1,140,000 | \$1,163,000 | \$1,186,000 |
| ERAF | 25.33% | \$6,596,031 | \$389,000 | \$397,000 | \$405,000 | \$413,000 | \$421,000 | \$430,000 | \$438,000 | \$447,000 | \$456,000 | \$465,000 |
| Total | 89.92% | \$23,411,815 | \$1,381,000 | \$1,409,000 | \$1,438,000 | \$1,467,000 | \$1,496,000 | \$1,525,000 | \$1,556,000 | \$1,587,000 | \$1,619,000 | \$1,651,000 |

¹ Table 4

Table 6
Appendix G-1
Loan Advances to be Repaid by IFD
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| Loan Terms | | | | |
|-----------------|----------------------|-------------|------------|-----------------------|
| | <u>Interest Rate</u> | <u>Term</u> | <u>DCR</u> | <u>Issuance Costs</u> |
| Port Loan | 4.41% | 15 | | |
| Developer Loan | ¹ 4.50% | 15 | | 1% |
| IFD or CFD Bond | 6.50% | 30 | 110% | 10% |

Interest rate shall be rate set forth in the most senior construction loan for the initial improvements. ODI pro forma dated

¹ 3/27/15 reflects a construction loan rate of 4.5%.

| | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | <u>Total</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|----------|----------|----------|-------------|--------------|
| Gross Loan Amounts | | | | | | | |
| Port Loan for Bldg. 102 | \$3,203,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,203,429 |
| Developer Required Reimbursements to Port (Amounts to be credited against outstanding Deferred Port Transaction Costs. Effectively a Port Loan to IFD) | \$300,049 | \$225,726 | \$0 | \$0 | \$0 | \$0 | \$525,776 |
| Developer Loan for "Not Required/Other Tasks" | \$303,883 | \$486,801 | \$0 | \$0 | \$0 | \$0 | \$790,684 |
| IFD or CFD Bonds | | | | \$0 | \$0 | \$8,701,827 | \$8,701,827 |
| Net Loan Proceeds | | | | | | | |
| Port Loan for Bldg. 102 | \$3,203,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,203,429 |
| Developer Required Reimbursements to Port (Effectively a Port Loan to IFD) | \$300,049 | \$225,726 | \$0 | \$0 | \$0 | \$0 | \$525,776 |
| Developer Loan for "Not Required Tasks" | \$300,844 | \$481,933 | \$0 | \$0 | | | \$782,777 |
| IFD or CFD Bonds | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,831,644 | \$7,831,644 |

Table 7
Appendix G-1
Amortization of Developer and Port Loans
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

| | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 |
|------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Developer Loan #1 - Other Tasks | | | | | | |
| Beginning Balance | \$303,883 | \$299,558 | \$133,538 | \$0 | \$0 | |
| Payments | \$18,000 | \$179,500 | \$139,547 | \$0 | \$0 | |
| Interest | \$13,675 | \$13,480 | \$6,009 | \$0 | \$0 | |
| Remaining Balance | \$299,558 | \$133,538 | \$0 | \$0 | \$0 | |
| Developer Loan #2 - Other Tasks | | | | | | |
| Beginning Balance | | \$486,801 | \$508,707 | \$401,646 | \$0 | |
| Payments | | \$0 | \$129,953 | \$419,720 | \$0 | |
| Interest | | \$21,906 | \$22,892 | \$18,074 | \$0 | |
| Remaining Balance | | \$508,707 | \$401,646 | \$0 | \$0 | |
| Port Loan #1 - Bldg 102 | | | | | | |
| Beginning Balance | \$3,203,429 | \$3,326,700 | \$3,293,907 | \$3,169,669 | \$3,010,171 | \$2,409,920 |
| Payments | \$18,000 | \$179,500 | \$269,500 | \$299,280 | \$733,000 | \$2,516,197 |
| Interest | \$141,271 | \$146,707 | \$145,261 | \$139,782 | \$132,749 | \$106,277 |
| Remaining Balance | \$3,326,700 | \$3,293,907 | \$3,169,669 | \$3,010,171 | \$2,409,920 | \$0 |
| Port Loan #2 - Reqd Reimbursement , 2016/17 | | | | | | |
| Beginning Balance | \$300,049 | \$313,281 | \$327,097 | \$341,522 | \$356,583 | \$372,308 |
| Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$388,727 |
| Interest | \$13,232 | \$13,816 | \$14,425 | \$15,061 | \$15,725 | \$16,419 |
| Remaining Balance | \$313,281 | \$327,097 | \$341,522 | \$356,583 | \$372,308 | \$0 |
| Port Loan #3 - Reqd Reimbursement , 2017/18 | | | | | | |
| Beginning Balance | | \$225,726 | \$235,681 | \$246,075 | \$256,926 | \$268,257 |
| Payments | | \$0 | \$0 | \$0 | \$0 | \$280,087 |
| Interest | | \$9,955 | \$10,394 | \$10,852 | \$11,330 | \$11,830 |
| Remaining Balance | | \$235,681 | \$246,075 | \$256,926 | \$268,257 | \$0 |

Table 8
Appendix G-1
IFD Public Facility Improvement Schedule
Infrastructure Financing Plan
Infrastructure Financing District No. 2, Sub-Project Area G-1 (Pier 70 - Historic Core)
Port of San Francisco

Public Facilities to be Funded by IFD

| | <u>Total Cost</u> | <u>Est.</u> | <u>Party to</u> | <u>ODI Funding</u> | <u>Estimated Allocation</u> | |
|----------------------------------------------------|---------------------|-------------------|-----------------|-----------------------------------------|-----------------------------|--------------|
| | <u>2015/16</u> | <u>Completion</u> | <u>Advance</u> | <u>Requirements per DDA¹</u> | <u>Required</u> | <u>Other</u> |
| Illinois St., East Sidewalk | \$27,517 | FY 2016/17 | ODI | Required/Other | \$13,759 | \$13,759 |
| Traffic Signal at 20th /Illinois ² | \$70,643 | FY 2017/18 | ODI | Required | \$70,643 | |
| 20th St., north side (west of Georgia) | \$31,165 | FY 2016/17 | ODI | Required | \$31,165 | |
| 20th St. at Georgia | \$31,937 | FY 2016/17 | ODI | Other task | | \$31,937 |
| 20th St., north side (east of Georgia) | \$20,125 | FY 2016/17 | Port | | | |
| 20th and Louisiana Intersection | \$54,477 | FY 2016/17 | ODI | Required/Other | \$27,239 | \$27,239 |
| Louisiana Street | \$340,809 | FY 2016/17 | ODI | Required/Other | \$170,405 | \$170,405 |
| 20th Street, south side | \$97,486 | FY 2016/17 | ODI | Required/Other | \$48,743 | \$48,743 |
| Michigan Street | \$284,252 | FY 2017/18 | ODI | Required/Other | \$142,126 | \$142,126 |
| Street Lighting | \$312,142 | FY 2017/18 | ODI | Other task | 0 | \$312,142 |
| Bldg. 102 Electrical Improvements | \$3,090,000 | FY 2016/17 | Port | | \$504,079 | \$746,350 |
| Total facilities, before Crane Cove Park | \$4,360,553 | | | | | |
| Crane Cove Park Improvements | \$13,899,123 | | | | | |
| Total Public Facilities to be funded by IFD | \$18,259,676 | | | | | |

¹ Under the DDA, Orton must advance funds to pay for all Required ODI Tasks (aka Required Port Benefit Tasks). Although Orton will be reimbursed for the Certified Port Benefit Costs, such costs will be reduced by 100% of the outstanding deferred Port Transaction Costs, if any, and the remaining balance of Certified Port Benefit Costs after application of any outstanding Deferred Port Transaction Costs ("Outstanding Port Benefit Cost") will accrue simple interest on a monthly basis at a rate equal to the monthly interest rate set forth in the most senior construction loan for the initial improvements. Port Transaction Costs total \$1 million. Given that Required Port Benefit Tasks total approximately \$504,000, it is assumed that ODI's advance of these funds will be credited against the Port Transaction Cost obligation.

ATTACHMENT 1:
FISCAL AND ECONOMIC IMPACT ANALYSIS
PIER 70 – HISTORIC CORE



KEYSER MARSTON ASSOCIATES

FISCAL AND ECONOMIC IMPACT ANALYSIS PIER 70 – HISTORIC CORE

Prepared for
Port of San Francisco

Prepared by:
Keyser Marston Associates, Inc.

November 4, 2015

TABLE OF CONTENTS

| | |
|---------------------------------------------------------------------------|----|
| I. EXECUTIVE SUMMARY..... | 1 |
| II. INTRODUCTION..... | 3 |
| Project Description | 3 |
| III. FINANCIAL BENEFITS | 5 |
| A. Fiscal Benefits to the General Fund of the City of San Francisco | 5 |
| 1. Net General Fund Fiscal Impacts..... | 5 |
| 2. General Fund Revenues..... | 6 |
| 3. General Fund Expenditures | 9 |
| B. Economic Benefits to the City and County of San Francisco | 10 |

List of Tables

| | |
|----------|------------------------------------------------------------------------------------------------|
| Table 1 | Recurring City General Fund Revenues and Expenditures |
| Table 2 | Development Program and Employment Estimate |
| Table 2a | Assessed Value and Possessory Income Tax Projection – Capitalized Income Approach to Valuation |
| Table 3 | Revenue Assumptions |
| Table 4a | General Fund Revenues Estimate |
| Table 4b | Payroll and Gross Receipts Taxes |
| Table 4c | Other Fund Revenues Estimates |
| Table 5 | Operating Expenditure Assumptions |
| Table 6 | General Fund Expenditures Estimate |
| Table 7 | Economic Benefits |
| Table 8 | Estimated Average Payroll per Employee |
| Table 9 | Construction Period Revenues |

I. EXECUTIVE SUMMARY

This report has been prepared to comply with Threshold Criteria 5 of the adopted and amended "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". Pursuant to the Guidelines, the financing plan for each Port IFD must: 1) demonstrate that the Project will generate a net economic benefit; and 2) project the net fiscal impact to the City's General Fund over the term of the IFD.¹

The subject Project is the rehabilitation of the 20th Street historic buildings on Pier 70 to be undertaken by Historic Pier 70, LLC, which is a development entity formed by Orton Development, Inc. (ODI). A more detailed description of the Project is provided in Section IIA. The Port and ODI have executed a series of transaction documents, including a Lease Disposition and Development Agreement (LDDA) and Lease No. L-15814 to govern the construction and operation of the property over the 66-year lease term. This analysis reflects the terms of the governing agreements and the operating projections contained in the development pro forma submitted by ODI on March 27, 2015, which is the most recent available pro forma.

This analysis is an update of the fiscal and economic impact estimates contained in the "Fiscal Responsibility and Feasibility" report submitted by the Port for the Pier 70 – Historic Core Project, which was adopted by the Board of Supervisors in 2012.

1. ***Fiscal Benefits to the City of San Francisco.*** The rehabilitated buildings are anticipated to generate a significant annual net surplus to the City's General Fund. On-going revenues to the City directly generated by the Project include new gross receipts taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, utility user taxes, and other taxes. General Fund expenses generated by the Project will be comprised of police, fire, and emergency medical services. It is estimated that the net present value of the surplus over the Infrastructure Financing District (IFD) term to the City's General Fund will total from \$5.1 million to \$8.0 million, depending on the magnitude of gross receipts tax to be generated by the Project's tenants. On an annual basis, it is estimated that upon stabilization, the Project will generate an annual net General Fund Surplus of \$142,000 to \$273,000 per year.
2. ***Direct, Indirect, and Induced Economic Benefits to the City.*** It is estimated that the Project will create approximately 460 full-time jobs, with an average annual payroll of \$31 million and output of \$72 million. In addition to the direct benefits to be generated by the Project, the new businesses and employees will support other businesses in San Francisco and the region through expenditures on materials, retail goods, and services. Total direct,

¹ Threshold Criteria 6, 7, and 8 of the Guidelines, which relate to the share of tax increment allocated to the City and ERAF and ERAF's excess share of tax increment are addressed in the Infrastructure Financing Plan for Pier 70 – Historic Core.

indirect, and induced impacts are anticipated to be 780 jobs with annual payroll of \$50 million and output of \$106 million. Project construction is expected to generate a total direct, indirect, and induced impact of 705 jobs, \$45 million of payroll, and \$115 million of output during the construction period.

3. ***Long-Term Project Operating and Maintenance Costs.*** The Project will generate an additional demand for police, fire, and emergency medical services from the City of San Francisco. Fire department costs are estimated to total \$2.9 million and police department costs are estimated to total \$900,000 over the term of the IFD. The Project will not generate any new maintenance costs to be borne by the City. The cost to operate and maintain Crane Cover Park is estimated at \$400,000 per year but 100% of these costs will be funded through a Maintenance Community Facilities District. The cost of maintaining the public plaza within the Historic Core leasehold will be privately funded by the tenant.
4. ***Debt Load to be Carried by the City or the Port.*** The public investment is \$24 million from the City through its Seismic Safety Loan program, which is funded via a general obligation bond, and \$1.5 million to be provided by the Port for Building 113 seismic improvements and \$3 million to be advanced by the Port for improvements to Building 102 to serve the BAE shipbuilding operation. The Port's contribution will be funded from available cash resources.

II. INTRODUCTION

This report has been prepared to comply with Threshold Criteria 5 of the adopted and amended "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". Pursuant to the Guidelines, the financing plan for each Port IFD must: 1) demonstrate that the Project will generate a net economic benefit; and 2) project the net fiscal impact to the City's General Fund over the term of the IFD.

This report evaluates the anticipated performance of the proposed rehabilitation project of the 20th Street historic buildings on Pier 70 to be undertaken by Orton Development, Inc. (ODI) relative to these two criteria.

The Port and ODI have executed a series of transaction documents, including a Lease Disposition and Development Agreement (LDDA) and Lease No. L-15814 to govern the construction and operation of the property over the 66-year lease term. This analysis reflects the terms of the governing agreements and the operating projections contained in the development pro forma submitted by ODI on March 27, 2015, which is the most recent available pro forma.

Project Description

The Project focuses on the rehabilitation and tenanting of eight historic structures on Pier 70. These buildings are in need of substantial investment. Several are "red-tagged" due to structural problems and unusable in their current state. Two are unreinforced masonry buildings. All need full system replacements to provide new electrical, fire safety, phone, data, water, sewer and gas utilities. The buildings need to be modernized to address current code requirements for structural stability, exiting, accessibility, and life safety. New roofs are required in most cases as well as remediation of asbestos, lead paint and other hazardous building conditions. A recent Port 10 year Capital Plan estimated that returning these buildings to their current use would cost \$109 million. Transferring this obligation to ODI and bringing these buildings back to productive use is the primary public, financial, and fiscal benefit of this project.

As detailed below, the buildings to be rehabilitated by ODI total 267,000 square feet. The Developer will return the buildings to profitable use while maintaining their historic fabric. As proposed, the Project will be occupied by a mix of light industrial, office, health care, and restaurant uses. Building 101 and 104, as former Bethlehem steel and Union Ironworks office buildings, will return to office use with the technological capabilities required for modern businesses. The former powerhouse (Building 102) will become a restaurant. The Union Ironworks Machine shop (Building 113) will be occupied by health care uses. Surrounding warehouses (Buildings 114/115/116 and Building 14) will return to industrial and educational use as food technology and artisanal production centers, mirroring the high-quality "maker" type

businesses currently thriving in the Dogpatch neighborhood. It is assumed that the tenant mix will be similar in nature to that occupying the neighboring American Industrial Center.

Exhibit 1

| Proposed Development Program | | | |
|--------------------------------------------------------------------|---------------------------|-----------------|----------------|
| Rehabilitation of 20th Street Historic Buildings at Pier 70 | | | |
| Building | Land Use | Gross SF | Net SF |
| Building 101 | Office / Light Industrial | 61,311 | 58,245 |
| Building 102 | Restaurant | 11,266 | 10,703 |
| Building 104 | Office | 45,759 | 43,471 |
| Building 113 | Healthcare | 77,530 | 60,743 |
| Building 114 | Light Industrial | 16,088 | 15,444 |
| Building 115 | Light Industrial | 13,078 | 12,555 |
| Building 116 | Light Industrial | 25,270 | 24,259 |
| Building 14 | Light Industrial | 16,315 | 15,662 |
| Total | | 266,617 | 241,082 |

III. FINANCIAL BENEFITS

A. Fiscal Benefits to the General Fund of the City of San Francisco

1. Net General Fund Fiscal Impacts

While the primary objective of the Project is to rehabilitate the historic buildings and make them a vibrant part of the surrounding community, the Project is also anticipated to generate a significant amount of annual net revenue to the General Fund of the City and County of San Francisco. As summarized below, it is estimated that in the first year of stabilization (FY 2018/19), the Project will generate approximately \$174,000 in a lower revenue scenario and \$304,000 in a higher revenue scenario, to the General Fund. The net present value of the General Fund surplus over the term of the IFD is estimated to range from \$5.1 million to \$8.04 million.

Exhibit 2

| Estimated General Fund Revenue / Expenditure | Lower Revenue Scenario - Gross Receipts Tax Does Not Apply | | | Higher Revenue Scenario - Gross Receipts Tax Applies to All | | |
|----------------------------------------------|---------------------------------------------------------------|------------------------------------|---------------------|----------------------------------------------------------------|------------------------------------|---------------------|
| | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term | During Construction FY 15 - FY 17 | Post Construction FY 2018/19 | Total IFD Term |
| Revenues | | | | | | |
| Possessory Interest Tax | | | | | | |
| Not Deposited in IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | 0 | 0 | 0 | \$119,400 | \$193,400 | \$17,343,100 |
| Sales Tax | \$78,300 | \$68,300 | \$6,156,700 | \$78,300 | \$68,300 | \$6,156,700 |
| Utility Users Tax | \$42,700 | \$51,300 | \$4,607,600 | \$42,700 | \$51,300 | \$4,607,600 |
| Prop. Tax In-Lieu of VLF | \$46,900 | \$63,900 | \$5,835,500 | \$46,900 | \$63,900 | \$5,835,500 |
| Business Registration Fee | \$48,900 | \$58,100 | \$5,225,400 | \$21,000 | \$24,900 | \$2,239,500 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Taxes and Fees | \$114,500 | \$22,800 | \$2,144,200 | \$114,500 | \$22,800 | \$2,144,200 |
| Total Revenues | \$331,300 | \$264,400 | \$23,969,400 | \$422,800 | \$424,600 | \$38,326,600 |
| Expenditures | | | | | | |
| Police | \$17,500 | \$20,900 | \$1,881,300 | \$17,500 | \$20,900 | \$1,881,300 |
| Fire and EMS | \$58,100 | \$69,800 | \$6,271,400 | \$58,100 | \$69,800 | \$6,271,400 |
| Total Expenditures | \$75,600 | \$90,700 | \$8,152,700 | \$75,600 | \$90,700 | \$8,152,700 |
| Net General Fund Impact | | | | | | |
| <i>Nominal Dollars</i> | <i>\$256,000</i> | <i>\$174,000</i> | <i>\$15,817,000</i> | <i>\$347,000</i> | <i>\$334,000</i> | <i>\$30,174,000</i> |
| <i>\$2015 (3% discount)</i> | <i>\$234,000</i> | <i>\$159,000</i> | <i>\$7,392,000</i> | <i>\$318,000</i> | <i>\$306,000</i> | <i>\$13,929,000</i> |
| <i>NPV (7% discount)</i> | <i>\$209,000</i> | <i>\$142,000</i> | <i>\$5,117,000</i> | <i>\$283,000</i> | <i>\$273,000</i> | <i>\$8,041,000</i> |

*Parking tax; payroll tax; license, permit, and franchise fees; and fines, forfeitures, and penalties.

The greatest of the anticipated General Fund revenue sources is gross receipts taxes, which could potentially account for 45% of expected revenues. Since businesses generating less than

\$1 million of gross receipts are exempt from the tax and the exact nature of future Project businesses is not known, KMA has analyzed a lower revenue scenario in which the Project businesses are exempt from the gross receipts tax and a higher revenue scenario in which all businesses generate sufficient receipts to be subject to the tax.

The net revenues are made up of Project-generated gross receipts taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, utility users taxes, business registration taxes, parking taxes, and other taxes less anticipated Project service costs attributed to Police, Fire and Emergency Medical Services, as further described below.

2. General Fund Revenues

The Project is estimated to generate approximately \$264,000 to \$425,000 of General Fund revenues in the first stabilized year (FY 2018/19). Over the term of the IFD, General Fund revenues are estimated to total \$11 million to \$18 million, expressed in 2015 dollars. Gross receipts taxes (in the higher revenue scenario), followed by sales taxes, property tax in-lieu of motor vehicle license fees, utility users taxes, and business registration fees, are expected to be the leading categories of General Fund revenue to be generated by the Project. One hundred percent (100%) of General Fund property tax revenues will be dedicated to the Project's IFD, and will not be available to the General Fund until FY 2062/63.

- **Gross Receipts Tax Revenues** – In November 2012, San Francisco voters approved Proposition E instituting a gross receipts tax on businesses operating in the City and County and changing business registration fees. The gross receipts tax replaces the City and County's payroll tax, and phases in from 2014 to 2018.

Businesses generating less than \$1 million each year in gross receipts are exempt from the tax. Since exact information on the operations of businesses to occupy Pier 70 is not available at this time, KMA has estimated General Fund revenues under two scenarios. In the lower revenue scenario the Project businesses are exempt from the tax, and in the higher revenue scenario they are not.

The gross receipts tax is a share of total gross receipts. KMA estimates gross receipts of \$76 million at 100% occupancy based on the relationship between gross receipts and employees determined by the Minnesota IMPLAN Group for San Francisco County. The Minnesota IMPLAN Group produces economic flow models that track inputs and outputs within given geographic areas. KMA then adjusts estimated total gross receipts to reflect Project occupancy in each year of the projection, as outlined in Orton Development Inc.'s 20th Street Historic Buildings Pro Forma. Gross receipts are further adjusted by a 75% factor to reflect certain tax exclusions, such as for receipts generated outside San Francisco, and for bio-tech and clean-tech activities in the first years the tax is in place. The gross receipts phase-in rate is then applied, starting at 25% in 2015 and increasing to 100% in 2018. The gross receipts tax is calculated based on an estimated rate of 0.341% of gross receipts. Per the San

Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax, the tax rate varies by business type and by the amount of gross receipts generated. The 0.341% rate is an average of the rates for business types that we believe are representative of those expected to occupy the Project (retail, wholesale, and services; manufacturing / transportation / warehousing, information, biotechnology, clean technology, and food services; private education / health, administrative, and miscellaneous; and financial / insurance, professional, scientific, and technical services). The average is taken at the most conservative tax rate tier, for gross receipts between \$1 million and \$2.5 million.

Gross receipts taxes are estimated to total \$7.9 million throughout the IFD term (expressed in uninflated dollars), with approximately \$193,000 of gross receipts taxes accruing to the General Fund in FY 2018/19.

- **Sales Tax Revenues** – Sales tax revenues will be generated from Project employee expenditures and restaurant sales. Employee expenditures have been estimated based on weekly urban worker spending in the vicinity of office employment centers as reported in ICSC's 2012 report, "Office-Worker Retail Spending in a Digital Age." Restaurant sales have been estimated using an assumed sales productivity level of \$500 per square foot of rentable area. Total employee food spending has been adjusted to eliminate overlap with the projection of gross restaurant sales. The City General Fund portion of sales tax is 1% of taxable sales. This is estimated to generate \$68,000 in FY 2018/19.
- **Property Tax In-Lieu of Motor Vehicle License Fees** – The Project is estimated to generate approximately \$64,000 of property taxes in-lieu of motor vehicle license fees for the General Fund in the first year of stabilization. In accordance with SB 1096 and data from the California State Controller's Office, revenue from the Project is based on the marginal growth of assessed value.
- **Assessed Value, Tax Increment and Possessory Interest** – The property's assessed value in FY 2015/16 is zero (\$0). Future assessed value has been estimated based on the capitalized value of the Project's net operating income upon stabilization, as projected in the Developer's pro forma. This approach to valuation is based on discussions with representatives of the County's tax assessor's office. Given that the property is publicly owned, the private tenant will be responsible for paying possessory interest tax on the property. Because the lease term is longer than 35 years, it has been assumed that the leasehold interest will be valued as equivalent to fee interest for purposes of determining the possessory interest tax obligation. Based on this approach, it is estimated that the property's assessed value will approximate \$80 million in FY 2019/20 and increase thereafter at the Prop. 13 statutory rate of 2% per year. It is assumed that 100% of the General Fund's and ERAF's share of annual possessory interest (tax increment) will be allocated to the IFD for the entire term of the IFD. Table 2a.

- **Utility Users Tax Revenues** – The City and County of San Francisco imposes a 7.5% tax on charges for certain utilities services. These include non-residential telephone, electricity, natural gas, steam, and water services, and both residential and non-residential cellular telephone services. For purposes of this analysis, the utility user's tax has been estimated based on City and County of San Francisco budget factors for FY 2015/16. The budget factors have been calculated on a per employee basis for electricity, natural gas, steam, and water taxes, and on a per service population basis for telephone services. It is estimated that utility users taxes will generate \$51,000 in the first year of stabilization.

- **Business Registration Fee Revenues** – Per the San Francisco Business and Tax Regulations Code, Article 12: Business Registration, the fee per business is charged by tier based on the level of gross receipts generated. The number of businesses in the Project is calculated using the number of employees per business at the American Industrial Center, which has a similar tenant mix to that proposed by Orton Development Inc. The American Industrial Center is adjacent to the Project and includes 800,000 square feet of a mix of office and light industrial uses. Dun and Bradstreet data indicate that this complex houses approximately 200 businesses with 1,200 employees, or 6 employees per business. Business registration fees are expected to total \$25,000 to \$58,000 in FY 2018/19.

- **Property Transfer Tax Revenues** – The assessor's office is currently in the process of determining the transfer tax obligation resulting from the execution of the lease. A future sale of the leasehold interest would also generate property transfer tax revenue. Transfer tax revenues have not been included in this analysis given that the obligation has not yet been established.

- **Other Tax Revenues** – The San Francisco City and County General Fund receives a 20% share of the 25% parking tax paid on parking fees per San Francisco Business and Tax Regulations Code Article 9: Tax on Occupancy of Parking in Parking Stations, and 2007's Proposition A. Monthly fees per parking space are estimated at \$100 for 285 parking spaces. Business and Tax Regulations Code Article 12-A: Payroll Expense Tax specifies that the payroll tax is based on business payroll generated in San Francisco and will be phased out by 2018 as the gross receipts tax is phased in. Licenses, permits, and franchise fees, and fines, forfeitures, and penalties are estimated based on an extrapolation of the current per service population amount generated by San Francisco's residents and employment base.

- **Escalation** – Gross receipts, employee spending and restaurant sales, utility user spending, parking fees, payroll, licenses, permits, and franchise fees, and fines, forfeitures, and penalties are estimated to increase at an annual rate of 3% per year. The San Francisco Business and Tax Regulations Code specifies that business registration fees are to be adjusted annually according to the increase in the Consumer Price Index for All Urban Consumers in San Francisco / Oakland / San Jose, and this is estimated to be a 3% annual

increase as well. Assessed property values for the purposes of estimating property taxes in lieu of motor vehicle license fees are based on IFD assessed value projections. Assessed values are limited to a maximum increase of 2% per year under Proposition 13.

- ***Inflation Adjustments and Net Present Value*** – In order to measure the revenue projection on a comparable basis across revenue sources, each annual revenue estimate has been converted to 2015 dollars based on a discount rate of 3% per year. To account for the impact of time, net revenues have also been discounted at a rate of 7%.
- ***Employment and Service Population*** – The number of jobs in the Project is estimated based on an average density of two employees per 1,000 square feet. For purposes of estimating Project service population, the analysis assumes that an employee is equivalent to approximately one third of a resident in terms of revenue and expenditure generation. Employment and service population are calculated on Appendix Table A-2.

3. General Fund Expenditures

In the first stabilized year, the Project is estimated to generate \$70,000 of Fire and EMS costs that will impact the City and County General Fund. The Project is also anticipated to generate Police service costs of \$21,000 per year. The cost of maintaining the Project's open space will be funded by the tenant. The cost to operate and maintain Crane Cove Park is estimated to total \$400,000 per year, but this cost will be funded through the establishment of a Maintenance Community Facilities District, which is funded by private tenants. The General Fund will not be responsible for funding the operation/maintenance of Crane Cove Park or public spaces within the Project.

Fire and EMS, and Police expenditures have been estimated from factors based on the cost and service population analysis contained in Economic & Planning Systems, Inc.'s Findings of Fiscal Responsibility and Feasibility - Pier 70 Waterfront Site and Illinois Street Parcel Report from May 21, 2013.

- ***Fire and EMS Expenditures*** – According to the EPS report, the allocation of costs for the new Public Safety Building in Mission Bay (Station 4) to the Pier 70 Waterfront and Illinois Street parcels is \$2.4 million per year. Based on the service population estimated from the EPS analysis, KMA's analysis uses a factor of \$394 per unit of service population to calculate Fire and EMS costs.
- ***Police Expenditures*** – The factor for Police expenditures is \$118 per unit of service population, based on the cost of one patrol unit needed to serve the Pier 70 Waterfront and Illinois Street parcels in EPS's report.

- **Public Open Space** – The Project's tenant will be responsible for maintaining the Project's open space. Crane Cove Park will be maintained through the establishment of a Maintenance CFD to be funded by private tenants.
- **Employment and Service Population** – As for the Project revenue estimates, the number of jobs is estimated based on two employees per 1,000 square feet, and the service population assumes one employee is equivalent to one third of a resident.

B. Economic Benefits to the City and County of San Francisco

It is estimated that the Project will create approximately 460 direct full-time jobs, with an average annual payroll of \$31 million and output of \$72 million, on an on-going basis once it is complete. In addition to the direct benefits, the new businesses and the employees will support other businesses in San Francisco and the region through expenditures on materials, retail goods, and services. Including these indirect and induced economic impacts, the Project is anticipated to result in a total of 780 jobs, \$50 million of annual payroll, and \$106 million of output city- and county-wide.

The construction of the Project is estimated to create 471 direct jobs, \$32 million of direct payroll, and \$79 million of direct output over the 3-year period during which building takes place. Total direct, indirect, and induced construction period impacts are expected to be approximately 707 jobs, \$45 million of payroll, and \$115 million of output.

Direct jobs are calculated based on project size, occupancy, and a density of 2 employees per 1,000 square feet. Direct payroll combines employment with the average Employment Development Department wages for occupations likely to be represented in the Project. Annual direct output is based on the relationship between jobs and output in San Francisco County according to the Minnesota IMPLAN Group.

Indirect and induced employment impacts are estimated using IMPLAN multipliers for San Francisco County which have been developed by the Minnesota IMPLAN Group. IMPLAN multipliers are applied to estimated direct economic impacts to arrive at the total direct, indirect, and induced impacts to be produced by the Project.

Exhibit 3

| Economic Benefits to the City and County of San Francisco | On-Going | | | Construction Period | | |
|-----------------------------------------------------------|------------|---------------|----------------|---------------------|---------------|----------------|
| | Jobs | Payroll (\$M) | Output (\$M) | Jobs | Payroll (\$M) | Output (\$M) |
| Direct | 458 | \$31.4 | \$71.8 | 471 | \$31.6 | \$79.0 |
| Indirect and Induced | 321 | \$19.0 | \$34.7 | 236 | \$13.4 | \$36.4 |
| Total Direct, Indirect, and Induced | 779 | \$50.4 | \$106.5 | 707 | \$45.0 | \$115.4 |

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 |
|-----------------------------------------------|---------------------|---------------------|------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund Revenues ¹ | | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$0 | \$4,300 | \$42,600 | \$63,900 | \$85,200 | \$86,900 | \$88,700 | \$90,500 | \$92,300 | \$94,100 | \$96,000 | \$97,900 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$0 | \$14,700 | \$63,600 | \$68,300 | \$70,300 | \$72,400 | \$74,600 | \$76,800 | \$79,100 | \$81,500 | \$84,000 | \$86,500 |
| Parking Tax | \$735,400 | \$1,602,400 | \$0 | \$4,400 | \$17,200 | \$17,800 | \$18,300 | \$18,800 | \$19,400 | \$20,000 | \$20,600 | \$21,200 | \$21,800 | \$22,500 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$13,700 | \$74,900 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$0 | \$6,900 | \$112,500 | \$193,400 | \$199,200 | \$205,200 | \$211,400 | \$217,700 | \$224,200 | \$231,000 | \$237,900 | \$245,000 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$0 | \$4,300 | \$44,600 | \$58,100 | \$59,900 | \$61,700 | \$63,500 | \$65,400 | \$67,400 | \$69,400 | \$71,500 | \$73,600 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$0 | \$1,900 | \$19,100 | \$24,900 | \$25,700 | \$26,400 | \$27,200 | \$28,000 | \$28,900 | \$29,700 | \$30,600 | \$31,600 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$0 | \$3,600 | \$39,100 | \$51,300 | \$52,800 | \$54,400 | \$56,000 | \$57,700 | \$59,400 | \$61,200 | \$63,000 | \$64,900 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$0 | \$300 | \$3,300 | \$4,300 | \$4,400 | \$4,600 | \$4,700 | \$4,900 | \$5,000 | \$5,200 | \$5,300 | \$5,500 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$0 | \$100 | \$600 | \$700 | \$700 | \$800 | \$800 | \$800 | \$800 | \$900 | \$900 | \$900 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total if Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$0 | \$45,400 | \$285,900 | \$264,400 | \$291,600 | \$299,600 | \$307,700 | \$316,100 | \$324,600 | \$333,500 | \$342,500 | \$351,800 |
| Total if Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$0 | \$49,900 | \$372,900 | \$424,600 | \$456,600 | \$469,500 | \$482,800 | \$496,400 | \$510,300 | \$524,800 | \$539,500 | \$554,800 |
| General Fund Expenditures ² | | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$0 | \$1,500 | \$16,000 | \$20,900 | \$21,600 | \$22,200 | \$22,900 | \$23,600 | \$24,300 | \$25,000 | \$25,700 | \$26,500 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$0 | \$4,900 | \$53,200 | \$69,800 | \$71,900 | \$74,000 | \$76,200 | \$78,500 | \$80,900 | \$83,300 | \$85,800 | \$88,400 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$0 | \$6,400 | \$69,200 | \$90,700 | \$93,500 | \$96,200 | \$99,100 | \$102,100 | \$105,200 | \$108,300 | \$111,500 | \$114,900 |
| Net General Fund Impact | | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$0 | \$39,000 | \$216,700 | \$173,700 | \$198,100 | \$203,400 | \$208,600 | \$214,000 | \$219,400 | \$225,200 | \$231,000 | \$236,900 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$0 | \$43,500 | \$303,700 | \$333,900 | \$363,100 | \$373,300 | \$383,700 | \$394,300 | \$405,100 | \$416,500 | \$428,000 | \$439,900 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 |
|-----------------------------------------------|---------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund Revenues ¹ | | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$99,900 | \$101,900 | \$103,900 | \$106,000 | \$108,100 | \$110,300 | \$112,500 | \$114,700 | \$117,000 | \$119,400 | \$121,700 | \$124,200 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$89,100 | \$91,700 | \$94,500 | \$97,300 | \$100,200 | \$103,200 | \$106,300 | \$109,500 | \$112,800 | \$116,200 | \$119,700 | \$123,300 |
| Parking Tax | \$735,400 | \$1,602,400 | \$23,200 | \$23,900 | \$24,600 | \$25,300 | \$26,100 | \$26,900 | \$27,700 | \$28,500 | \$29,300 | \$30,200 | \$31,100 | \$32,100 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$252,400 | \$259,900 | \$267,700 | \$275,800 | \$284,000 | \$292,600 | \$301,300 | \$310,400 | \$319,700 | \$329,300 | \$339,200 | \$349,300 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$75,900 | \$78,100 | \$80,500 | \$82,900 | \$85,400 | \$87,900 | \$90,600 | \$93,300 | \$96,100 | \$99,000 | \$101,900 | \$105,000 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$32,500 | \$33,500 | \$34,500 | \$35,500 | \$36,600 | \$37,700 | \$38,800 | \$40,000 | \$41,200 | \$42,400 | \$43,700 | \$45,000 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$66,900 | \$68,900 | \$71,000 | \$73,100 | \$75,300 | \$77,500 | \$79,900 | \$82,300 | \$84,700 | \$87,300 | \$89,900 | \$92,600 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$5,600 | \$5,800 | \$6,000 | \$6,200 | \$6,300 | \$6,500 | \$6,700 | \$6,900 | \$7,100 | \$7,300 | \$7,600 | \$7,800 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$900 | \$1,000 | \$1,000 | \$1,000 | \$1,100 | \$1,100 | \$1,100 | \$1,200 | \$1,200 | \$1,200 | \$1,300 | \$1,300 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total if Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$361,500 | \$371,300 | \$381,500 | \$391,800 | \$402,500 | \$413,400 | \$424,800 | \$436,400 | \$448,200 | \$460,600 | \$473,200 | \$486,300 |
| Total if Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$570,500 | \$586,600 | \$603,200 | \$620,200 | \$637,700 | \$655,800 | \$674,300 | \$693,500 | \$713,000 | \$733,300 | \$754,200 | \$775,600 |
| General Fund Expenditures ² | | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$27,300 | \$28,100 | \$29,000 | \$29,800 | \$30,700 | \$31,700 | \$32,600 | \$33,600 | \$34,600 | \$35,600 | \$36,700 | \$37,800 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$91,000 | \$93,800 | \$96,600 | \$99,500 | \$102,500 | \$105,500 | \$108,700 | \$112,000 | \$115,300 | \$118,800 | \$122,400 | \$126,000 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$118,300 | \$121,900 | \$125,600 | \$129,300 | \$133,200 | \$137,200 | \$141,300 | \$145,600 | \$149,900 | \$154,400 | \$159,100 | \$163,800 |
| Net General Fund Impact | | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$243,200 | \$249,400 | \$255,900 | \$262,500 | \$269,300 | \$276,200 | \$283,500 | \$290,800 | \$298,300 | \$306,200 | \$314,100 | \$322,500 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$452,200 | \$464,700 | \$477,600 | \$490,900 | \$504,500 | \$518,600 | \$533,000 | \$547,900 | \$563,100 | \$578,900 | \$595,100 | \$611,800 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 |
|-----------------------------------------------|---------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| General Fund Revenues ¹ | | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$126,700 | \$129,200 | \$131,800 | \$134,400 | \$137,100 | \$139,800 | \$142,600 | \$145,500 | \$148,400 | \$151,400 | \$154,400 | \$157,500 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$127,000 | \$130,800 | \$134,700 | \$138,800 | \$142,900 | \$147,200 | \$151,600 | \$156,200 | \$160,900 | \$165,700 | \$170,700 | \$175,800 |
| Parking Tax | \$735,400 | \$1,602,400 | \$33,000 | \$34,000 | \$35,000 | \$36,100 | \$37,200 | \$38,300 | \$39,400 | \$40,600 | \$41,800 | \$43,100 | \$44,400 | \$45,700 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$359,800 | \$370,600 | \$381,700 | \$393,200 | \$405,000 | \$417,100 | \$429,600 | \$442,500 | \$455,800 | \$469,500 | \$483,600 | \$498,100 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$108,100 | \$111,400 | \$114,700 | \$118,200 | \$121,700 | \$125,400 | \$129,100 | \$133,000 | \$137,000 | \$141,100 | \$145,300 | \$149,700 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$46,300 | \$47,700 | \$49,200 | \$50,600 | \$52,200 | \$53,700 | \$55,300 | \$57,000 | \$58,700 | \$60,500 | \$62,300 | \$64,200 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$95,400 | \$98,200 | \$101,200 | \$104,200 | \$107,300 | \$110,600 | \$113,900 | \$117,300 | \$120,800 | \$124,400 | \$128,200 | \$132,000 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$8,000 | \$8,300 | \$8,500 | \$8,800 | \$9,000 | \$9,300 | \$9,600 | \$9,900 | \$10,200 | \$10,500 | \$10,800 | \$11,100 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$1,400 | \$1,400 | \$1,400 | \$1,500 | \$1,500 | \$1,600 | \$1,600 | \$1,700 | \$1,700 | \$1,800 | \$1,800 | \$1,900 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total if Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$499,600 | \$513,300 | \$527,300 | \$542,000 | \$556,700 | \$572,200 | \$587,800 | \$604,200 | \$620,800 | \$638,000 | \$655,600 | \$673,700 |
| Total if Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$797,600 | \$820,200 | \$843,500 | \$867,600 | \$892,200 | \$917,600 | \$943,600 | \$970,700 | \$998,300 | \$1,026,900 | \$1,056,200 | \$1,086,300 |
| General Fund Expenditures ² | | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$38,900 | \$40,100 | \$41,300 | \$42,600 | \$43,800 | \$45,100 | \$46,500 | \$47,900 | \$49,300 | \$50,800 | \$52,300 | \$53,900 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$129,800 | \$133,700 | \$137,700 | \$141,800 | \$146,100 | \$150,500 | \$155,000 | \$159,600 | \$164,400 | \$169,400 | \$174,400 | \$179,700 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$168,700 | \$173,800 | \$179,000 | \$184,400 | \$189,900 | \$195,600 | \$201,500 | \$207,500 | \$213,700 | \$220,200 | \$226,700 | \$233,600 |
| Net General Fund Impact | | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$330,900 | \$339,500 | \$348,300 | \$357,600 | \$366,800 | \$376,600 | \$386,300 | \$396,700 | \$407,100 | \$417,800 | \$428,900 | \$440,100 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$628,900 | \$646,400 | \$664,500 | \$683,200 | \$702,300 | \$722,000 | \$742,100 | \$763,200 | \$784,600 | \$806,700 | \$829,500 | \$852,700 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 1
Recurring City General Fund Revenues and Expenditures
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue / Expenditure | \$2015 ⁴ | Total IFD Term | FY 51/52 | FY 52/53 | 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 |
|-----------------------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund Revenues ¹ | | | | | | | | | | | | | |
| Property Tax Not Deposited to IFD | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$2,775,600 | \$5,835,500 | \$160,600 | \$163,800 | \$167,100 | \$170,500 | \$173,900 | \$177,400 | \$180,900 | \$184,500 | \$188,200 | \$192,000 | \$195,800 |
| Property Transfer Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | \$2,822,800 | \$6,156,700 | \$181,000 | \$186,500 | \$192,100 | \$197,800 | \$203,800 | \$209,900 | \$216,200 | \$222,700 | \$229,300 | \$236,200 | \$243,300 |
| Parking Tax | \$735,400 | \$1,602,400 | \$47,100 | \$48,500 | \$49,900 | \$51,400 | \$53,000 | \$54,600 | \$56,200 | \$57,900 | \$59,600 | \$61,400 | \$63,300 |
| Payroll Tax | \$83,900 | \$88,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | \$7,901,000 | \$17,343,100 | \$513,000 | \$528,400 | \$544,300 | \$560,600 | \$577,400 | \$594,700 | \$612,600 | \$630,900 | \$649,900 | \$669,400 | \$689,400 |
| Business Registration Fee | \$0 | \$0 | | | | | | | | | | | |
| If Gr Receipts < \$1 M | \$2,387,000 | \$5,225,400 | \$154,200 | \$158,800 | \$163,600 | \$168,500 | \$173,500 | \$178,700 | \$184,100 | \$189,600 | \$195,300 | \$201,200 | \$207,200 |
| If Gr Receipts > \$1 M | \$1,023,000 | \$2,239,500 | \$66,100 | \$68,100 | \$70,100 | \$72,200 | \$74,400 | \$76,600 | \$78,900 | \$81,300 | \$83,700 | \$86,200 | \$88,800 |
| Utility Users Tax | \$2,104,500 | \$4,607,600 | \$136,000 | \$140,000 | \$144,200 | \$148,600 | \$153,000 | \$157,600 | \$162,400 | \$167,200 | \$172,200 | \$177,400 | \$182,700 |
| License, Permit, Franchise Fees | \$177,200 | \$387,900 | \$11,400 | \$11,800 | \$12,100 | \$12,500 | \$12,900 | \$13,300 | \$13,700 | \$14,100 | \$14,500 | \$14,900 | \$15,400 |
| Fines, Forfeitures, Penalties | \$29,800 | \$65,300 | \$1,900 | \$2,000 | \$2,000 | \$2,100 | \$2,200 | \$2,200 | \$2,300 | \$2,400 | \$2,400 | \$2,500 | \$2,600 |
| | \$0 | \$0 | | | | | | | | | | | |
| Total If Avg Gr Receipts < \$1 M | \$11,116,200 | \$23,969,400 | \$692,200 | \$711,400 | \$731,000 | \$751,400 | \$772,300 | \$793,700 | \$815,800 | \$838,400 | \$861,500 | \$885,600 | \$910,300 |
| Total If Avg Gr Receipts > \$1 M | \$17,653,200 | \$38,326,600 | \$1,117,100 | \$1,149,100 | \$1,181,800 | \$1,215,700 | \$1,250,600 | \$1,286,300 | \$1,323,200 | \$1,361,000 | \$1,399,800 | \$1,440,000 | \$1,481,300 |
| General Fund Expenditures ² | | | | | | | | | | | | | |
| Police | \$859,300 | \$1,881,300 | \$55,500 | \$57,200 | \$58,900 | \$60,700 | \$62,500 | \$64,400 | \$66,300 | \$68,300 | \$70,300 | \$72,400 | \$74,600 |
| Fire and EMS | \$2,864,400 | \$6,271,400 | \$185,100 | \$190,600 | \$196,300 | \$202,200 | \$208,300 | \$214,600 | \$221,000 | \$227,600 | \$234,400 | \$241,500 | \$248,700 |
| Portion of Crane Cove Park | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | | | | | | | | | | | |
| Total General Fund Expend. | \$3,723,800 | \$8,152,700 | \$240,600 | \$247,800 | \$255,200 | \$262,900 | \$270,800 | \$279,000 | \$287,300 | \$295,900 | \$304,700 | \$313,900 | \$323,300 |
| Net General Fund Impact | | | | | | | | | | | | | |
| If Average Gr Receipts < \$1 M | \$7,392,400 | \$15,816,700 | \$451,600 | \$463,600 | \$475,800 | \$488,500 | \$501,500 | \$514,700 | \$528,500 | \$542,500 | \$556,800 | \$571,700 | \$587,000 |
| If Average Gr Receipts > \$1 M | \$13,929,400 | \$30,173,900 | \$876,500 | \$901,300 | \$926,600 | \$952,800 | \$979,800 | \$1,007,300 | \$1,035,900 | \$1,065,100 | \$1,095,100 | \$1,126,100 | \$1,158,000 |

¹ Table 4a.

² Table 6. Police and Fire protection services are the project's major service impacts. The project's public plaza will be privately maintained by the lessee. Crane Cove Park will be maintained through a CFD maintenance district. The project is not creating any new public infrastructure that is to be maintained by the General Fund. It is assumed that City service costs including Community Health, Human Welfare, and Culture and Recreation services are generated by residents and do not apply to the project.

⁴ Discounted at 3%.

Table 2
Development Program and Employment Estimate.
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

Source: 20th Street Historic Bldgs Proforma 03/27/15 (Orton Development Inc.)

| Project Program | Land Use | Building Size | | Taxable Net SF | | % Occupancy ¹ | | | | Occupied Net Square Feet | | | |
|-----------------------------------------------------------------|-------------------------------|---------------|---------|----------------|---------|--------------------------|----------|----------|----------|--------------------------|-----------------|-----------------|-----------------|
| | | Gross SF | Net SF | % | SF | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 |
| Building 101 | Office / Light Industrial | 61,311 | 58,245 | 100.0% | 58,245 | 0% | 25% | 70% | 95% | 0 | 14,561 | 40,772 | 55,333 |
| Building 102 | Restaurant | 11,266 | 10,703 | 100.0% | 10,703 | 0% | 25% | 95% | 95% | 0 | 2,676 | 10,168 | 10,168 |
| Building 104 | Office - Non Profit | 45,759 | 43,471 | 100.0% | 43,471 | 0% | 0% | 75% | 95% | 0 | 0 | 32,603 | 41,297 |
| Building 113 | Healthcare - Non Profit | 77,530 | 60,743 | 100.0% | 60,743 | 0% | 0% | 75% | 95% | 0 | 0 | 45,557 | 57,706 |
| Building 114 | Light Industrial | 16,088 | 15,444 | 100.0% | 15,444 | 0% | 0% | 75% | 95% | 0 | 0 | 11,583 | 14,672 |
| Building 115 | Light Industrial | 13,078 | 12,555 | 100.0% | 12,555 | 0% | 0% | 75% | 95% | 0 | 0 | 9,416 | 11,927 |
| Building 116 | Light Industrial | 25,270 | 24,259 | 100.0% | 24,259 | 0% | 0% | 75% | 95% | 0 | 0 | 18,194 | 23,046 |
| Building 14 | Light Industrial - Non Profit | 16,315 | 15,662 | 100.0% | 15,662 | 0% | 0% | 75% | 95% | 0 | 0 | 11,747 | 14,879 |
| | | 266,617 | 241,082 | 100.0% | 241,082 | | | | | 0 | 17,237 | 180,040 | 229,028 |
| Piazza / Parking / Site - Parking Spaces (ODI = 75; Port = 210) | | | 285 | | | | | | | - | 75 | 210 | 0 |
| Cumulative Employment | | | | | | | | | | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 |
| Employees / Jobs | 2.00 per 1,000 net sf | | | | | | | | | - | 34 | 360 | 458 |
| Service Population | 0.33 per employee | | | | | | | | | - | 11 | 120 | 153 |

¹ Based on ODI proforma; KMA adjusted to match construction completion to fiscal years.

Table 3

Revenue Assumptions

Fiscal and Economic Impact Analysis

Pier 70 - Historic Core

Port of San Francisco

November 04, 2015

Global Escalation Assumptions

| | |
|------------------------------|----|
| Assessed Value Annual Growth | 2% |
| Other Revenues Annual Growth | 3% |

2015 City/County Service Population Estimate for Averages

| | |
|----------------------------------|-----------|
| Resident Population ¹ | 845,602 |
| Employment Base ² | 613,200 |
| Service Population ³ | 1,050,002 |

City and County General Fund

Possessory Interest Tax ⁴ 0% share remaining after IFD

Property Tax in Lieu of VLF ⁵

| | |
|-----------------------------------------------------------------|-------------------|
| Property Tax Based Revenue 2004-05 ⁶ | \$109,881,177 |
| 2004-05 City of San Francisco Gross Assessed Value ⁶ | \$103,076,295,556 |
| Property Tax in Lieu of VLF per \$1,000 in AV Growth | \$1.07 |

Property Transfer Tax

| | |
|------------------------------------------|--------------|
| Year of Sale ⁷ | 9 |
| Sale Value in Year of Sale ⁷ | \$87,000,000 |
| Tax Rate per \$500 of value ⁸ | \$12.50 |

Sales Tax

| | |
|-----------------------------|-------|
| Sales Tax Rate ⁹ | 1.00% |
|-----------------------------|-------|

Employee Spending

| | |
|----------------------------------------------------------|---------|
| Potential Non-Restaurant Weekly Spending ¹⁰ | \$45.52 |
| Weeks at Work per Year ¹¹ | 50 |
| Potential Annual Non-Restaurant Spending | \$2,276 |
| San Francisco Capture ¹¹ | 100% |
| Potential Annual Non-Restaurant Spending per Employee | \$2,276 |
| Potential Restaurant Weekly Spending ¹⁰ | \$26.29 |
| Weeks at Work per Year ¹¹ | 50 |
| Potential Annual Restaurant Spending | \$1,315 |
| San Francisco Capture ¹¹ | 100.00% |
| Employee Spending at Project Restaurant ¹¹ | 80% |
| Potential Annual Non-Project Rest. Spending per Employee | \$263 |

Taxable Sales by Project Restaurant

| | |
|-------------------------------------|--------|
| Rentable Square Feet | 10,703 |
| Sales per Rentable SF ¹¹ | \$500 |

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

City and County General Fund (continued)

Parking Tax

| | |
|--------------------------------------------------------------|-------|
| Revenue per Space per Month ⁷ | \$100 |
| Parking Occupancy Rate ⁷ | 95% |
| San Francisco Parking Tax Rate ¹² | 25% |
| Parking Tax Revenue Allocation to General Fund ¹³ | 20% |

Payroll Expense and Gross Receipts Tax ¹⁴

Eligibility

| | |
|------------------------------------------------------------------------|--------------------------|
| Project Rentable Square Feet ¹⁵ | 241,082 |
| Project Occupied Rentable Square Feet at 5% Vacancy | 229,028 |
| Average Number of Employees per Business ¹⁶ | 6 |
| Employees per 1,000 Square Feet | 2 |
| Square Foot per Business | 3,000 |
| Occupied Businesses in Project | 76 |
| Estimated Total Project Payroll at 95% Occupancy ¹⁷ | \$31,406,000 |
| Estimated Total Project Payroll at 100% Occupancy ¹⁸ | \$33,058,947 |
| Payroll > \$260,000 per Business for Payroll Tax ¹⁹ | \$411,382 (eligible) |
| Estimated Total Project Gross Receipts at 95% Occupancy ¹⁷ | \$71,789,000 |
| Estimated Total Project Gross Receipts at 100% Occupancy ¹⁸ | \$75,567,368 |
| Gross Receipts > \$1,000,000 per Gross Receipts Tax ²⁰ | \$940,353 (not eligible) |

Payroll Expense Tax

| | |
|-------------------------------------------------------------------------|--------|
| Exemptions and Adjustment for San Francisco-based Payroll ²¹ | 75% |
| 2015 Rate ¹⁹ | 1.125% |
| 2016 Rate ¹⁹ | 0.750% |
| 2017 Rate ¹⁹ | 0.375% |
| 2018 Rate ¹⁹ | 0.000% |

Gross Receipts Tax

| | |
|-------------------------------------------------------------------------------------------------------------------------------------|--------|
| Exemptions and Adjustment for San Francisco-based Receipts ²¹ | 75% |
| Retail, Wholesale, and Services Rate for \$1 to \$2.5 M ²⁰ | 0.100% |
| Manufacturing / Transportation / Warehousing, Information, Biotech, Clean Tech, Food Services Rate for \$1 to \$2.5 M ²⁰ | 0.205% |
| Private Education / Health, Admin., Misc. Rate for \$1 to \$2.5 M ²⁰ | 0.550% |
| Finance, Insurance, Profssnl, Scientific, Tech Rate for \$1 to \$2.5 M ²⁰ | 0.460% |
| Estimated Average for Pier 70 Businesses | 0.329% |
| 2015 Phase-In ²⁰ | 25% |
| 2016 Phase-In ²⁰ | 50% |
| 2017 Phase-In ²⁰ | 75% |
| 2018 Phase-In ²⁰ | 100% |

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

City and County General Fund (continued)

Business Registration Fee

| | |
|-----------------------------------------------------------------|-------|
| Rate per business earning from \$750,000 to \$1 M ²² | \$700 |
| Rate per business earning from \$1 M to \$2.5 M ²² | \$300 |

Other General Fund Revenues ²³

| | Amount FY 2015/16 | Avg. Factor | Average Basis |
|---------------------------------------|----------------------|----------------|-----------------------|
| Utility Users Tax ²⁴ | | | |
| Water Users Tax | \$3,740,000 | \$6.10 | per employee |
| Gas Electric Steam Users Tax | \$40,620,000 | \$66.24 | per employee |
| Telephone Users Tax | \$49,190,000 | \$46.85 | per service populatio |
| Access Line Tax | \$45,594,000 | \$43.42 | per service populatio |
| Licenses, Permits, and Franchise Fees | \$27,162,891 | \$25.87 | per service populatio |
| Fines, Forfeitures | \$4,577,144 | \$4.36 | per service populatio |

Other City and County Funds

Sales Tax ²⁵

| | |
|------------------------------------|-------|
| Public Safety Sales Tax | 0.50% |
| SF County Transportation Authority | 0.50% |
| SF County Public Finance Authority | 0.25% |

Parking Tax

| | |
|---------------------------------------------------------|-----|
| SF County Municipal Transportation Agency ¹³ | 80% |
|---------------------------------------------------------|-----|

Table 3
Revenue Assumptions
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 04, 2015

Notes:

- ¹ State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2015.
- ² California Department of Transportation San Francisco County Economic Forecast.
- ³ Resident population plus one-third the San Francisco employment base.
- ⁴ 100% of General Fund property tax will be deposited into the IFD to pay
- ⁵ Per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
- ⁶ Values for City and County of San Francisco. California State Controller's Office.
- ⁷ 20th Street Historic Bldgs Proforma 3/27/15(Orton Development Inc.).
- ⁸ San Francisco Business and Tax Regulations Code, Article 12-C: Real Property Transfer Tax. Rate for buildings valued above \$10 M.
- ⁹ San Francisco Business and Tax Regulations Code, Article 12-D: Uniform Local Sales and Use Tax.
- ¹⁰ Based on employee food and goods and services spending in the vicinity of the office, as reported in the ICSC report, "Office-Worker Retail Spending in a Digital Age" (2012), for urban workers.
- ¹¹ KMA assumption.
- ¹² San Francisco Business and Tax Regulations Code, Article 9: Tax on Occupancy of Parking Space in Parking Stations. Per the City and County of San Francisco Controller's Office, since the 25% parking tax is usually already included in the posted parking rate, this results in 20 percent of the patron's total parking charges being attributed to the parking tax. However, Orton pro forma assumes 25% tax on top of a \$100 per month parking fee.
- ¹³ Proposition A, passed in November 2007, specified that beginning in FY 2008-09, the Parking Tax be allocated between the General Fund (20%) and MTA (80%). City and County of San Francisco Controller's Office.
- ¹⁴ Starting in 2014, the payroll expense tax will be phased out and replaced with the gross receipts tax.
- ¹⁵ Table 2.
- ¹⁶ Based on information for the American Industrial Center, a comparable existing business facility.
- ¹⁷ Table 7.
- ¹⁸ Adjustment to 100% occupancy for payroll and gross receipts calculations, Table 4b.
- ¹⁹ San Francisco Business and Tax Regulations Code, Article 12-A: Payroll Expense Tax Ordinance.
- ²⁰ San Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax Ordinance.
- ²¹ The Payroll Expense and Gross Receipts Tax ordinances apply only to business activities performed in San Francisco. In addition, for a limited number of years the ordinances exclude certain bio-tech and clean-tech activities, as well as certain stock-based compensation. The adjustment factor is applied to the estimates to take into account these provisions.
- ²² San Francisco Business and Tax Regulations Code Article 12: Business Registration Fee.
- ²³ These factors are based on the methodology used in the Infrastructure Financing Plan, Infrastructure Financing District No. 1 (Rincon Hill Area) updated with data from the Adopted 2015/16 budget.
- ²⁴ Per San Francisco Business and Tax Regulations Code Article 10: Utility Users Tax, non-residential users pay telephone, water, gas, electric, and steam users utility taxes; residential and non-residential users pay cellular telephone and access line taxes. It has been assumed for purposes of these estimates that most residential users use cellular rather than land-line telephone service.
- ²⁵ Per the report Pier 70 Waterfront Site and Illinois Street Parcel Development Projects: Findings of Fiscal Responsibility and Feasibility, by Economic Planning Systems in May 2013, and Board of Equalization.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| | | | | | | | | | | | | November 4, 2015 | |
|-------------------------------------------------------------|----------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|-----------|
| Revenue Source | Measure ¹ | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 |
| AV on Tax Roll (\$1,000s) ² | | \$0 | \$3,998 | \$39,980 | \$59,970 | \$79,960 | \$81,559 | \$83,191 | \$84,854 | \$86,552 | \$88,283 | \$90,048 | \$91,849 |
| Non-AV Revenue Escalation ¹ | 3.0% | 100.0% | 103.0% | 106.1% | 109.3% | 112.6% | 115.9% | 119.4% | 123.0% | 126.7% | 130.5% | 134.4% | 138.4% |
| Employees ³ | | 0 | 34 | 360 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ³ | | 0 | 2,676 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ³ | | 0 | 75 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Leasable SF ³ | | 0 | 17,237 | 180,040 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Service Population ³ | | 0 | 11 | 120 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax:Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$0 | \$4,262 | \$42,619 | \$63,929 | \$85,239 | \$86,943 | \$88,683 | \$90,456 | \$92,266 | \$94,111 | \$95,993 | \$97,913 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$0 | \$797 | \$8,693 | \$11,391 | \$11,732 | \$12,084 | \$12,447 | \$12,820 | \$13,205 | \$13,601 | \$14,009 | \$14,429 |
| Employee Restaurant | 1.00% \$263/empl | \$0 | \$92 | \$1,004 | \$1,316 | \$1,355 | \$1,396 | \$1,438 | \$1,481 | \$1,525 | \$1,571 | \$1,618 | \$1,667 |
| Project Restaurant | 1.00% \$500 psf | \$0 | \$13,780 | \$53,935 | \$55,553 | \$57,220 | \$58,937 | \$60,705 | \$62,526 | \$64,402 | \$66,334 | \$68,324 | \$70,373 |
| | | \$0 | \$14,669 | \$63,632 | \$68,260 | \$70,308 | \$72,417 | \$74,589 | \$76,827 | \$79,132 | \$81,506 | \$83,951 | \$86,470 |
| Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | \$0 | \$88,065 | \$344,686 | \$355,027 | \$365,678 | \$376,648 | \$387,948 | \$399,586 | \$411,574 | \$423,921 | \$436,638 | \$449,738 |
| General Fund Taxes | 25% 20% to GF | \$0 | \$4,403 | \$17,234 | \$17,751 | \$18,284 | \$18,832 | \$19,397 | \$19,979 | \$20,579 | \$21,196 | \$21,832 | \$22,487 |
| Payroll Tax ⁴ | | \$0 | \$13,694 | \$74,856 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$0 | \$6,861 | \$112,504 | \$193,418 | \$199,220 | \$205,197 | \$211,353 | \$217,694 | \$224,224 | \$230,951 | \$237,880 | \$245,016 |
| Business Registration Fee | | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 0 | 6 | 60 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M | \$700 per business | \$0 | \$4,326 | \$44,558 | \$58,133 | \$59,877 | \$61,673 | \$63,524 | \$65,429 | \$67,392 | \$69,414 | \$71,496 | \$73,641 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$0 | \$1,854 | \$19,096 | \$24,914 | \$25,662 | \$26,431 | \$27,224 | \$28,041 | \$28,882 | \$29,749 | \$30,641 | \$31,561 |
| Utility Users Tax | | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$0 | \$214 | \$2,329 | \$3,052 | \$3,144 | \$3,238 | \$3,335 | \$3,436 | \$3,539 | \$3,645 | \$3,754 | \$3,867 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$0 | \$2,320 | \$25,300 | \$33,152 | \$34,147 | \$35,171 | \$36,227 | \$37,313 | \$38,433 | \$39,586 | \$40,773 | \$41,996 |
| Telephone Users Tax | \$46.85 per svc popn | \$0 | \$547 | \$5,964 | \$7,815 | \$8,050 | \$8,291 | \$8,540 | \$8,796 | \$9,060 | \$9,332 | \$9,612 | \$9,900 |
| Access Line Tax | \$43.42 per svc popn | \$0 | \$507 | \$5,528 | \$7,244 | \$7,461 | \$7,685 | \$7,916 | \$8,153 | \$8,398 | \$8,650 | \$8,909 | \$9,176 |
| | | \$0 | \$3,587 | \$39,121 | \$51,264 | \$52,802 | \$54,386 | \$56,018 | \$57,698 | \$59,429 | \$61,212 | \$63,048 | \$64,940 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$0 | \$302 | \$3,293 | \$4,316 | \$4,445 | \$4,578 | \$4,716 | \$4,857 | \$5,003 | \$5,153 | \$5,308 | \$5,467 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$0 | \$51 | \$555 | \$727 | \$749 | \$771 | \$795 | \$818 | \$843 | \$868 | \$894 | \$921 |
| Total General Fund Revenue If Avg. Gross Receipts < \$1 M | | \$0 | \$45,295 | \$285,869 | \$264,380 | \$291,703 | \$299,602 | \$307,721 | \$316,065 | \$324,644 | \$333,460 | \$342,522 | \$351,838 |
| Total General Fund Revenue If Avg. Gross Receipts > \$1 M | | \$0 | \$49,684 | \$372,912 | \$424,579 | \$456,708 | \$469,557 | \$482,775 | \$496,371 | \$510,358 | \$524,746 | \$539,547 | \$554,773 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 |
|-------------------------------------------------------------|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| AV on Tax Roll (\$1,000s) ² | | \$93,686 | \$95,560 | \$97,471 | \$99,420 | \$101,409 | \$103,437 | \$105,506 | \$107,616 | \$109,768 | \$111,963 | \$114,203 | \$116,487 |
| Non-AV Revenue Escalation ¹ | 3.0% | 142.6% | 146.9% | 151.3% | 155.8% | 160.5% | 165.3% | 170.2% | 175.4% | 180.6% | 186.0% | 191.6% | 197.4% |
| Employees ³ | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ³ | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ³ | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Leasable SF ³ | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Service Population ³ | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$99,871 | \$101,868 | \$103,906 | \$105,984 | \$108,103 | \$110,266 | \$112,471 | \$114,720 | \$117,015 | \$119,355 | \$121,742 | \$124,177 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$14,862 | \$15,308 | \$15,767 | \$16,240 | \$16,728 | \$17,229 | \$17,746 | \$18,279 | \$18,827 | \$19,392 | \$19,974 | \$20,573 |
| Employee Restaurant | 1.00% \$263/empl | \$1,717 | \$1,768 | \$1,821 | \$1,876 | \$1,932 | \$1,990 | \$2,050 | \$2,111 | \$2,175 | \$2,240 | \$2,307 | \$2,376 |
| Project Restaurant | 1.00% \$500 psf | \$72,485 | \$74,659 | \$76,899 | \$79,206 | \$81,582 | \$84,030 | \$86,550 | \$89,147 | \$91,821 | \$94,576 | \$97,413 | \$100,336 |
| | | \$89,064 | \$91,736 | \$94,488 | \$97,322 | \$100,242 | \$103,249 | \$106,347 | \$109,537 | \$112,823 | \$116,208 | \$119,694 | \$123,285 |
| Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | \$463,230 | \$477,127 | \$491,440 | \$506,184 | \$521,369 | \$537,010 | \$553,121 | \$569,714 | \$586,806 | \$604,410 | \$622,542 | \$641,218 |
| General Fund Taxes | 25% 20% to GF | \$23,161 | \$23,856 | \$24,572 | \$25,309 | \$26,068 | \$26,851 | \$27,656 | \$28,486 | \$29,340 | \$30,220 | \$31,127 | \$32,061 |
| Payroll Tax ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$252,366 | \$259,937 | \$267,736 | \$275,768 | \$284,041 | \$292,562 | \$301,339 | \$310,379 | \$319,690 | \$329,281 | \$339,159 | \$349,334 |
| Business Registration Fee | | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M | \$700 per business | \$75,850 | \$78,126 | \$80,470 | \$82,884 | \$85,370 | \$87,931 | \$90,569 | \$93,287 | \$96,085 | \$98,968 | \$101,937 | \$104,995 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$32,507 | \$33,483 | \$34,487 | \$35,522 | \$36,587 | \$37,685 | \$38,815 | \$39,980 | \$41,179 | \$42,415 | \$43,687 | \$44,998 |
| Utility Users Tax | | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$3,983 | \$4,102 | \$4,225 | \$4,352 | \$4,483 | \$4,617 | \$4,756 | \$4,898 | \$5,045 | \$5,197 | \$5,352 | \$5,513 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$43,256 | \$44,554 | \$45,891 | \$47,267 | \$48,685 | \$50,146 | \$51,650 | \$53,200 | \$54,796 | \$56,440 | \$58,133 | \$59,877 |
| Telephone Users Tax | \$46.85 per svc popn | \$10,197 | \$10,503 | \$10,818 | \$11,143 | \$11,477 | \$11,821 | \$12,176 | \$12,541 | \$12,917 | \$13,305 | \$13,704 | \$14,115 |
| Access Line Tax | \$43.42 per svc popn | \$9,452 | \$9,735 | \$10,027 | \$10,328 | \$10,638 | \$10,957 | \$11,286 | \$11,624 | \$11,973 | \$12,332 | \$12,702 | \$13,083 |
| | | \$66,888 | \$68,895 | \$70,961 | \$73,090 | \$75,283 | \$77,541 | \$79,868 | \$82,264 | \$84,732 | \$87,274 | \$89,892 | \$92,588 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$5,631 | \$5,800 | \$5,974 | \$6,153 | \$6,338 | \$6,528 | \$6,724 | \$6,925 | \$7,133 | \$7,347 | \$7,567 | \$7,794 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$949 | \$977 | \$1,007 | \$1,037 | \$1,068 | \$1,100 | \$1,133 | \$1,167 | \$1,202 | \$1,238 | \$1,275 | \$1,313 |
| Total General Fund Revenue If Avg. Gross Receipts < \$1 M | | \$361,414 | \$371,258 | \$381,377 | \$391,779 | \$402,473 | \$413,466 | \$424,767 | \$436,385 | \$448,330 | \$460,609 | \$473,234 | \$486,214 |
| Total General Fund Revenue If Avg. Gross Receipts > \$1 M | | \$570,437 | \$586,552 | \$603,130 | \$620,185 | \$637,730 | \$655,781 | \$674,352 | \$693,458 | \$713,114 | \$733,338 | \$754,144 | \$775,551 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 |
|-------------------------------------------------------------|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|
| AV on Tax Roll (\$1,000s) ² | | \$118,816 | \$121,193 | \$123,617 | \$126,089 | \$128,611 | \$131,183 | \$133,807 | \$136,483 | \$139,212 | \$141,997 | \$144,837 | \$147,733 |
| Non-AV Revenue Escalation ¹ | 3.0% | 203.3% | 209.4% | 215.7% | 222.1% | 228.8% | 235.7% | 242.7% | 250.0% | 257.5% | 265.2% | 273.2% | 281.4% |
| Employees ³ | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ³ | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ³ | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Leasable SF ³ | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Service Population ³ | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$126,660 | \$129,194 | \$131,778 | \$134,413 | \$137,101 | \$139,843 | \$142,640 | \$145,493 | \$148,403 | \$151,371 | \$154,398 | \$157,486 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$21,190 | \$21,826 | \$22,480 | \$23,155 | \$23,850 | \$24,565 | \$25,302 | \$26,061 | \$26,843 | \$27,648 | \$28,478 | \$29,332 |
| Employee Restaurant | 1.00% \$263/empl | \$2,448 | \$2,521 | \$2,597 | \$2,675 | \$2,755 | \$2,837 | \$2,923 | \$3,010 | \$3,101 | \$3,194 | \$3,289 | \$3,388 |
| Project Restaurant | 1.00% \$500 psf | \$103,346 | \$106,446 | \$109,639 | \$112,929 | \$116,317 | \$119,806 | \$123,400 | \$127,102 | \$130,915 | \$134,843 | \$138,888 | \$143,055 |
| | | \$126,983 | \$130,793 | \$134,717 | \$138,758 | \$142,921 | \$147,209 | \$151,625 | \$156,174 | \$160,859 | \$165,685 | \$170,655 | \$175,775 |
| Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | \$660,455 | \$680,268 | \$700,677 | \$721,697 | \$743,348 | \$765,648 | \$788,618 | \$812,276 | \$836,644 | \$861,744 | \$887,596 | \$914,224 |
| General Fund Taxes | 25% 20% to GF | \$33,023 | \$34,013 | \$35,034 | \$36,085 | \$37,167 | \$38,282 | \$39,431 | \$40,614 | \$41,832 | \$43,087 | \$44,380 | \$45,711 |
| Payroll Tax ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$359,814 | \$370,609 | \$381,727 | \$393,179 | \$404,974 | \$417,123 | \$429,637 | \$442,526 | \$455,802 | \$469,476 | \$483,560 | \$498,067 |
| Business Registration Fee | | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M | \$700 per business | \$108,145 | \$111,389 | \$114,731 | \$118,173 | \$121,718 | \$125,369 | \$129,130 | \$133,004 | \$136,994 | \$141,104 | \$145,337 | \$149,697 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$46,348 | \$47,738 | \$49,170 | \$50,645 | \$52,165 | \$53,730 | \$55,342 | \$57,002 | \$58,712 | \$60,473 | \$62,287 | \$64,156 |
| Utility Users Tax | | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$5,678 | \$5,849 | \$6,024 | \$6,205 | \$6,391 | \$6,583 | \$6,780 | \$6,984 | \$7,193 | \$7,409 | \$7,631 | \$7,860 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$61,673 | \$63,523 | \$65,429 | \$67,392 | \$69,414 | \$71,496 | \$73,641 | \$75,850 | \$78,126 | \$80,470 | \$82,884 | \$85,370 |
| Telephone Users Tax | \$46.85 per svc popn | \$14,539 | \$14,975 | \$15,424 | \$15,887 | \$16,363 | \$16,854 | \$17,360 | \$17,881 | \$18,417 | \$18,970 | \$19,539 | \$20,125 |
| Access Line Tax | \$43.42 per svc popn | \$13,476 | \$13,880 | \$14,296 | \$14,725 | \$15,167 | \$15,622 | \$16,091 | \$16,574 | \$17,071 | \$17,583 | \$18,110 | \$18,654 |
| | | \$95,366 | \$98,227 | \$101,174 | \$104,209 | \$107,335 | \$110,555 | \$113,872 | \$117,288 | \$120,807 | \$124,431 | \$128,164 | \$132,009 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$8,028 | \$8,269 | \$8,517 | \$8,773 | \$9,036 | \$9,307 | \$9,586 | \$9,874 | \$10,170 | \$10,475 | \$10,789 | \$11,113 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$1,353 | \$1,393 | \$1,435 | \$1,478 | \$1,523 | \$1,568 | \$1,615 | \$1,664 | \$1,714 | \$1,765 | \$1,818 | \$1,873 |
| Total General Fund Revenue If Avg. Gross Receipts < \$1 M | | \$499,558 | \$513,279 | \$527,385 | \$541,889 | \$556,801 | \$572,134 | \$587,900 | \$604,111 | \$620,779 | \$637,918 | \$655,542 | \$673,664 |
| Total General Fund Revenue If Avg. Gross Receipts > \$1 M | | \$797,576 | \$820,236 | \$843,552 | \$867,540 | \$892,222 | \$917,618 | \$943,748 | \$970,634 | \$998,298 | \$1,026,763 | \$1,056,052 | \$1,086,190 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4a
General Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 51/52 | FY 52/53 | 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 |
|-------------------------------------------------------------|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| AV on Tax Roll (\$1,000s) ² | | \$150,688 | \$153,702 | \$156,776 | \$159,911 | \$163,109 | \$166,372 | \$169,699 | \$173,093 | \$176,555 | \$180,086 | \$183,688 |
| Non-AV Revenue Escalation ¹ | 3.0% | 289.8% | 298.5% | 307.5% | 316.7% | 326.2% | 336.0% | 346.1% | 356.5% | 367.1% | 378.2% | 389.5% |
| Employees ³ | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ³ | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ³ | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Leasable SF ³ | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Service Population ³ | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Possessory Interest Tax Not Deposited into IFD ² | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Property Tax In-Lieu of VLF | \$1.07 /\$1,000 AV | \$160,636 | \$163,849 | \$167,126 | \$170,468 | \$173,878 | \$177,355 | \$180,902 | \$184,520 | \$188,211 | \$191,975 | \$195,814 |
| Property Transfer Tax | \$12.50 /\$500 AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales Tax | | | | | | | | | | | | |
| Employee Non- Restaurant | 1.00% \$2,276/empl | \$30,212 | \$31,118 | \$32,052 | \$33,013 | \$34,004 | \$35,024 | \$36,075 | \$37,157 | \$38,272 | \$39,420 | \$40,602 |
| Employee Restaurant | 1.00% \$263/empl | \$3,490 | \$3,594 | \$3,702 | \$3,813 | \$3,928 | \$4,046 | \$4,167 | \$4,292 | \$4,421 | \$4,553 | \$4,690 |
| Project Restaurant | 1.00% \$500 psf | \$147,346 | \$151,767 | \$156,320 | \$161,009 | \$165,840 | \$170,815 | \$175,939 | \$181,217 | \$186,654 | \$192,253 | \$198,021 |
| | | \$181,048 | \$186,479 | \$192,074 | \$197,836 | \$203,771 | \$209,884 | \$216,181 | \$222,666 | \$229,346 | \$236,227 | \$243,313 |
| Parking Tax | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | \$941,651 | \$969,900 | \$998,997 | \$1,028,967 | \$1,059,836 | \$1,091,631 | \$1,124,380 | \$1,158,111 | \$1,192,855 | \$1,228,640 | \$1,265,500 |
| General Fund Taxes | 25% 20% to GF | \$47,083 | \$48,495 | \$49,950 | \$51,448 | \$52,992 | \$54,582 | \$56,219 | \$57,906 | \$59,643 | \$61,432 | \$63,275 |
| Payroll Tax ⁴ | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax ⁴ | | \$513,009 | \$528,399 | \$544,251 | \$560,579 | \$577,396 | \$594,718 | \$612,560 | \$630,936 | \$649,865 | \$669,360 | \$689,441 |
| Business Registration Fee | | | | | | | | | | | | |
| Businesses | 3,000 sf per bus. | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| If Gross Receipts \$0.75 to \$1 M | \$700 per business | \$154,188 | \$158,814 | \$163,578 | \$168,486 | \$173,540 | \$178,747 | \$184,109 | \$189,632 | \$195,321 | \$201,181 | \$207,216 |
| If Gross Receipts \$1 to \$2.5 M | \$300 per business | \$66,081 | \$68,063 | \$70,105 | \$72,208 | \$74,374 | \$76,606 | \$78,904 | \$81,271 | \$83,709 | \$86,220 | \$88,807 |
| Utility Users Tax | | | | | | | | | | | | |
| Water Users Tax | \$6.10 per empl | \$8,096 | \$8,339 | \$8,589 | \$8,847 | \$9,112 | \$9,386 | \$9,667 | \$9,957 | \$10,256 | \$10,564 | \$10,880 |
| Gas Electric Steam Users Tax | \$66.24 per empl | \$87,931 | \$90,569 | \$93,286 | \$96,085 | \$98,967 | \$101,936 | \$104,995 | \$108,144 | \$111,389 | \$114,730 | \$118,172 |
| Telephone Users Tax | \$46.85 per svc popn | \$20,729 | \$21,351 | \$21,991 | \$22,651 | \$23,330 | \$24,030 | \$24,751 | \$25,494 | \$26,258 | \$27,046 | \$27,858 |
| Access Line Tax | \$43.42 per svc popn | \$19,213 | \$19,790 | \$20,383 | \$20,995 | \$21,625 | \$22,273 | \$22,942 | \$23,630 | \$24,339 | \$25,069 | \$25,821 |
| | | \$135,969 | \$140,048 | \$144,250 | \$148,577 | \$153,035 | \$157,626 | \$162,354 | \$167,225 | \$172,242 | \$177,409 | \$182,731 |
| License, Permit, Franchise Fees | \$25.87 per svc popn | \$11,446 | \$11,790 | \$12,144 | \$12,508 | \$12,883 | \$13,270 | \$13,668 | \$14,078 | \$14,500 | \$14,935 | \$15,383 |
| Fines, Forfeitures, Penalties | \$4.36 per svc popn | \$1,929 | \$1,987 | \$2,046 | \$2,108 | \$2,171 | \$2,236 | \$2,303 | \$2,372 | \$2,443 | \$2,517 | \$2,592 |
| Total General Fund Revenue If Avg. Gross Receipts < \$1 M | | \$692,299 | \$711,462 | \$731,167 | \$751,431 | \$772,270 | \$793,699 | \$815,736 | \$838,399 | \$861,706 | \$885,675 | \$910,326 |
| Total General Fund Revenue If Avg. Gross Receipts > \$1 M | | \$1,117,201 | \$1,149,111 | \$1,181,945 | \$1,215,732 | \$1,250,500 | \$1,286,276 | \$1,323,091 | \$1,360,974 | \$1,399,958 | \$1,440,075 | \$1,481,358 |

¹ Table 3.

³ Table 2.

² Table 2a.

⁴ Table 4b.

Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Payroll / Gross Receipts Tax Calculation | | | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 |
|-------------------------------------------------|--------------------------------|------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Occupancy ¹ | | | | | | | | | | | | | | | | | | |
| Building 101 | | | 0% | 25% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 102 | | | 0% | 25% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 104 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 113 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 114 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 115 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 116 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 14 | | | 0% | 0% | 75% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Occupied Square Feet in Taxable Businesses | | | | | | | | | | | | | | | | | | |
| | <i>taxable sf.²</i> | | | | | | | | | | | | | | | | | |
| Building 101 | 58,245 | | 0 | 14,561 | 43,684 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 |
| Building 102 | 10,703 | | 0 | 2,676 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Building 104 | 43,471 | | 0 | 0 | 32,603 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 |
| Building 113 | 60,743 | | 0 | 0 | 45,557 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 |
| Building 114 | 15,444 | | 0 | 0 | 11,583 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 |
| Building 115 | 12,555 | | 0 | 0 | 9,416 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 |
| Building 116 | 24,259 | | 0 | 0 | 18,194 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 |
| Building 14 | 15,662 | | 0 | 0 | 11,747 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 |
| | 241,082 | | 0 | 17,237 | 182,952 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Taxable Occupied sf % of Total | 241,082 total sf | | 0.0% | 7.1% | 75.9% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| Payroll Tax | | | | | | | | | | | | | | | | | | |
| Taxable Payroll (\$1,000s) ³ | \$33,059 | 3.0% escln | \$0 | \$2,435 | \$26,616 | \$34,318 | \$35,348 | \$36,408 | \$37,500 | \$38,625 | \$39,784 | \$40,978 | \$42,207 | \$43,473 | \$44,777 | \$46,121 | \$47,504 | \$48,930 |
| Taxable SF Payroll (\$1,000s) ³ | | 75% | \$0 | \$1,826 | \$19,962 | \$25,739 | \$26,511 | \$27,306 | \$28,125 | \$28,969 | \$29,838 | \$30,733 | \$31,655 | \$32,605 | \$33,583 | \$34,591 | \$35,628 | \$36,697 |
| Payroll Tax Rate | | | 1.125% | 0.750% | 0.375% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Total Tax | | | \$0 | \$13,694 | \$74,856 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | | | | | | | | | | | | | | | | | | |
| Taxable Gr. Receipts (\$1,000s) ³ | \$75,567 | 3.0% escln | \$0 | \$5,565 | \$60,839 | \$78,446 | \$80,799 | \$83,223 | \$85,720 | \$88,291 | \$90,940 | \$93,668 | \$96,478 | \$99,373 | \$102,354 | \$105,425 | \$108,587 | \$111,845 |
| Taxable SF Gr. Receipts (\$1,000s) ³ | | 75% | \$0 | \$4,174 | \$45,629 | \$58,834 | \$60,599 | \$62,417 | \$64,290 | \$66,219 | \$68,205 | \$70,251 | \$72,359 | \$74,530 | \$76,765 | \$79,068 | \$81,440 | \$83,884 |
| Gross Receipts Phase-In Rate ³ | | | 25% | 50% | 75% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Total Tax ³ | | 0.329% | \$0 | \$6,861 | \$112,504 | \$193,418 | \$199,220 | \$205,197 | \$211,353 | \$217,694 | \$224,224 | \$230,951 | \$237,880 | \$245,016 | \$252,366 | \$259,937 | \$267,736 | \$275,768 |

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Payroll / Gross Receipts Tax Calculation | | | FY 31/32 | FY 32/33 | 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 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 |
|-------------------------------------------------|------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Occupancy ¹ | | | | | | | | | | | | | | | | | | |
| Building 101 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 102 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 104 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 113 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 114 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 115 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 116 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 14 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Occupied Square Feet in | taxable | | | | | | | | | | | | | | | | | |
| Taxable Businesses | sf ² | | | | | | | | | | | | | | | | | |
| Building 101 | 58,245 | | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 |
| Building 102 | 10,703 | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Building 104 | 43,471 | | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 |
| Building 113 | 60,743 | | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 |
| Building 114 | 15,444 | | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 |
| Building 115 | 12,555 | | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 |
| Building 116 | 24,259 | | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 |
| Building 14 | 15,662 | | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 |
| | 241,082 | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Taxable Occupied sf % of Total | 241,082 total sf | | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| Payroll Tax | | | | | | | | | | | | | | | | | | |
| Taxable Payroll (\$1,000s) ³ | \$33,059 | 3.0% escln | \$50,397 | \$51,909 | \$53,467 | \$55,071 | \$56,723 | \$58,424 | \$60,177 | \$61,982 | \$63,842 | \$65,757 | \$67,730 | \$69,762 | \$71,855 | \$74,010 | \$76,231 | \$78,518 |
| Taxable SF Payroll (\$1,000s) ³ | | 75% | \$37,798 | \$38,932 | \$40,100 | \$41,303 | \$42,542 | \$43,818 | \$45,133 | \$46,487 | \$47,881 | \$49,318 | \$50,797 | \$52,321 | \$53,891 | \$55,508 | \$57,173 | \$58,888 |
| Payroll Tax Rate | | | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Total Tax | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | | | | | | | | | | | | | | | | | | |
| Taxable Gr. Receipts (\$1,000s) ³ | \$75,567 | 3.0% escln | \$115,200 | \$118,656 | \$122,216 | \$125,882 | \$129,659 | \$133,549 | \$137,555 | \$141,682 | \$145,932 | \$150,310 | \$154,820 | \$159,464 | \$164,248 | \$169,175 | \$174,251 | \$179,478 |
| Taxable SF Gr. Receipts (\$1,000s) ³ | | 75% | \$86,400 | \$88,992 | \$91,662 | \$94,412 | \$97,244 | \$100,162 | \$103,166 | \$106,261 | \$109,449 | \$112,733 | \$116,115 | \$119,598 | \$123,186 | \$126,882 | \$130,688 | \$134,609 |
| Gross Receipts Phase-In Rate ³ | | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Total Tax ³ | | 0.329% | \$284,041 | \$292,562 | \$301,339 | \$310,379 | \$319,690 | \$329,281 | \$339,159 | \$349,334 | \$359,814 | \$370,609 | \$381,727 | \$393,179 | \$404,974 | \$417,123 | \$429,637 | \$442,526 |

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

Table 4b
Payroll and Gross Receipts Taxes
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Payroll / Gross Receipts Tax Calculation | | | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 | FY 51/52 | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 |
|-------------------------------------------------|------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Occupancy ¹ | | | | | | | | | | | | | | | | |
| Building 101 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 102 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 104 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 113 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 114 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 115 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 116 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Building 14 | | | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Occupied Square Feet in | taxable | | | | | | | | | | | | | | | |
| Taxable Businesses | sf ² | | | | | | | | | | | | | | | |
| Building 101 | 58,245 | | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 | 55,333 |
| Building 102 | 10,703 | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Building 104 | 43,471 | | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 | 41,297 |
| Building 113 | 60,743 | | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 | 57,706 |
| Building 114 | 15,444 | | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 | 14,672 |
| Building 115 | 12,555 | | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 | 11,927 |
| Building 116 | 24,259 | | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 | 23,046 |
| Building 14 | 15,662 | | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 | 14,879 |
| | 241,082 | | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 | 229,028 |
| Taxable Occupied sf % of Total | 241,082 total/sf | | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| Payroll Tax | | | | | | | | | | | | | | | | |
| Taxable Payroll (\$1,000s) ³ | \$33,059 | 3.0% escln | \$80,873 | \$83,299 | \$85,798 | \$88,372 | \$91,023 | \$93,754 | \$96,567 | \$99,464 | \$102,448 | \$105,521 | \$108,687 | \$111,947 | \$115,306 | \$118,765 |
| Taxable SF Payroll (\$1,000s) ³ | | 75% | \$60,655 | \$62,474 | \$64,349 | \$66,279 | \$68,267 | \$70,316 | \$72,425 | \$74,598 | \$76,836 | \$79,141 | \$81,515 | \$83,960 | \$86,479 | \$89,074 |
| Payroll Tax Rate | | | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Total Tax | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Receipts Tax | | | | | | | | | | | | | | | | |
| Taxable Gr. Receipts (\$1,000s) ³ | \$75,567 | 3.0% escln | \$184,863 | \$190,408 | \$196,121 | \$202,004 | \$208,065 | \$214,306 | \$220,736 | \$227,358 | \$234,178 | \$241,204 | \$248,440 | \$255,893 | \$263,570 | \$271,477 |
| Taxable SF Gr. Receipts (\$1,000s) ³ | | 75% | \$138,647 | \$142,806 | \$147,091 | \$151,503 | \$156,048 | \$160,730 | \$165,552 | \$170,518 | \$175,634 | \$180,903 | \$186,330 | \$191,920 | \$197,677 | \$203,608 |
| Gross Receipts Phase-In Rate ³ | | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Total Tax ³ | | 0.329% | \$455,802 | \$469,476 | \$483,560 | \$498,067 | \$513,009 | \$528,399 | \$544,251 | \$560,579 | \$577,396 | \$594,718 | \$612,560 | \$630,936 | \$649,865 | \$669,360 |

¹ 20th Street Historic Bldgs Proforma 3/27/15 (Orton Development Inc.) with KMA adjustments to match construction completion to fiscal years from 2015 to 2017.

² Table 2.

³ Table 3.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 |
|---------------------------------|----------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenue Escalation ¹ | 3.0% | 100.0% | 103.0% | 106.1% | 109.3% | 112.6% | 115.9% | 119.4% | 123.0% | 126.7% | 130.5% | 134.4% | 138.4% |
| Employees ² | | 0 | 34 | 360 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 0 | 2,676 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 0 | 75 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Sales Tax | | | | | | | | | | | | | |
| Taxable Spending (\$1,000s) | | | | | | | | | | | | | |
| Employee Non- Rest. | \$2,276 per empl | \$0 | \$80 | \$869 | \$1,139 | \$1,173 | \$1,208 | \$1,245 | \$1,282 | \$1,320 | \$1,360 | \$1,401 | \$1,443 |
| Employee Restaurant | \$263 per empl | \$0 | \$9 | \$100 | \$132 | \$136 | \$140 | \$144 | \$148 | \$153 | \$157 | \$162 | \$167 |
| Project Restaurant | \$500 per sf | \$0 | \$1,378 | \$5,394 | \$5,555 | \$5,722 | \$5,894 | \$6,070 | \$6,253 | \$6,440 | \$6,633 | \$6,832 | \$7,037 |
| | | \$0 | \$1,467 | \$6,363 | \$6,826 | \$7,031 | \$7,242 | \$7,459 | \$7,683 | \$7,913 | \$8,151 | \$8,395 | \$8,647 |
| Public Safety Sales Tax | 0.50% | \$0 | \$7,335 | \$31,816 | \$34,130 | \$35,154 | \$36,208 | \$37,295 | \$38,414 | \$39,566 | \$40,753 | \$41,975 | \$43,235 |
| SF County Transportation | 0.50% | \$0 | \$7,335 | \$31,816 | \$34,130 | \$35,154 | \$36,208 | \$37,295 | \$38,414 | \$39,566 | \$40,753 | \$41,975 | \$43,235 |
| SF County Public Finance | 0.25% | \$0 | \$3,667 | \$15,908 | \$17,065 | \$17,577 | \$18,104 | \$18,647 | \$19,207 | \$19,783 | \$20,376 | \$20,988 | \$21,617 |
| MTA Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ | \$0 | \$88,065 | \$344,686 | \$355,027 | \$365,678 | \$376,648 | \$387,948 | \$399,586 | \$411,574 | \$423,921 | \$436,638 | \$449,738 |
| MTA Taxes | 25% 80% MTA | \$0 | \$17,613 | \$68,937 | \$71,005 | \$73,136 | \$75,330 | \$77,590 | \$79,917 | \$82,315 | \$84,784 | \$87,328 | \$89,948 |

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 | FY 31/32 | FY 32/33 | FY 33/34 | FY 34/35 | FY 35/36 | FY 36/37 | FY 37/38 | FY 38/39 |
|---------------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenue Escalation ¹ | 3.0% | 142.6% | 146.9% | 151.3% | 155.8% | 160.5% | 165.3% | 170.2% | 175.4% | 180.6% | 186.0% | 191.6% | 197.4% |
| Employees ² | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |

Sales Tax

Taxable Spending (\$1,000s).

| | | | | | | | | | | | | | |
|--------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Employee Non- Rest. | \$2,276 per empl | \$1,486 | \$1,531 | \$1,577 | \$1,624 | \$1,673 | \$1,723 | \$1,775 | \$1,828 | \$1,883 | \$1,939 | \$1,997 | \$2,057 |
| Employee Restaurant | \$263 per empl | \$172 | \$177 | \$182 | \$188 | \$193 | \$199 | \$205 | \$211 | \$217 | \$224 | \$231 | \$238 |
| Project Restaurant | \$500 per sf | <u>\$7,248</u> | <u>\$7,466</u> | <u>\$7,690</u> | <u>\$7,921</u> | <u>\$8,158</u> | <u>\$8,403</u> | <u>\$8,655</u> | <u>\$8,915</u> | <u>\$9,182</u> | <u>\$9,458</u> | <u>\$9,741</u> | <u>\$10,034</u> |
| | | \$8,906 | \$9,174 | \$9,449 | \$9,732 | \$10,024 | \$10,325 | \$10,635 | \$10,954 | \$11,282 | \$11,621 | \$11,969 | \$12,328 |
| Public Safety Sales Tax | 0.50% | \$44,532 | \$45,868 | \$47,244 | \$48,661 | \$50,121 | \$51,625 | \$53,173 | \$54,768 | \$56,412 | \$58,104 | \$59,847 | \$61,642 |
| SF County Transportation | 0.50% | \$44,532 | \$45,868 | \$47,244 | \$48,661 | \$50,121 | \$51,625 | \$53,173 | \$54,768 | \$56,412 | \$58,104 | \$59,847 | \$61,642 |
| SF County Public Finance | 0.25% | \$22,266 | \$22,934 | \$23,622 | \$24,331 | \$25,060 | \$25,812 | \$26,587 | \$27,384 | \$28,206 | \$29,052 | \$29,924 | \$30,821 |

MTA Parking Tax

| | | | | | | | | | | | | | |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Revenues | \$100/sp 95% occ | <u>\$463,230</u> | <u>\$477,127</u> | <u>\$491,440</u> | <u>\$506,184</u> | <u>\$521,369</u> | <u>\$537,010</u> | <u>\$553,121</u> | <u>\$569,714</u> | <u>\$586,806</u> | <u>\$604,410</u> | <u>\$622,542</u> | <u>\$641,218</u> |
| MTA Taxes | 25% 80% MTA | \$92,646 | \$95,425 | \$98,288 | \$101,237 | \$104,274 | \$107,402 | \$110,624 | \$113,943 | \$117,361 | \$120,882 | \$124,508 | \$128,244 |

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 39/40 | FY 40/41 | FY 41/42 | FY 42/43 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 |
|---------------------------------|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue Escalation ¹ | 3.0% | 203.3% | 209.4% | 215.7% | 222.1% | 228.8% | 235.7% | 242.7% | 250.0% | 257.5% | 265.2% | 273.2% | 281.4% |
| Employees ² | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |
| Sales Tax | | | | | | | | | | | | | |
| Taxable Spending (\$1,000s) | | | | | | | | | | | | | |
| Employee Non- Rest. | \$2,276 per empl | \$2,119 | \$2,183 | \$2,248 | \$2,315 | \$2,385 | \$2,457 | \$2,530 | \$2,606 | \$2,684 | \$2,765 | \$2,848 | \$2,933 |
| Employee Restaurant | \$263 per empl | \$245 | \$252 | \$260 | \$267 | \$275 | \$284 | \$292 | \$301 | \$310 | \$319 | \$329 | \$339 |
| Project Restaurant | \$500 per sf | <u>\$10,335</u> | <u>\$10,645</u> | <u>\$10,964</u> | <u>\$11,293</u> | <u>\$11,632</u> | <u>\$11,981</u> | <u>\$12,340</u> | <u>\$12,710</u> | <u>\$13,092</u> | <u>\$13,484</u> | <u>\$13,889</u> | <u>\$14,305</u> |
| | | \$12,698 | \$13,079 | \$13,472 | \$13,876 | \$14,292 | \$14,721 | \$15,162 | \$15,617 | \$16,086 | \$16,568 | \$17,066 | \$17,577 |
| Public Safety Sales Tax | 0.50% | \$63,492 | \$65,396 | \$67,358 | \$69,379 | \$71,460 | \$73,604 | \$75,812 | \$78,087 | \$80,429 | \$82,842 | \$85,328 | \$87,887 |
| SF County Transportation | 0.50% | \$63,492 | \$65,396 | \$67,358 | \$69,379 | \$71,460 | \$73,604 | \$75,812 | \$78,087 | \$80,429 | \$82,842 | \$85,328 | \$87,887 |
| SF County Public Finance | 0.25% | \$31,746 | \$32,698 | \$33,679 | \$34,690 | \$35,730 | \$36,802 | \$37,906 | \$39,043 | \$40,215 | \$41,421 | \$42,664 | \$43,944 |
| MTA Parking Tax | | | | | | | | | | | | | |
| Total Revenues | \$100/sp 95% occ. | <u>\$660,455</u> | <u>\$680,268</u> | <u>\$700,677</u> | <u>\$721,697</u> | <u>\$743,348</u> | <u>\$765,648</u> | <u>\$788,618</u> | <u>\$812,276</u> | <u>\$836,644</u> | <u>\$861,744</u> | <u>\$887,596</u> | <u>\$914,224</u> |
| MTA Taxes | 25% 80% MTA | \$132,091 | \$136,054 | \$140,135 | \$144,339 | \$148,670 | \$153,130 | \$157,724 | \$162,455 | \$167,329 | \$172,349 | \$177,519 | \$182,845 |

¹ Table 3.

² Table 2.

Table 4c
Other Fund Revenues Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Revenue Source | Measure ¹ | FY 51/52 | FY 52/53 | FY 53/54 | FY 54/55 | FY 55/56 | FY 56/57 | FY 57/58 | FY 58/59 | FY 59/60 | FY 60/61 |
|---------------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenue Escalation ¹ | 3.0% | 289.8% | 298.5% | 307.5% | 316.7% | 326.2% | 336.0% | 346.1% | 356.5% | 367.1% | 378.2% |
| Employees ² | | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Restaurant SF ² | | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 | 10,168 |
| Parking Spaces ² | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 |

Sales Tax

Taxable Spending (\$1,000s)

| | | | | | | | | | | | |
|--------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Employee Non- Rest. | \$2,276 per empl | \$3,021 | \$3,112 | \$3,205 | \$3,301 | \$3,400 | \$3,502 | \$3,607 | \$3,716 | \$3,827 | \$3,942 |
| Employee Restaurant | \$263 per empl | \$349 | \$359 | \$370 | \$381 | \$393 | \$405 | \$417 | \$429 | \$442 | \$455 |
| Project Restaurant | \$500 per sf | <u>\$14,735</u> | <u>\$15,177</u> | <u>\$15,632</u> | <u>\$16,101</u> | <u>\$16,584</u> | <u>\$17,081</u> | <u>\$17,594</u> | <u>\$18,122</u> | <u>\$18,665</u> | <u>\$19,225</u> |
| | | \$18,105 | \$18,648 | \$19,207 | \$19,784 | \$20,377 | \$20,988 | \$21,618 | \$22,267 | \$22,935 | \$23,623 |
| Public Safety Sales Tax | 0.50% | \$90,524 | \$93,240 | \$96,037 | \$98,918 | \$101,886 | \$104,942 | \$108,090 | \$111,333 | \$114,673 | \$118,113 |
| SF County Transportation | 0.50% | \$90,524 | \$93,240 | \$96,037 | \$98,918 | \$101,886 | \$104,942 | \$108,090 | \$111,333 | \$114,673 | \$118,113 |
| SF County Public Finance | 0.25% | \$45,262 | \$46,620 | \$48,018 | \$49,459 | \$50,943 | \$52,471 | \$54,045 | \$55,667 | \$57,337 | \$59,057 |

MTA Parking Tax

| | | | | | | | | | | | |
|----------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Revenues | \$100/sp 95% occ | <u>\$941,651</u> | <u>\$969,900</u> | <u>\$998,997</u> | <u>\$1,028,967</u> | <u>\$1,059,836</u> | <u>\$1,091,631</u> | <u>\$1,124,380</u> | <u>\$1,158,111</u> | <u>\$1,192,855</u> | <u>\$1,228,640</u> |
| MTA Taxes | 25% 80% MTA | \$188,330 | \$193,980 | \$199,799 | \$205,793 | \$211,967 | \$218,326 | \$224,876 | \$231,622 | \$238,571 | \$245,728 |

¹ Table 3.

² Table 2.

Table 5
 Operating Expenditure Assumptions
 Fiscal and Economic Impact Analysis
 Pier 70 - Historic Core
 Port of San Francisco

November 4, 2015

Global Escalation Assumption 3%

*Pier 70 Waterfront Site and Illinois Street Parcel Population Factors*¹

| | |
|--------------------|------------|
| Population | 2,559 |
| Employees | 10,585 |
| Service Population | 0.33 6,087 |

General Fund Expenditures

| | |
|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Police | <div> <div>\$763,848 cost of one patrol unit¹</div> <div>6,087 service population</div> <hr/> <div>\$125.48 cost per service population</div> </div> |
| Fire and EMS | <div> <div>\$2,546,160 share of Mission Bay Public Safety Building¹</div> <div>6,087 service population</div> <hr/> <div>\$418.27 cost per service population</div> </div> |
| Public Open Space | The lessee will be responsible for maintaining the project's public plaza. It will not be an obligation of the General Fund. |
| Crane Cove Park | The total annual cost to maintain the park is estimate to approximate \$400,000 per year. The park's maintenance cost will be funded through a CFD maintenance district. |
| Public Works - Streets and Sidewalks | The project is not creating any new new public right of way improvements and therefore, it is assumed that the project is not creating any significant new new mainenance costs. |
| Community Health, Public Protection (non Police and Fire), Human Welfare, and Culture and Recreation | Service costs are typically generated by residential uses, which are not included in the project program |

¹ Economic & Planning Systems, Inc.; Findings of Fiscal Responsibility and Feasibility - Pier 70 Waterfront Site and Illinois Street Parcel Report May 21, 2013. Expense has been adjusted for inflation.

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Expenditure | Estimating Factor ¹ | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 | FY 29/30 | FY 30/31 |
|------------------------------------|--------------------------------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Non-AV Revenue Escln. ¹ | 3.0% | 100.0% | 103.0% | 106.1% | 109.3% | 112.6% | 115.9% | 119.4% | 123.0% | 126.7% | 130.5% | 134.4% | 138.4% | 142.6% | 146.9% | 151.3% | 155.8% |
| Service Population ² | | 0 | 11 | 120 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Police ³ | \$125.48 per svc pop | \$0 | \$1,465 | \$15,975 | \$20,933 | \$21,561 | \$22,208 | \$22,874 | \$23,561 | \$24,267 | \$24,995 | \$25,745 | \$26,518 | \$27,313 | \$28,132 | \$28,976 | \$29,846 |
| Fire and EMS ⁴ | \$418.27 per svc pop | \$0 | \$4,883 | \$53,249 | \$69,777 | \$71,871 | \$74,027 | \$76,248 | \$78,535 | \$80,891 | \$83,318 | \$85,817 | \$88,392 | \$91,044 | \$93,775 | \$96,588 | \$99,486 |
| Total Expenditures | | \$0 | \$6,347 | \$69,224 | \$90,711 | \$93,432 | \$96,235 | \$99,122 | \$102,096 | \$105,158 | \$108,313 | \$111,563 | \$114,909 | \$118,357 | \$121,907 | \$125,565 | \$129,332 |

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

1216

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Expenditure | Estimating Factor ¹ | FY 31/32 | FY 32/33 | 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 | FY 43/44 | FY 44/45 | FY 45/46 | FY 46/47 |
|------------------------------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Non-AV Revenue Escln. ¹ | 3.0% | 160.5% | 165.3% | 170.2% | 175.4% | 180.6% | 186.0% | 191.6% | 197.4% | 203.3% | 209.4% | 215.7% | 222.1% | 228.8% | 235.7% | 242.7% | 250.0% |
| Service Population ² | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Police ³ | \$125.48 per svc pop | \$30,741 | \$31,663 | \$32,613 | \$33,592 | \$34,599 | \$35,637 | \$36,707 | \$37,808 | \$38,942 | \$40,110 | \$41,313 | \$42,553 | \$43,829 | \$45,144 | \$46,499 | \$47,894 |
| Fire and EMS ⁴ | \$418.27 per svc pop | \$102,470 | \$105,545 | \$108,711 | \$111,972 | \$115,331 | \$118,791 | \$122,355 | \$126,026 | \$129,806 | \$133,701 | \$137,712 | \$141,843 | \$146,098 | \$150,481 | \$154,996 | \$159,646 |
| Total Expenditures | | \$133,212 | \$137,208 | \$141,324 | \$145,564 | \$149,931 | \$154,429 | \$159,062 | \$163,833 | \$168,748 | \$173,811 | \$179,025 | \$184,396 | \$189,928 | \$195,626 | \$201,494 | \$207,539 |

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

1217

Table 6
General Fund Expenditures Estimate
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Expenditure | Estimating Factor ¹ | FY 47/48 | FY 48/49 | FY 49/50 | FY 50/51 | FY 51/52 | FY 52/53 | 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 |
|------------------------------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Non-AV Revenue Escln. ¹ | 3.0% | 257.5% | 265.2% | 273.2% | 281.4% | 289.8% | 298.5% | 307.5% | 316.7% | 326.2% | 336.0% | 346.1% | 356.5% | 367.1% | 378.2% | 389.5% |
| Service Population ² | | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| Police ³ | \$125.48 per svc pop | \$49,330 | \$50,810 | \$52,335 | \$53,905 | \$55,522 | \$57,188 | \$58,903 | \$60,670 | \$62,490 | \$64,365 | \$66,296 | \$68,285 | \$70,333 | \$72,443 | \$74,617 |
| Fire and EMS ⁴ | \$418.27 per svc pop | \$164,435 | \$169,368 | \$174,449 | \$179,682 | \$185,073 | \$190,625 | \$196,344 | \$202,234 | \$208,301 | \$214,550 | \$220,987 | \$227,616 | \$234,445 | \$241,478 | \$248,723 |
| Total Expenditures | | \$213,765 | \$220,178 | \$226,784 | \$233,587 | \$240,595 | \$247,813 | \$255,247 | \$262,904 | \$270,792 | \$278,915 | \$287,283 | \$295,901 | \$304,778 | \$313,922 | \$323,339 |

¹ Table 5.

² Table 2.

³ Methodology described in Table 5. Cost factors based on police department's estimates of the cost to serve the Waterfront Pier 70 project.

⁴ Methodology described in Table 5. Cost factors based on the per capita service costs for operating the Mission Bay Fire Station.

Table 7
Economic Benefits
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

| Project Direct, Indirect, and Induced Economic Benefits for the City and County of San Francisco | Direct Impact | Indirect and Induced Multiplier ¹ | Indirect and Induced Impact | Total Impact |
|--------------------------------------------------------------------------------------------------|---------------|----------------------------------------------|-----------------------------|---------------|
| On-Going Economic Impacts | | | | |
| Employment ² | 458 | 1.70158 | 321 | 779 |
| Payroll ³ \$68,571 avg pay | \$31,406,000 | 1.60617 | \$19,037,000 | \$50,443,000 |
| Output ¹ \$1 M / 6.38 empl | \$71,789,000 | 1.48345 | \$34,706,000 | \$106,495,000 |
| Construction Period Economic Impacts | | | | |
| Construction Hard Costs ⁴ | \$78,960,000 | 1.46124 | \$36,420,000 | \$115,380,000 |
| Construction Payroll ⁵ 40% constr. cost | \$31,584,000 | 1.42574 | \$13,446,000 | \$45,030,000 |
| Construction Employment | | | | |
| Total person years ^{3,6} \$67,000 avg pay | 471 | 1.50141 | 236 | 707 |
| Full time equivalent jobs for 3-year period ⁶ 3 years | 157 | 1.50141 | 79 | 236 |

¹ Minnesota IMPLAN Group model - 2012 County Level Data for San Francisco County. Average multiplier for the following industries: manufacturing; wholesaling and retail; warehousing and storage; media and software; information services; architecture, engineering, and design; computer programming and design; science, research, and development; and administrative services. On-going output estimate is based on the IMPLAN multiplier relating jobs to million dollars of output.

² Table 2.

³ Table 8.

⁴ Total hard costs per Orton Development Inc. proforma.

⁵ Estimated ratio of payroll to total construction work.

⁶ A person year of employment is equivalent to full time employment of one person for one year.

Table 8
Estimated Average Payroll per Employee
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

November 4, 2015

| Potential Occupation | OES Survey Occupation ¹ | Mean Annual Wage ¹ |
|-----------------------------------------------|--------------------------------------------|-------------------------------|
| On-Going Occupied Project ² | | |
| Engineer | Architecture and Engineering | \$106,000 |
| Programmer | Computer and Mathematical | \$108,000 |
| Designer | Arts, Design, Entertainment, Sports, Media | \$74,000 |
| Builder/Manufacturer | Production | \$43,000 |
| Warehousing/Shipping/Receiving | Transportation and Material Moving | \$43,000 |
| Related Support/Administration | Office and Administrative Support | \$48,000 |
| Related Support/Sales | Sales and Related | \$58,000 |
| Average for all On-Going Occupations | | \$68,571 |
| Construction Period | | |
| Construction Worker | Construction and Extraction | \$67,000 |

¹ California Employment Development Department Occupational Employment Statistics Survey, 1st QTR 2015.

² Based on sample list of occupations provided by Orton Development, Inc. in their Response to RFP for Pier 70: 20th Street Historic Buildings.

Table 9
Construction Period Revenues
Fiscal and Economic Impact Analysis
Pier 70 - Historic Core
Port of San Francisco

| Construction Period Revenues | | | | FY 15/16 | FY 16/17 | FY 16/17 | Total |
|-------------------------------------------|---------------------------------|------------------------------|--|--------------|--------------|--------------|--------------|
| Payroll Tax | | | | | | | |
| Taxable San Francisco Payroll | \$31,584,000 total ¹ | 75% SF adj. ² | | \$7,896,000 | \$7,896,000 | \$7,896,000 | \$23,688,000 |
| Payroll Tax Rate ² | | | | 1.350% | 1.125% | 0.750% | |
| Total Payroll Tax | | | | \$106,600 | \$88,800 | \$59,200 | \$254,600 |
| Gross Receipts Tax | | | | | | | |
| Taxable San Francisco Gr. Receipts | \$78,960,000 total ¹ | 75% SF adj. ² | | \$19,740,000 | \$19,740,000 | \$19,740,000 | \$59,220,000 |
| Gross Receipts Phase-In Rate ² | | | | 10% | 25% | 50% | |
| Total Gross Receipts Tax ² | | 0.329% avg rate ² | | \$6,500 | \$16,200 | \$32,400 | \$55,100 |
| Sales Taxes | | | | | | | |
| Material Costs | \$78,960,000 total ¹ | 60% materials ³ | | | | | \$47,376,000 |
| Qualified Subcontractor Amount | | 50% qualified ³ | | | | | \$23,688,000 |
| Base 1% Sales Tax | | 1.00% SF share ² | | | | | \$237,000 |
| Public Safety Sales Tax | | 0.50% tax rate ² | | | | | \$118,000 |
| SF County Transportation | | 0.50% tax rate ² | | | | | \$118,000 |
| SF County Public Finance | | 0.25% tax rate ² | | | | | \$59,000 |

¹ Table 7.

² Table 3.

³ KMA assumption.

APPENDIX H FOR PROJECT AREA H

(To be Attached.)



August 16, 2018

City and County of San Francisco
Attn: Mayor London Breed
1 Dr. Carlton B. Goodlett Place
City Hall, Room 200
San Francisco, CA 94102

Board of Supervisors
City and County of San Francisco
Attn: Angela Calvillo, Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

San Francisco Planning Commission
The Planning Department
Attn: Commission Secretary
1650 Mission Street, Suite 400
San Francisco, CA 94103

To Whom It May Concern:

Re: *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)*

On Tuesday, July 24, 2018, the Board of Supervisors of the City and County of San Francisco (the "City") adopted a resolution entitled, "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, Pier 70); to call a public hearing on September 11, 2018, on the establishment and to provide public notice thereof; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act" ("Resolution of Intention"). Under the Resolution of Intention, the Board of Supervisors states its intention to form "Sub-Project Area G-2 (Pier 70 - 28-Acre Site)," "Sub-Project Area G-3 (Pier 70 - 28-Acre Site)" and "Sub-Project Area G-4 (Pier 70 - 28-Acre Site)" (collectively, the "Sub-Project Areas") of "City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)" (the "IFD") pursuant to Government Code Section 53395 et seq. (the "IFD Law").

The City is proposing formation of the Sub-Project Areas for the purpose of financing construction of public improvements of communitywide significance in the City as more particularly described in the hereinafter referenced draft Appendix G-2.

As part of the formation process, the City must prepare a draft Infrastructure Financing Plan for the IFD. The City must also distribute the draft Infrastructure Financing Plan, along with any report required by the California Environmental Quality Act ("CEQA") relating to the

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BOARD OF SUPERVISORS
SAN FRANCISCO
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BY [Signature]

August 16, 2018
*Sub-Project Areas G-2, G-3 and G-4 of
City and County of San Francisco IFD No. 2 (Port of San Francisco)*

proposed public facilities to be funded by the IFD and the proposed private development projects within the boundaries of the IFD, to each governmental taxing agency that levied or had levied on its behalf a property tax on the property in the proposed IFD in the fiscal year prior to the designation of the IFD.

The adopted Resolution of Intention and the draft Appendix G-2 to the Infrastructure Financing Plan for the IFD, which is the infrastructure financing plan for the Sub-Project Areas, are enclosed with this letter. The environmental reports required by CEQA ("Relevant EIRs") for the project and any associated private development projects, which Relevant EIRs are described in the remaining portion of this paragraph, are incorporated in their entirety by this reference and are available on the website of the San Francisco Planning Department. On August 24, 2017, the San Francisco Planning Commission by Motion No. 19976 and Motion No. 19977, certified the completion of the Final Environmental Impact Report for the Pier 70 Mixed-Use District Project (the "Project"), and approved other entitlement and transaction documents relating to the Project, including certain environmental findings under CEQA, including a statement of overriding consideration, and a mitigation and monitoring and reporting program (the "MMRP"). On November 14, 2017, the Board of Supervisors, in Ordinance No. 227-17, adopted the CEQA findings and the MMRP, and made certain environmental findings under CEQA (collectively, the "FEIR").

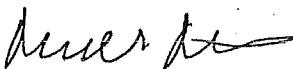
Formation of the proposed Sub-Project Areas will require, among other actions, approval of Appendix G-2 to the Infrastructure Financing Plan for the IFD by the Board of Supervisors. This approval is required before the Board of Supervisors can adopt an ordinance to allocate a portion of the City's incremental property tax revenue from the Sub-Project Areas to the IFD. It is possible that changes to the draft Appendix G-2 will be made prior to its adoption by the Board of Supervisors. In the event any such changes are made, such changes will be sent to you prior to the approval of the Appendix G-2 by the Board of Supervisors. Although subject to change, adoption of the Appendix G-2 is currently anticipated to occur on Tuesday, October 16, 2018.

In addition, as part of the process of forming the IRFD, a public hearing will be required to be held. The public hearing is scheduled to be opened on Tuesday, September 11, 2018, and anticipated to be continued to Tuesday, October 16, 2018.

I am sending you this letter in order to comply with the requirements of the IFD Law. By this letter, I am also requesting the Clerk of the Board of Supervisors to make Appendix G-2 and the Relevant EIRs available for public inspection, as required by Section 53395.15 of the IFD Law.

Please feel free to contact me should you have any questions or comments.

Very truly yours,



Michael J. Martin
Deputy Director, Real Estate & Development
Tel: 415-274-0544

Enclosures

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 | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) |
| 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 | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) |
| 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 | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) |
| 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 | | IFD Annual Total | IRFD Hoedown Yard | SUD Annual Total |
|------------------------------------------------------|------------------------------------|--------------------|----------------------|----------------------|----------------------|
| | Pier 70 28-acre Waterfront Site | 20th/Illinois St. | | | |
| 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 | <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) | (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 | <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 FY 23/24 | Year 9 FY 24/25 | Year 10 FY 25/26 | Year 11 FY 26/27 | Year 12 FY 27/28 | Year 13 FY 28/29 | Year 14 FY 29/30 | Year 15 FY 30/31 | Year 16 FY 31/32 | Year 17 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 | \$0 | \$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 18 FY 33/34 | Year 19 FY 34/35 | Year 20 FY 35/36 | Year 21 FY 36/37 | Year 22 FY 37/38 | Year 23 FY 38/39 | Year 24 FY 39/40 | Year 25 FY 40/41 | Year 26 FY 41/42 | Year 27 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$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 FY 43/44 | Year 29 FY 44/45 | Year 30 FY 45/46 | Year 31 FY 46/47 | Year 32 FY 47/48 | Year 33 FY 48/49 | Year 34 FY 49/50 | Year 35 FY 50/51 | Year 36 FY 51/52 | Year 37 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$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 FY 53/54 | Year 39 FY 54/55 | Year 40 FY 55/56 | Year 41 FY 56/57 | Year 42 FY 57/58 | Year 43 FY 58/59 | Year 44 FY 59/60 | Year 45 FY 60/61 | Year 46 FY 61/62 | Year 47 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$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 FY 63/64 | Year 49 FY 64/65 | Year 50 FY 65/66 | Year 51 FY 66/67 | Year 52 FY 67/68 | Year 53 FY 68/69 | Year 54 FY 69/70 | Year 55 FY 70/71 | Year 56 FY 71/72 | Year 57 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$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

| | Year 58 |
|-----------------------------------------------------------------------------------|----------------------------|
| | <u>FY 73/74</u> |
| Available Property /Possessory Interest Tax Increment Revenue to IFD | |
| General Fund | 100% \$15,331,400 |
| ERAF | 100% \$6,012,500 |
| Annual Total | <u>\$21,343,900</u> |
| IFD Sources of Funds | |
| Annual Tax Increment | \$21,343,900 |
| Bond Proceeds | \$0 |
| Developer Capital | \$0 |
| Advances of Land Proceeds | \$0 |
| Total Sources of Funds | <u>\$21,343,900</u> |
| 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 | <u>\$21,343,900</u> |
| 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 |
|---------------------------------------|--------|---------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| <u>Sub-Project Area G-2</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-3</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-4</u> | | | | | | | | | | | | |
| 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 |
|---------------------------------------|--------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Sub-Project Area G-2</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-3</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-4</u> | | | | | | | | | | | | |
| 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 |
|---------------------------------------|--------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Sub-Project Area G-2</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-3</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-4</u> | | | | | | | | | | | | |
| 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 |
|---------------------------------------|--------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Sub-Project Area G-2</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-3</u> | | | | | | | | | | | | |
| 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 |
| <u>Sub-Project Area G-4</u> | | | | | | | | | | | | |
| 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 |
|---------------------------------------|--------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Sub-Project Area G-2</u> | | | | | | | | | | | | |
| 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 | \$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 | \$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 | \$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 | \$0 |
| <u>Sub-Project Area G-3</u> | | | | | | | | | | | | |
| 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 | \$15,189,502 |
| 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 | \$9,810,900 |
| 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 | \$3,847,500 |
| 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 | \$13,658,400 |
| <u>Sub-Project Area G-4</u> | | | | | | | | | | | | |
| 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 | \$23,271,130 |
| 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 | \$15,030,800 |
| 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 | \$5,894,600 |
| 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 | \$20,925,400 |
| Total General Fund | | \$428,626,670 | \$32,943,500 | \$33,602,400 | \$34,274,500 | \$34,959,900 | \$35,659,200 | \$36,369,900 | \$37,089,900 | \$37,817,000 | \$38,551,600 | \$39,293,400 |
| Total ERAF | | \$168,092,823 | \$12,919,300 | \$13,177,800 | \$13,441,300 | \$13,710,100 | \$13,984,300 | \$14,263,200 | \$14,547,200 | \$14,836,300 | \$15,130,600 | \$15,430,100 |
| Total Property Tax Distributed to IFD | | \$596,719,493 | \$45,862,800 | \$46,780,200 | \$47,715,800 | \$48,670,000 | \$49,643,500 | \$50,633,100 | \$51,637,100 | \$52,653,300 | \$53,682,200 | \$54,723,500 |

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 73/74 |
|---------------------------------------|--------|---------------|--------------|
| <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

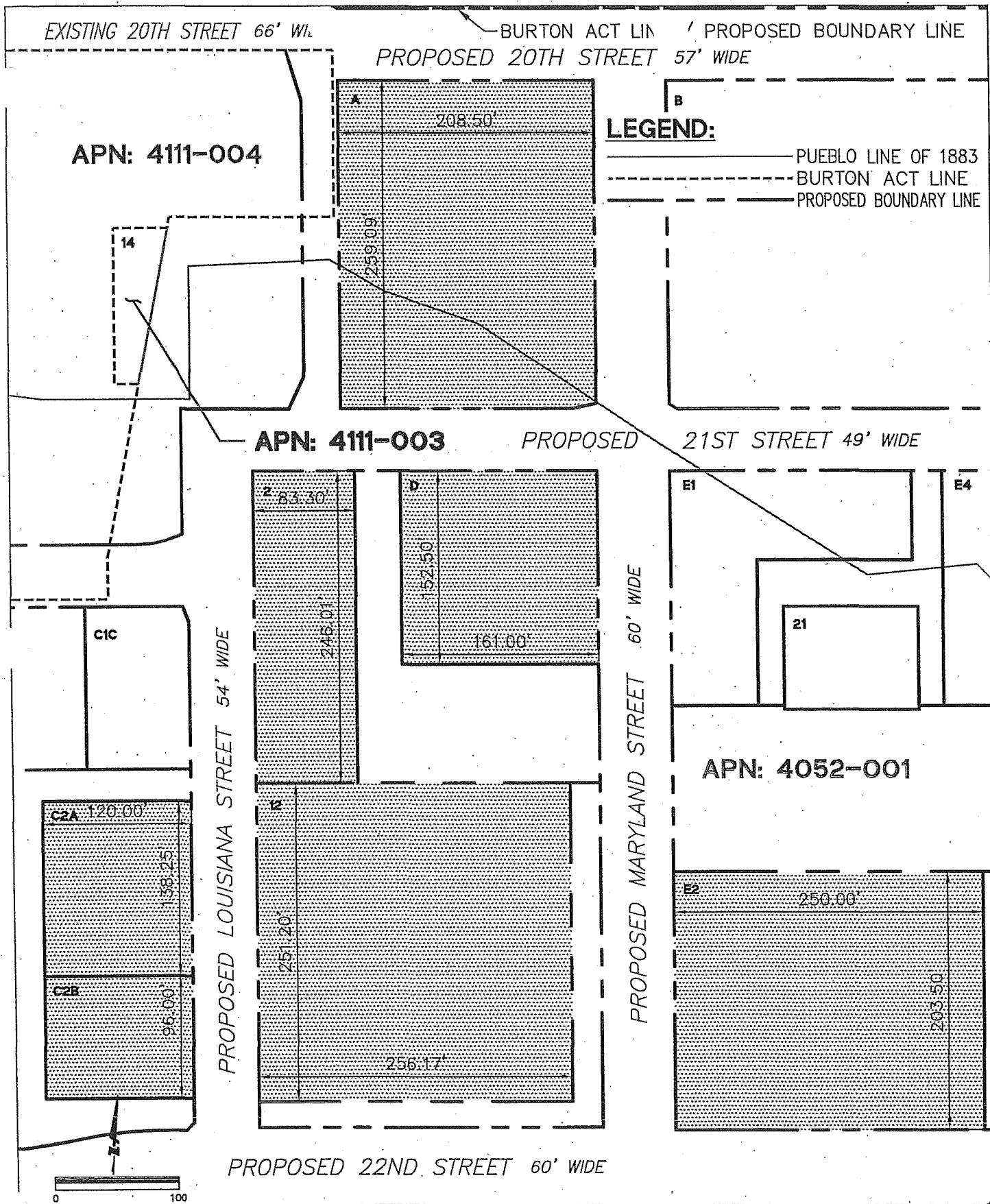
| Loan Terms | Estimated Interest Rate | Term | DCR | Issuance Costs /Reserves [1] | |
|---------------------------------|----------------------------|---------------------|---------------------|---------------------------------|---------------------|
| Developer Capital | 4.5% | | | | |
| Advances of 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)**



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION



PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING
1265

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

113-116

BURTON ACT LINE/
EXISTING BOUNDARY LINE

PROPOSED
MICHIGAN STREET
68' WIDE

PKN

212.00'

APN: 4110-001

320.70'

APN: 4111-004

EXISTING ILLINOIS STREET 80' WIDE

PROPOSED 21ST STREET 49' WIDE

PKS

HDY3

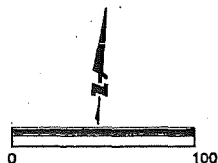
APN: 4110-008A
1.51 AC

EXISTING MICHIGAN STREET
80' WIDE

C1A

C1B

APN: 4120-002
1.49 AC



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION

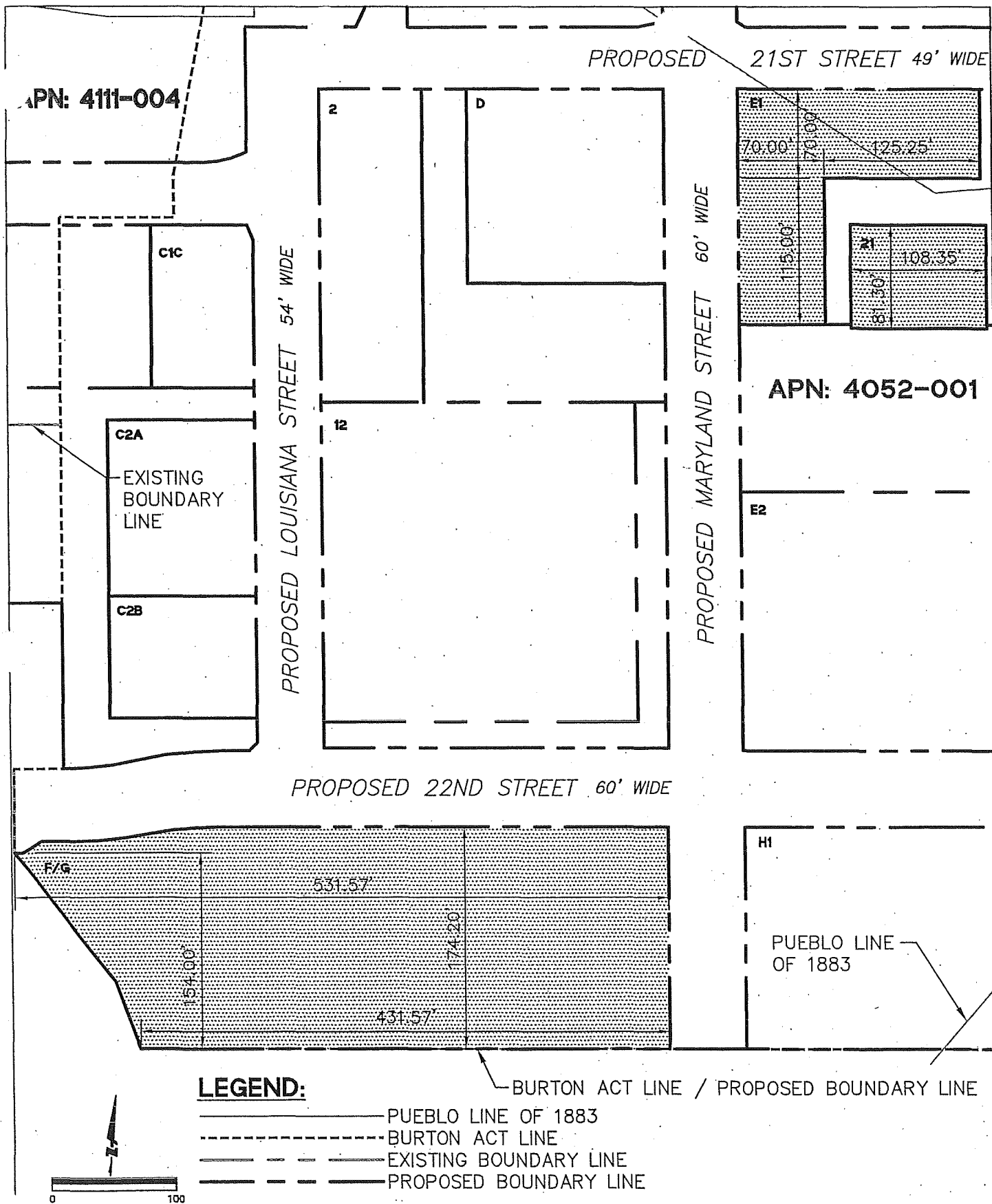


PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

1266

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 |



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION

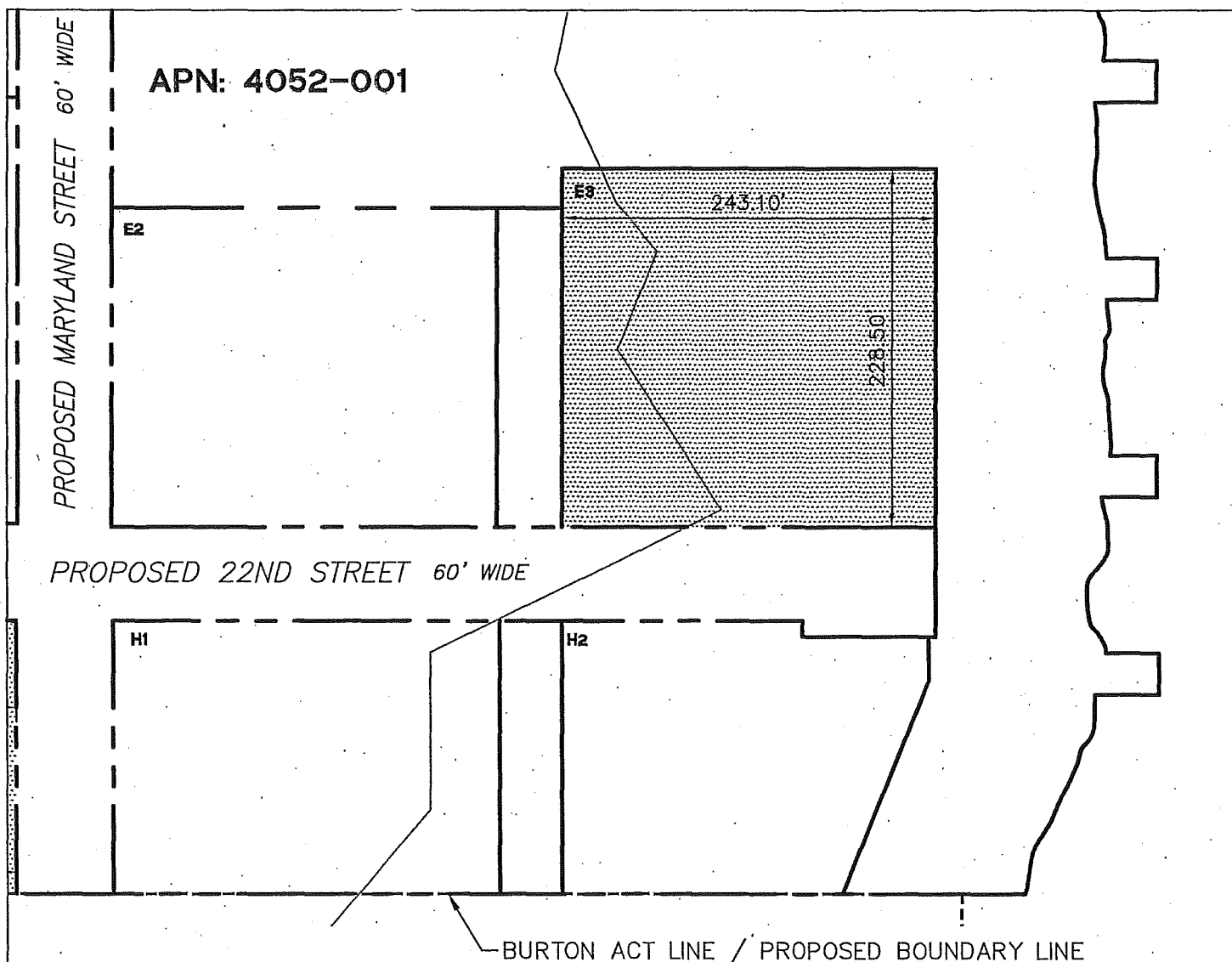


PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

1267

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 |



APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION

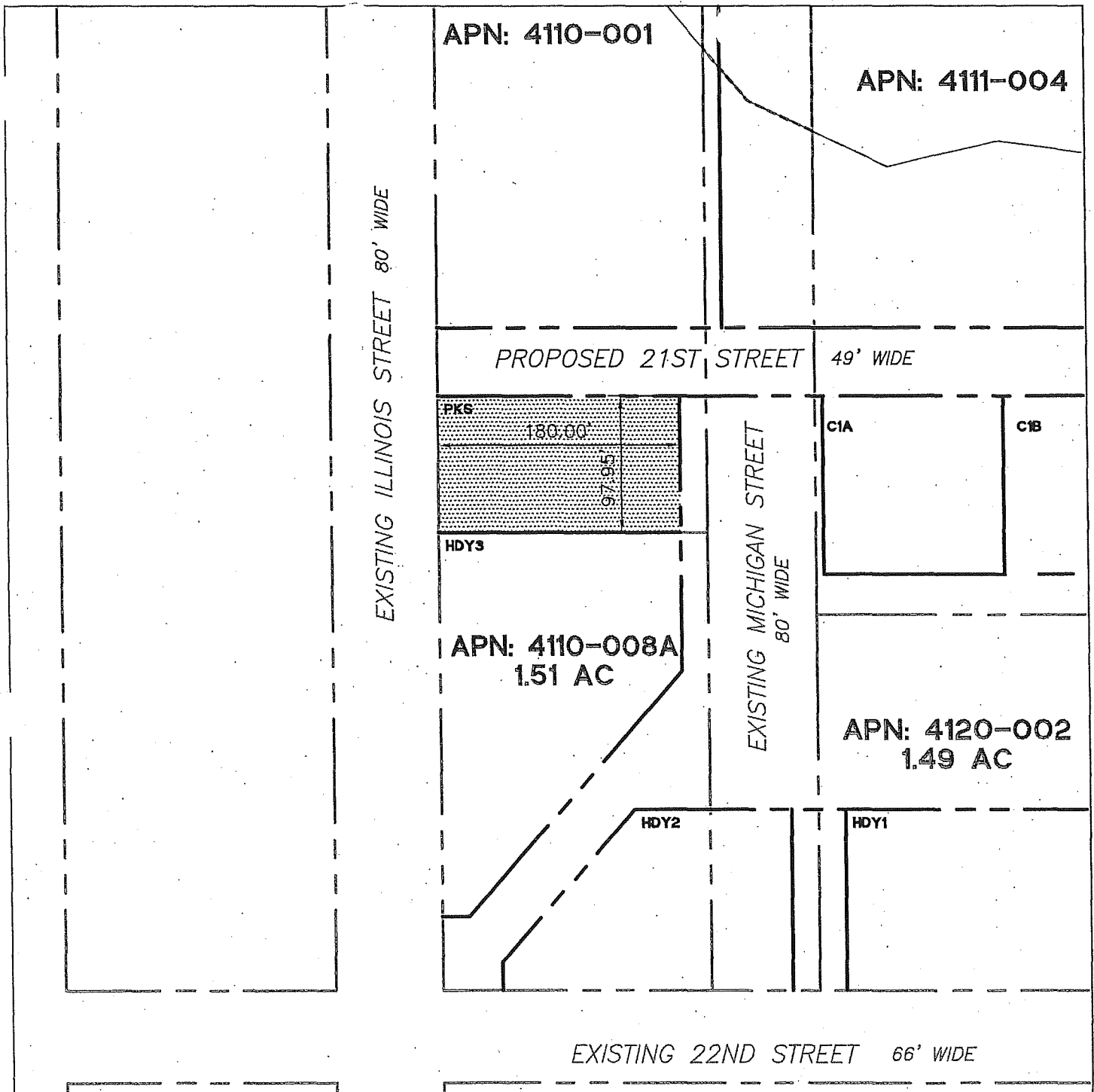


PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

1268

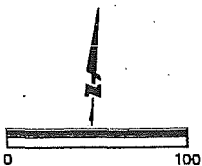
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO) SUB-PROJECT AREA G-3
(PIER 70 - 28-ACRE SITE)

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



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



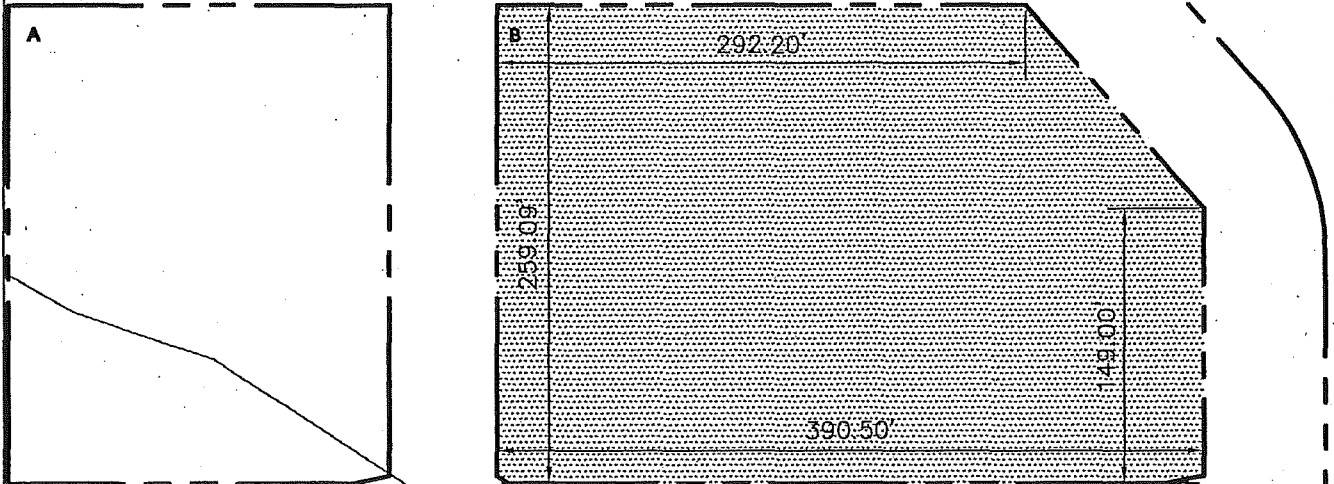
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

1269

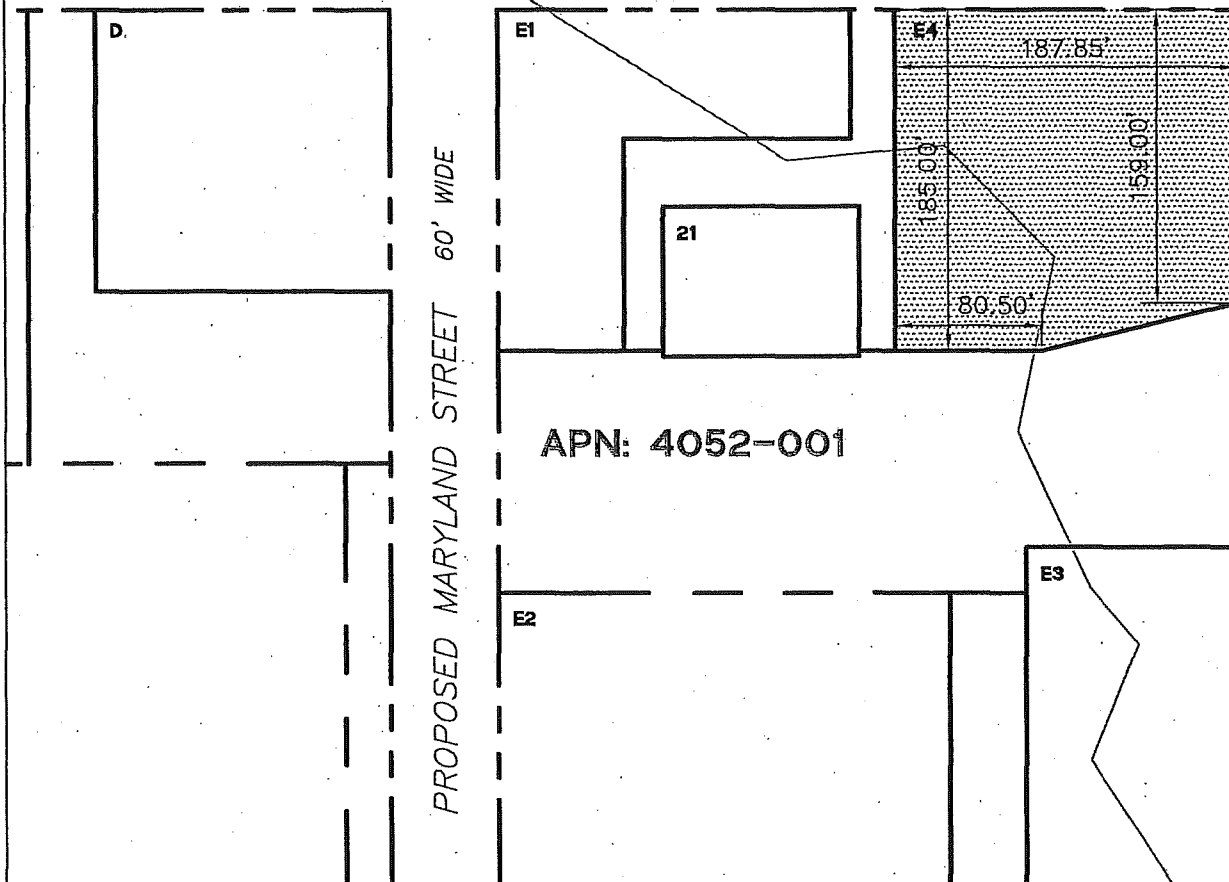
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE FINANCING DISTRICT NO. 2
(PORT OF SAN FRANCISCO)
SUB-PROJECT AREA G-3

| | | | |
|--------------|----------|-------------|----------|
| 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



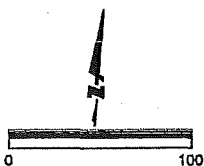
PROPOSED 21ST STREET 49' WIDE



APN: 4052-001

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

1270

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

C1A

128.00'

133.00'

C1B

175.00'

C1C

84.00'

APN: 4120-002
1.49 AC

HDY2

HDY1

C2A

C2B

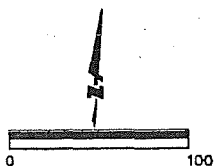
PROPOSED LOUISIANA STREET 54' WIDE

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

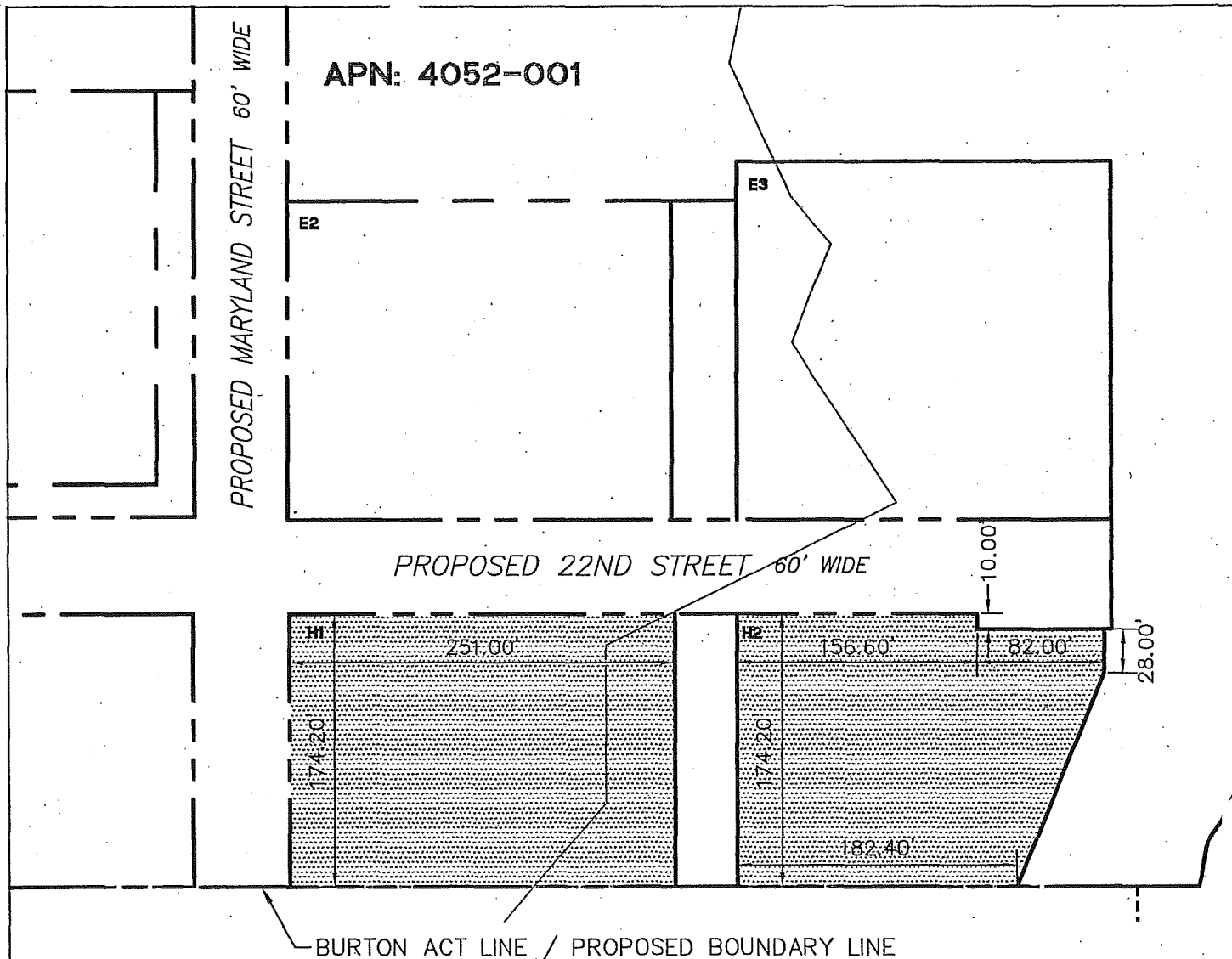


PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

1271

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 |



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.
(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).

IFD PCLS_AREA-G4.docx
09-13-17

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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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

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Completed by: Victor Young

Date April 12, 2013

Completed by: Victor Young

Date 4/18/13

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

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.

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

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

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

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

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

///

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

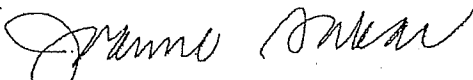
9 RESOLVED, That the Board of Supervisors finds that the Port Guidelines will ensure
10 that a rational and efficient process is established for the formation the waterfront district and
11 project areas within it, and adopts the Port Guidelines; and, be it

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
20 Deputy City Attorney
21
22
23
24
25

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 *gc*
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.

cc. Supervisor Jane Kim

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| Item 6 File 13-0264 | Department: The Port |
| EXECUTIVE SUMMARY | |
| Legislative Objectives | |
| <ul style="list-style-type: none"> 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 | |
| <ul style="list-style-type: none"> 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 | |
| <ul style="list-style-type: none"> 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 | |
| <ul style="list-style-type: none"> 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.

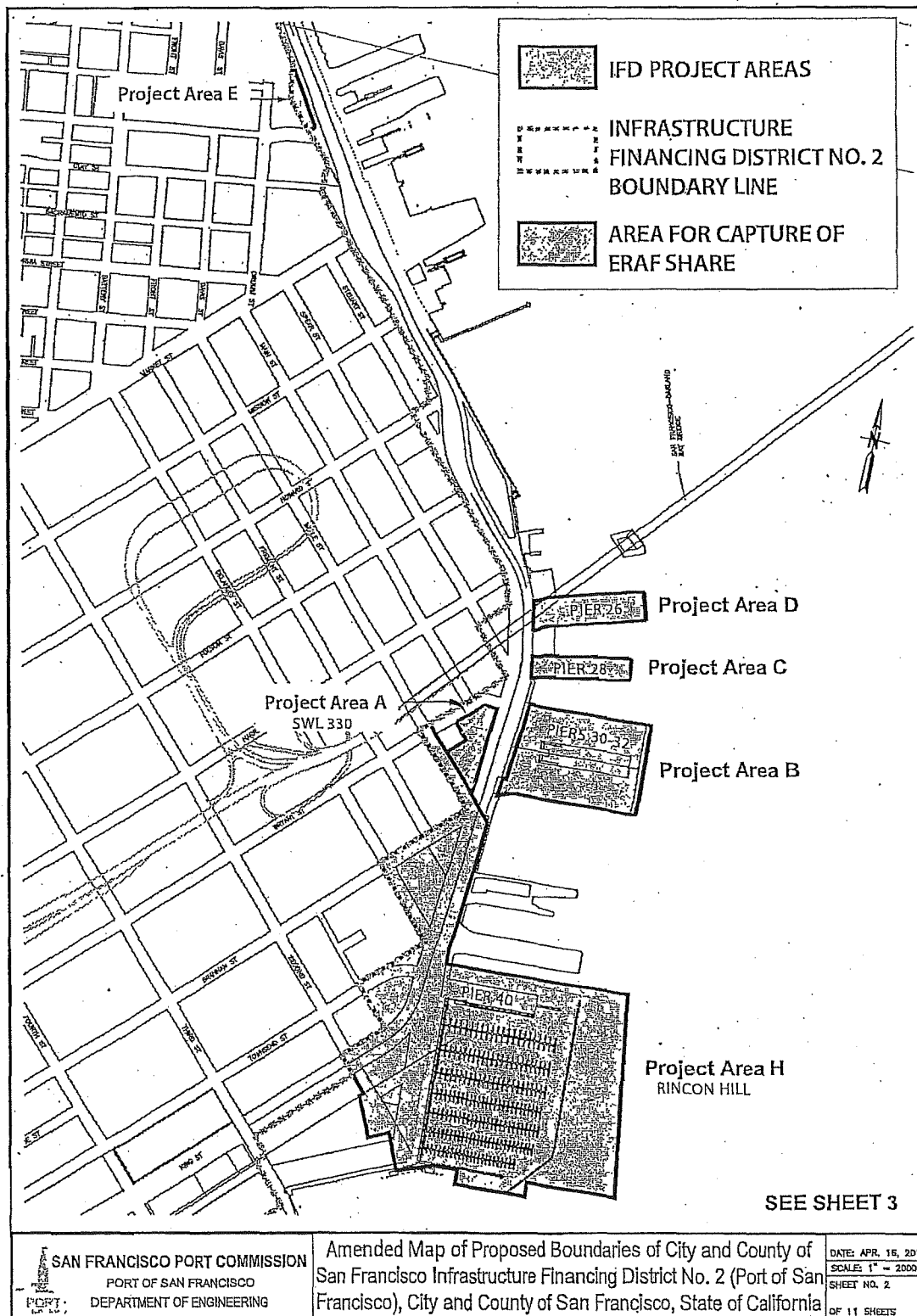
¹⁵ ERAF's share of tax increment is allocated in proportion to the percentage of City tax increment allocated to the designated project areas.

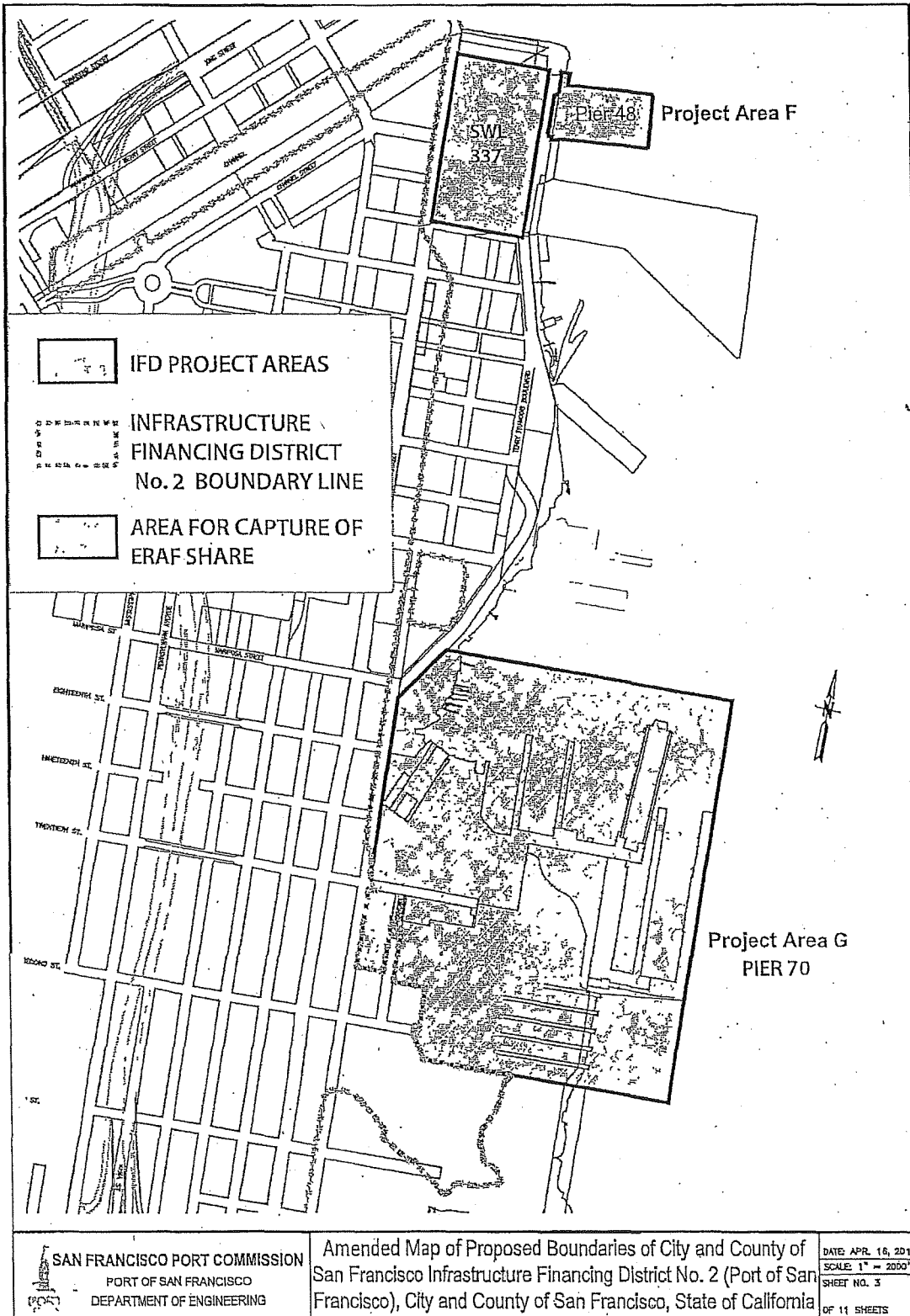
Approval of the Proposed Resolution is a Policy Decision for the Board of Supervisors

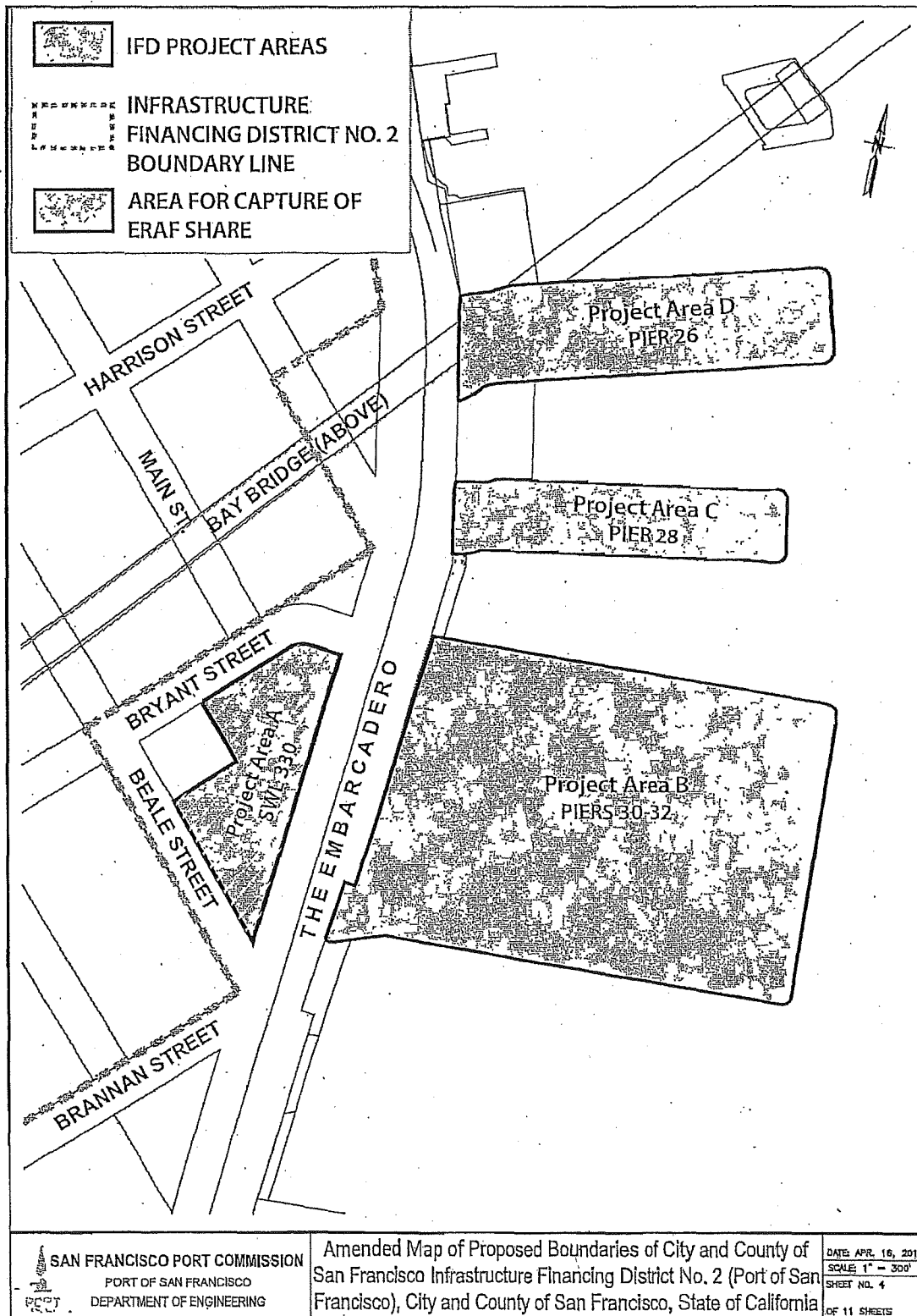
The proposed Port IFD Guidelines will guide future Board of Supervisors' decisions on allocation of City and ERAF tax increment. Therefore, approval of the proposed resolution is a policy decision for the Board of Supervisors.

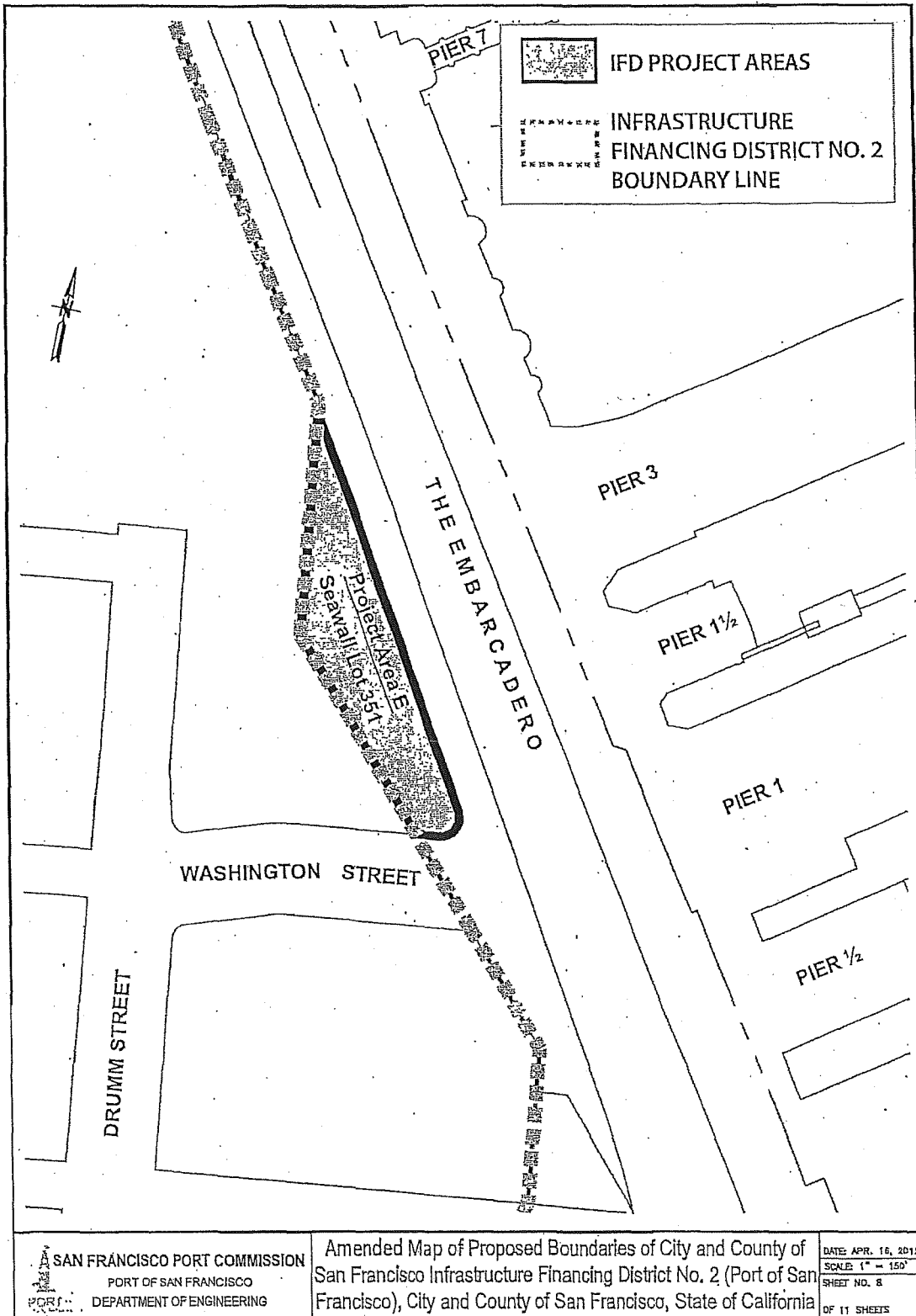
RECOMMENDATIONS

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.

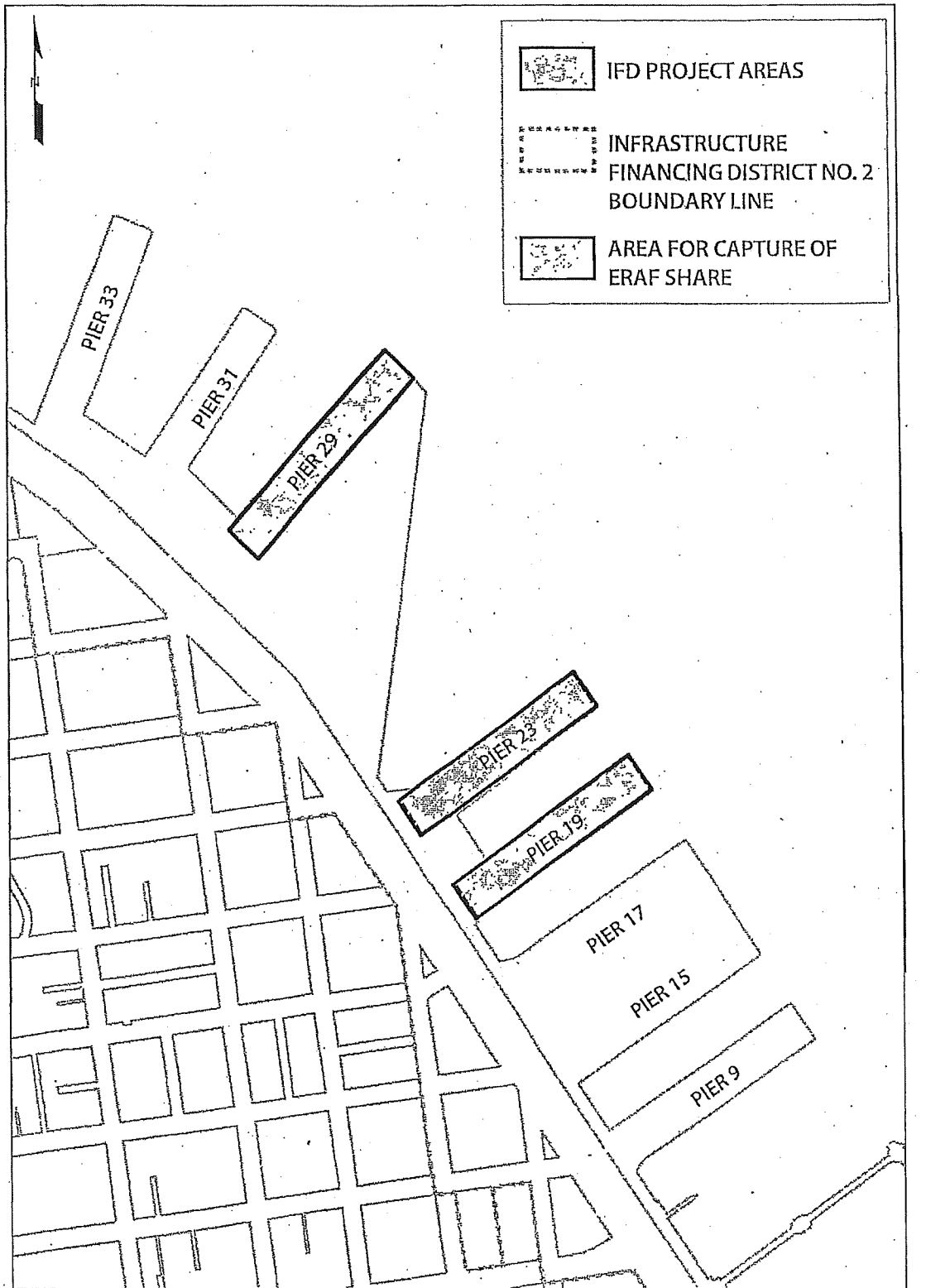












Port of San Francisco
Infrastructure Financing Districts in the
Northern Waterfront Defined by AB 2259

0 250 500 1,000 Feet

Revised 4-11-13

**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 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.

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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.
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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

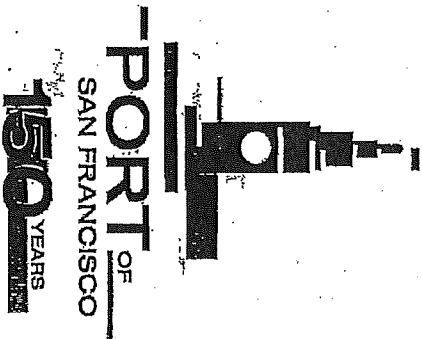
⁴ Gov. Code §§ 553311-53368.3 (Mello-Ross Act).

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

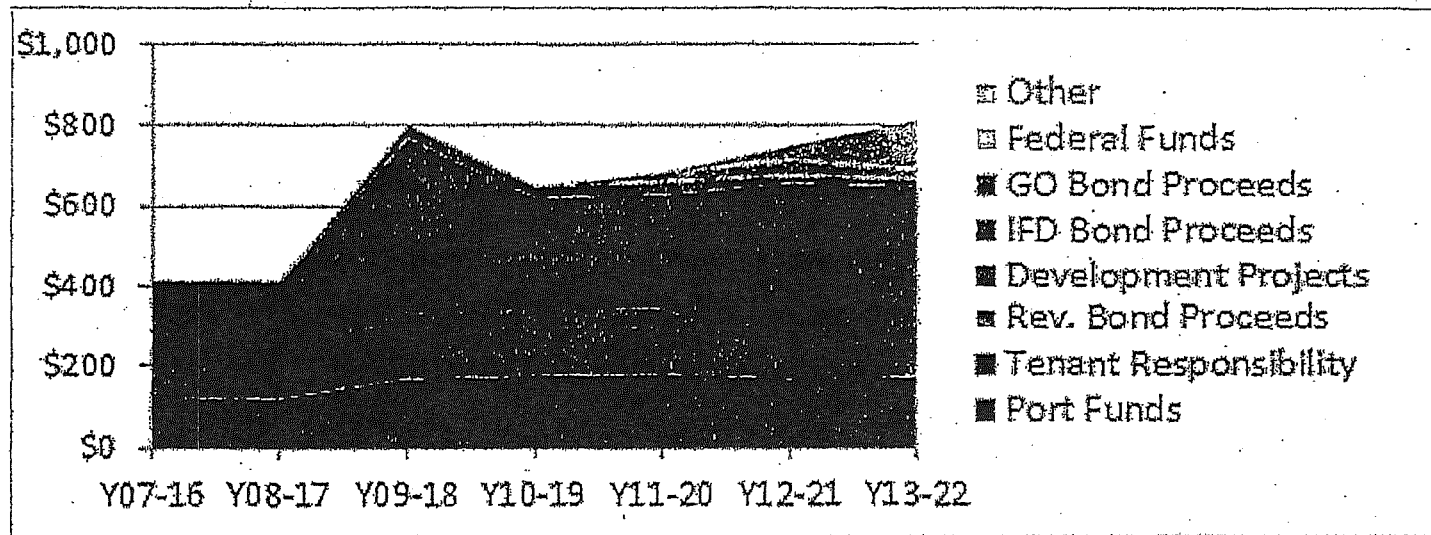
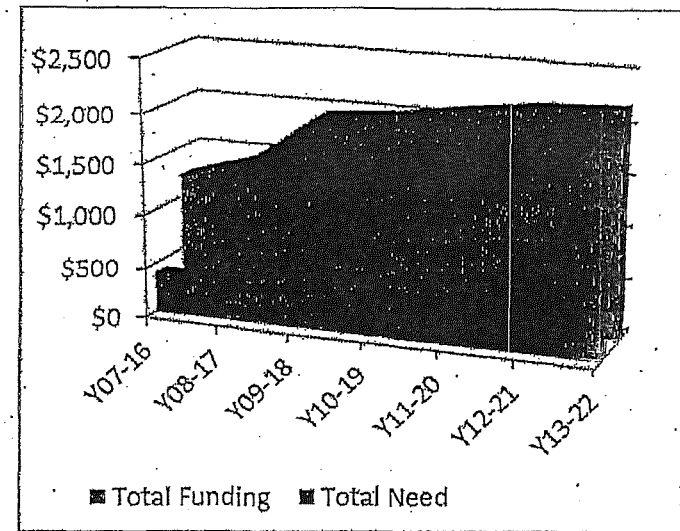
BOARD OF SUPERVISORS BUDGET COMMITTEE



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

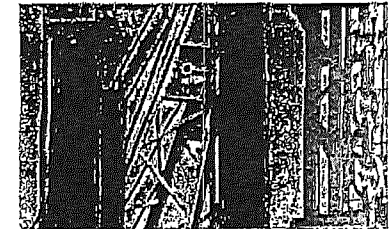
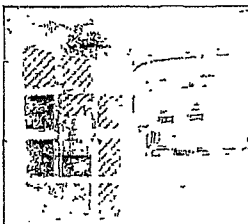
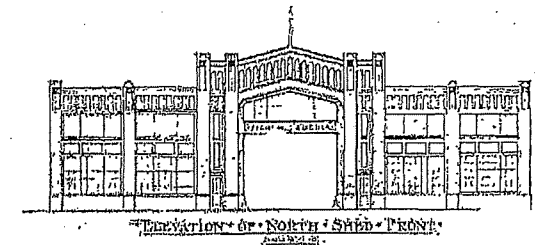
| PHASE | COMPONENT | UNINFLATED COSTS | INFLATED COSTS (3%) | START YEAR |
|--------------|------------------|------------------|------------------------|---------------|
| Entitlements | Entitlements | \$20,000,000 | \$20,000,000 | 2012 |
| Phase 1 | Parcels A, B & C | \$18,390,613 | \$21,523,162 | 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 | |

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.



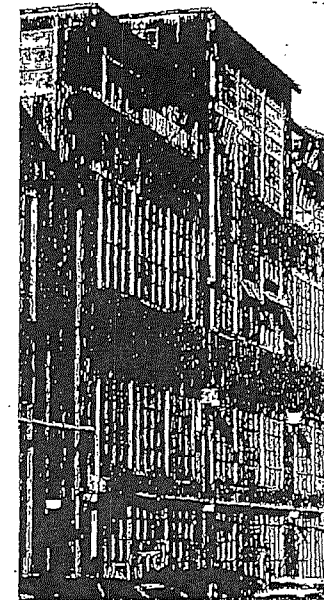
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Pier 70 Waterfront Site

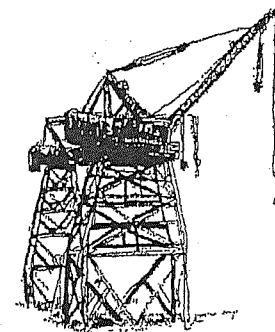
Total Infrastructure & Site Conditions Costs

| 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.



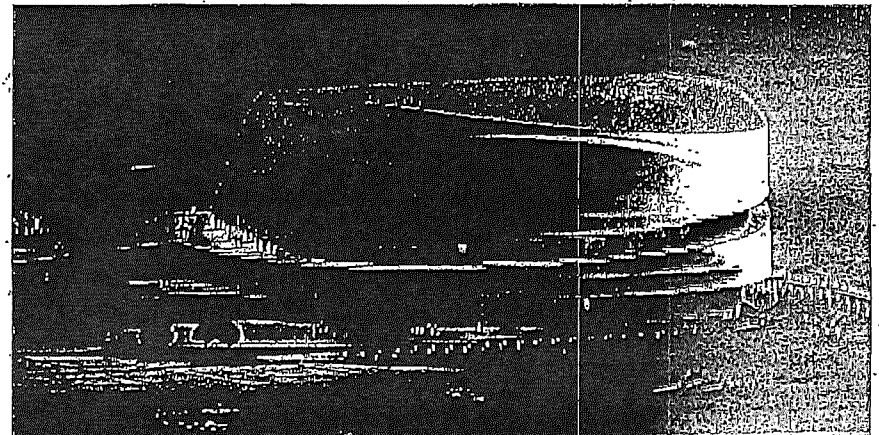
WARRIORS: FISCAL FEASIBILITY & COSTS

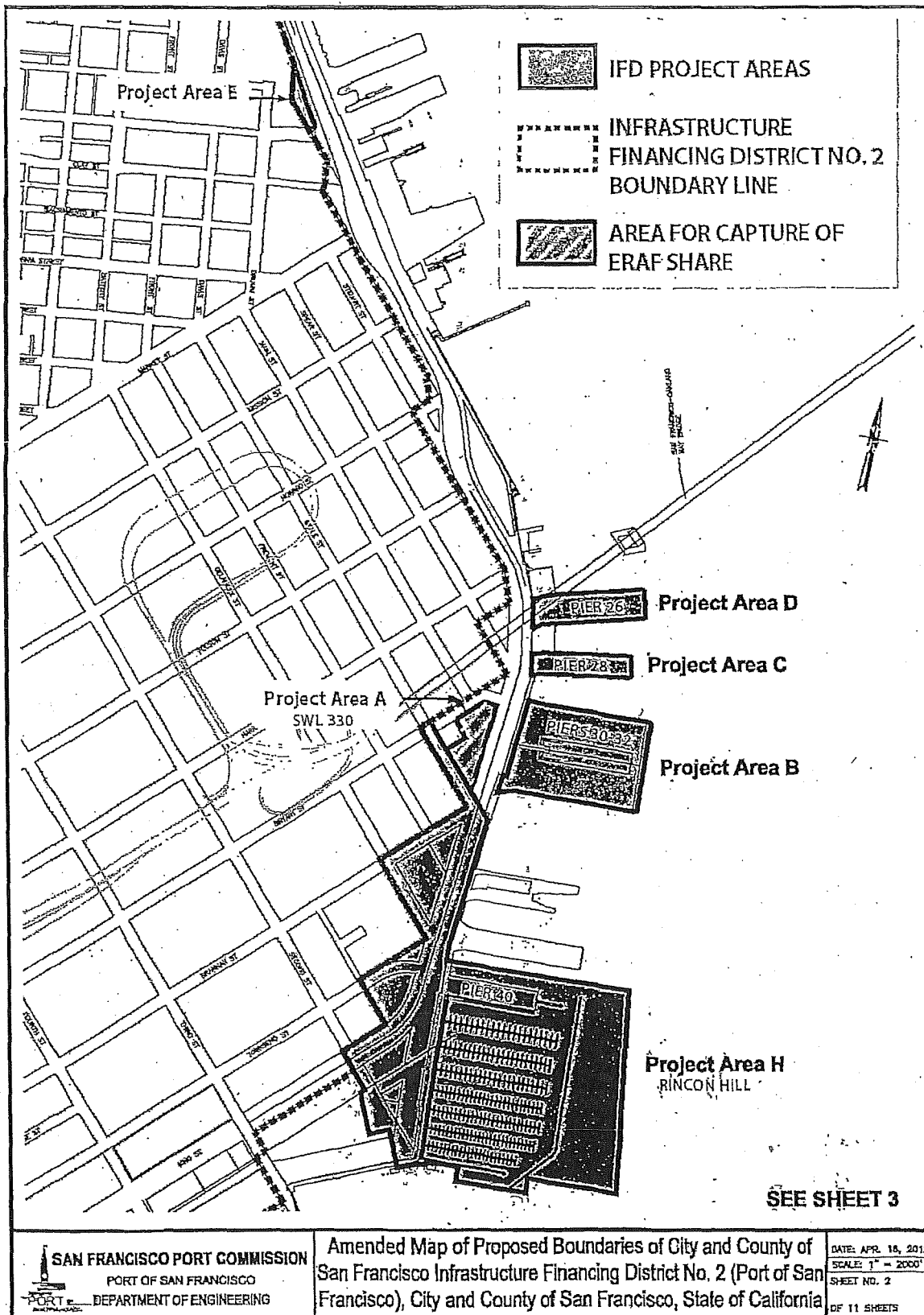
1. Direct & indirect economic benefits of the project

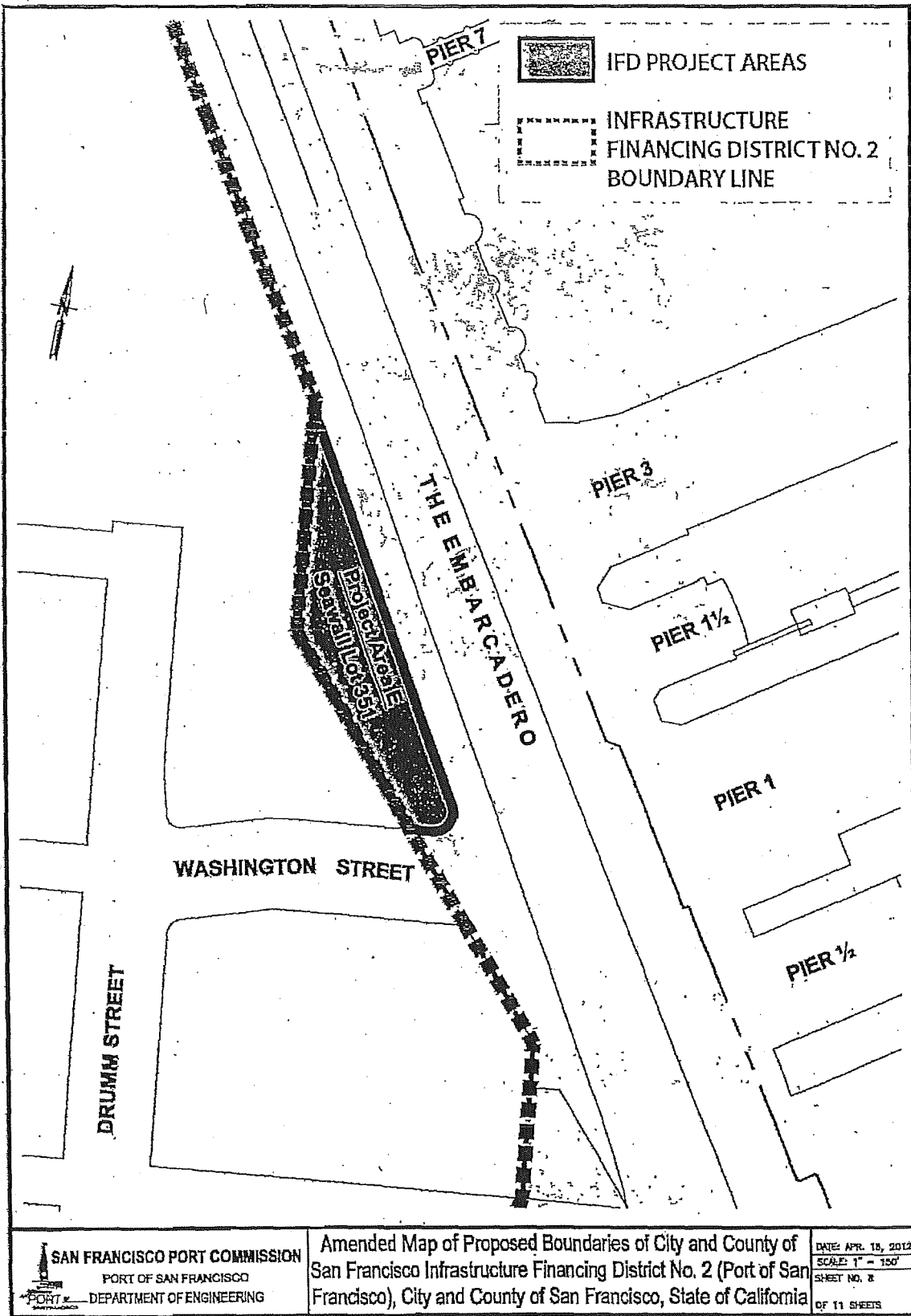
- City Revenue: \$19.4M (inc. tax increment)/ \$53.8M (one-time)
- Visitor Spending: \$60M/year
- Jobs: 2,623 (construction) / 1,757 (permanent)

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

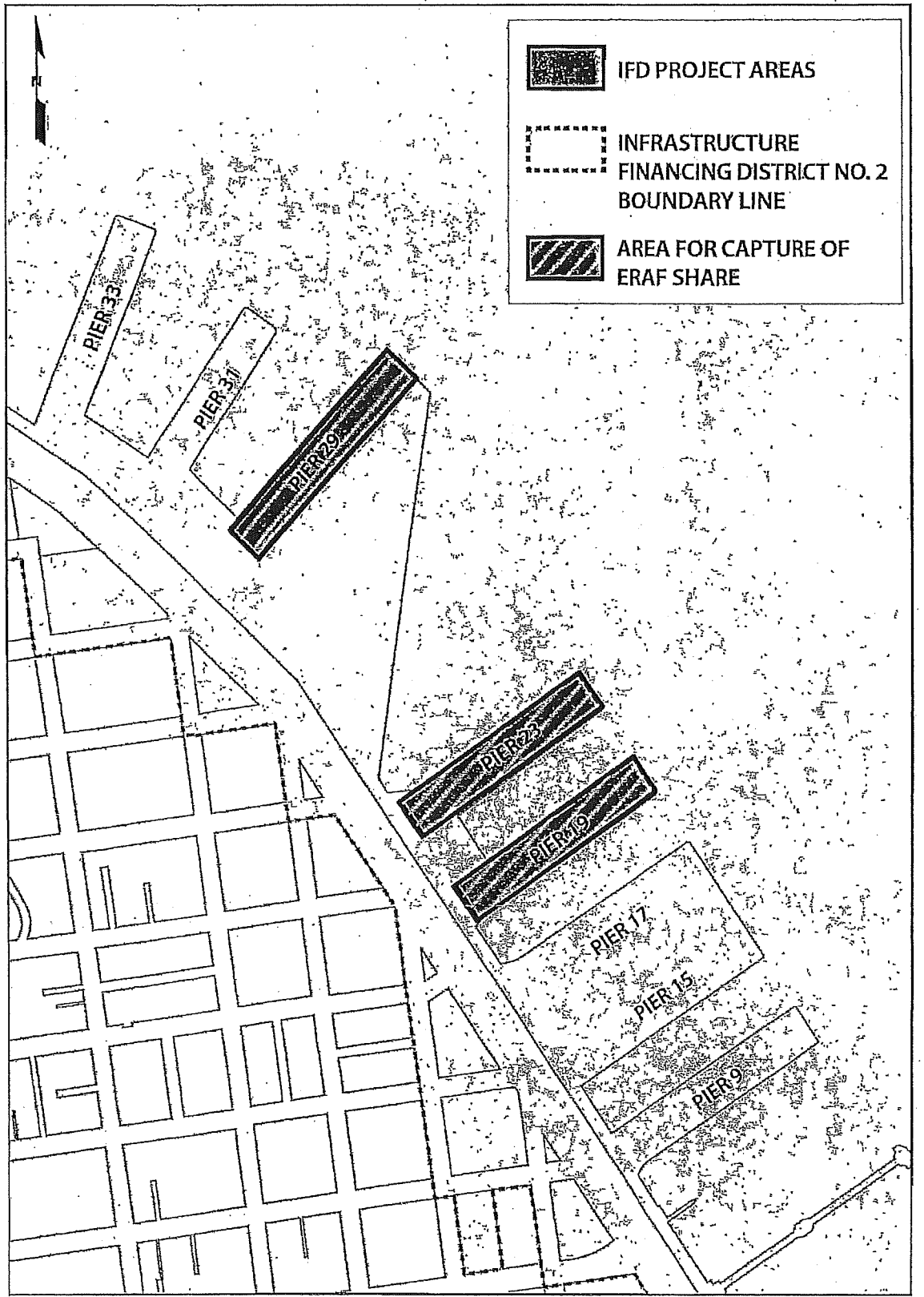
- City will reimburse Warriors for agreed improvements to Piers 30-32 capped at \$120 M
- Reimbursement from 3 sources: Piers 30-32 Rent Credits, Sale Price of SWL 330, IFD







| | | |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <p>SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING</p> | <p>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</p> | <p>DATE: APR. 15, 2012 SCALE: 1" = 150' SHEET NO. 2 OF 11 SHEETS</p> |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|



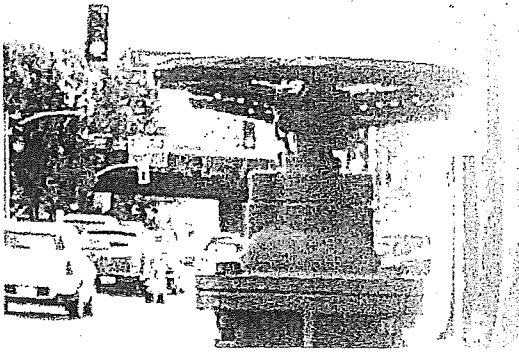
Port of San Francisco
Infrastructure Financing Districts in the
Northern Waterfront Defined by AB 2259

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

TABLE OF CONTENTS

| | |
|-------------------------------------------------------------------------------------|----|
| EXECUTIVE SUMMARY | 1 |
| 1. THE PROJECT & COSTS OF CONSTRUCTION | 5 |
| Project Description | |
| Construction Costs and Assessed Value | |
| 2. AVAILABLE FUNDING FOR THE PROJECT | 7 |
| Horizontal Development of Waterfront Site & Special Use District | |
| Vertical Development of Waterfront Site & Special Use District | |
| 3. FISCAL ANALYSIS: FUNDING OF INFRASTRUCTURE MAINTENANCE AND PUBLIC SERVICES | 9 |
| Maintenance and Service Costs | |
| Public Revenues | |
| Development Impact Fees | |
| 4. DEBT LOAD TO BE CARRIED BY THE CFD, IFD AND IRFD | 20 |
| 5. BENEFITS TO THE CITY AND PORT | 21 |
| Fiscal Benefits | |
| Economic Benefits to the City | |
| Direct Financial Benefits to the Port | |
| New Public Access Facilities | |
| Other Public Benefits | |

Appendix A: Fiscal Analysis

FIGURES AND TABLES

| | |
|---------------------------------------------------------------------------------|----|
| Figure 1 Project Area..... | 4 |
| Table 1 Summary of Construction Costs and Assessed Value (2017\$\$)..... | 6 |
| Table 2 Estimated Annual Net General Revenues and Expenditures (2017 \$\$)..... | 9 |
| Table 3 Estimated One-Time Fees and Revenues (2017 \$\$) | 10 |
| Table 4 Annual Service Costs During Development (2017 \$\$) | 11 |
| Table 5 Summary of Economic Impacts (2017 \$\$) | 22 |

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

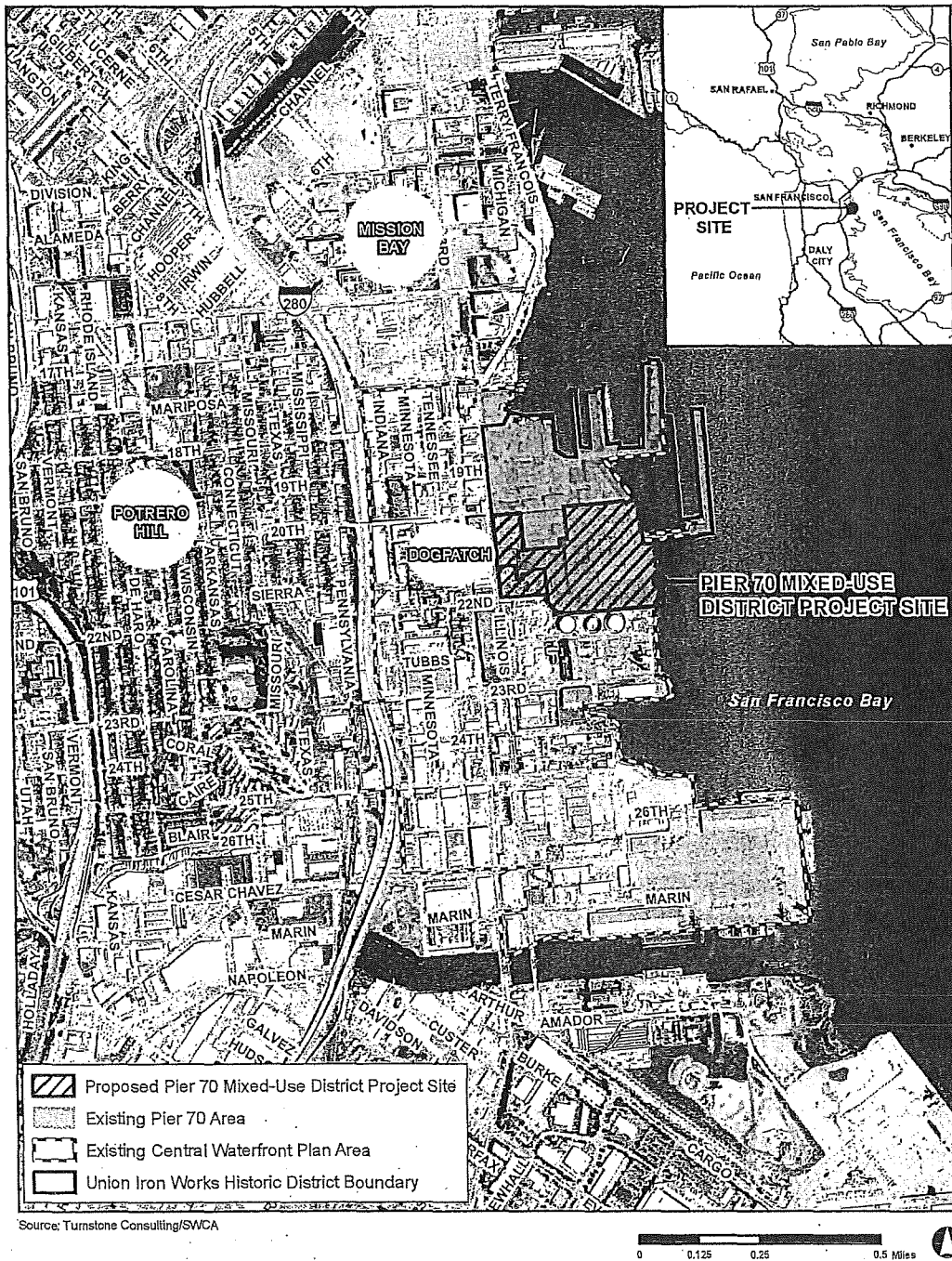
The Project will provide a range of public parks, public access and open space, and a network of landscaped pedestrian connections and bicycle networks. These facilities will benefit San Francisco residents, and provide amenities to encourage retention and attraction of businesses, employees, and residents.

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.

August 31, 2017

Figure 1 Project Area



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.

August 31, 2017.

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 | <u>\$220,548,000</u> | <u>\$311,146,000</u> |
| 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

8/31/17

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 the 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, 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 | | IFD Annual Total | IRFD Hoedown Yard | SUD Annual Total |
|------------------------------------------------------|------------------------------------|--------------------|----------------------|----------------------|----------------------|
| | Pier 70 28-acre Waterfront Site | 20th/Illinois St. | | | |
| 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 | | | | | |
| Roads | | | | | |
| 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.

8/31/17

August 31, 2017

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 | | IFD Total | IRFD Hoedown Yard | SUD Total |
|----------------------------------------|------------------------------------|---------------------|----------------------|----------------------|----------------------|
| | Pier 70 28-acre Waterfront Site | 20th/Illinois St. | | | |
| 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.

8/31/17

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 | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) | (853,000) |
| 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 | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) | (52,000) |
| 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 | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) | (69,000) |
| 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

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 |
| Ongoing Project Employment | | | | |
| 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 |
| Annual Economic Output | | | | |
| 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 |
| Construction-Related Employment (Job-Years) | | | | |
| 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 |
| Economic Output from Construction | | | | |
| 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.

8/31/17

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 | <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.

8/31/17

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 |
|----------------------------------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 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

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.

8/31/17

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 | | 177 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 | | 177 | |
| Total, Apts | | 886 | |
| Condos | | | |
| Market Rate | | 1,156 | |
| Affordable | | 0 | |
| 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

8/31/17

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) | 6 |
| 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) | 1 |
| 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) | 0 |
| Total | | 12 |
| Total Service Population | | 761 |
| TOTAL | | |
| Residents | | 4,635 |
| Employees | | 6,088 |
| Service Population | | 10,724 |
| CITYWIDE | | |
| Residents (5) | | 866,583 |
| Employees (6) | | 709,496 |
| 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.

8/31/17

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. | <u>107,616</u> | <u>60,000</u> | <u>0</u> | <u>115,700</u> | |
| 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.

8/31/17

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 |

1364

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.

8/31/17

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 |
| 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 | <u>\$220,548,000</u> | <u>\$311,146,000</u> |
| 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

8/31/17

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 | 1.97% | \$447,000 |
| | 100.00% | \$22,692,450 |

Sources: City of San Francisco, and Berkson Associates

8/31/17

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

8/31/17

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 | | 282,000 |
| 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.

8/14/17

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

8/31/17

ble 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

8/14/17

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

8/31/17

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 |
| 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 |
| 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

8/31/17

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) | up to \$1m | Gross Revenue Tier (2) | | | Gross Receipts Tax |
|------------------------------|---------------------------|-----------------------------------|------------|------------------------|----------------|--------|--------------------|
| | | | | \$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 |
| | | | | | | | |
| <u>Hoedown Yard</u> | | | | | | | |
| <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 |
| | | | | | | | |
| <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.

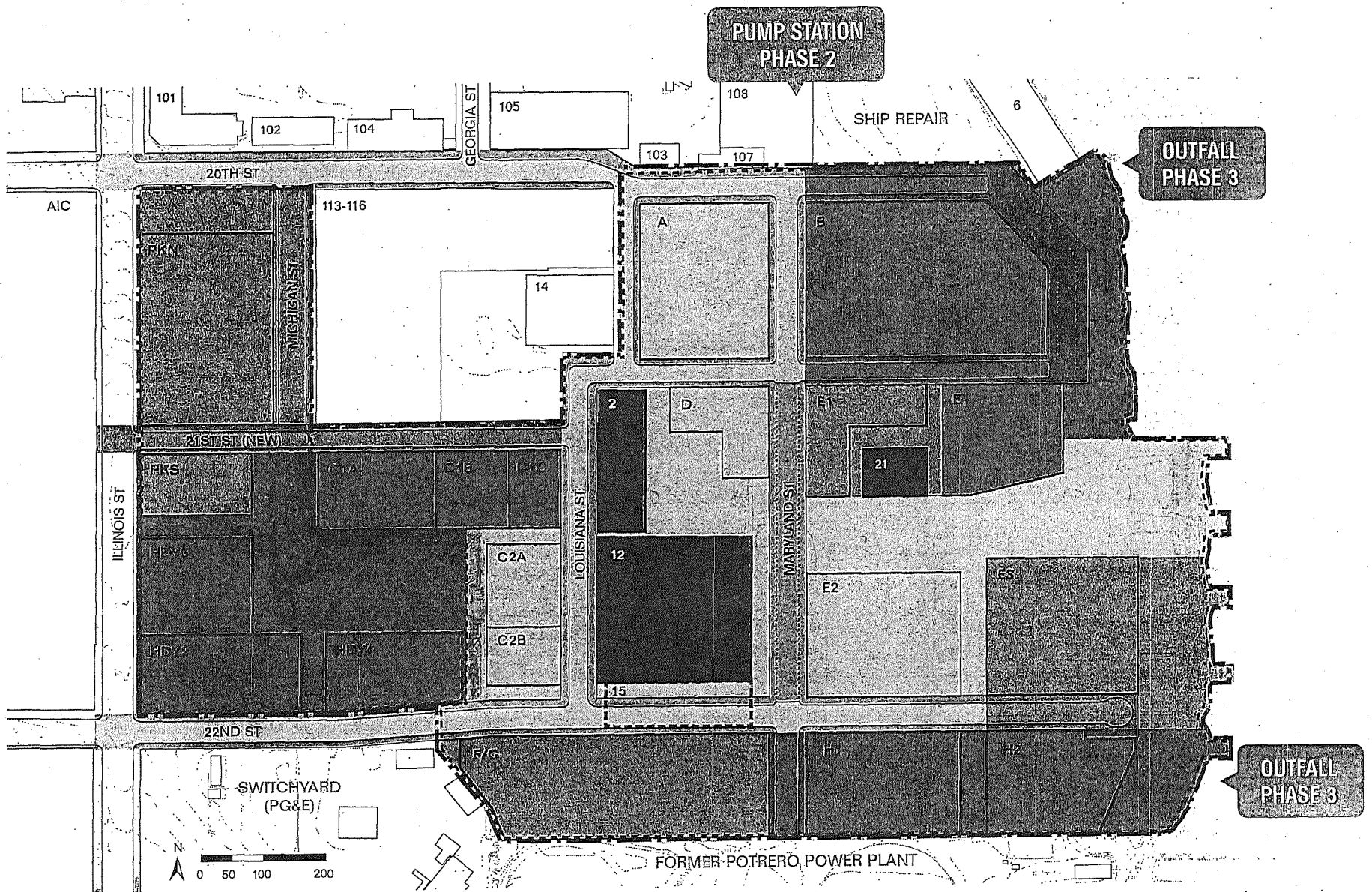
(7) As a planning estimate, approximately 55% is assumed to represent direct construction costs.

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

8/31/17

Attachment 4:

Phasing Plan and Phase 1 Submittal Exhibits
(See Attached)

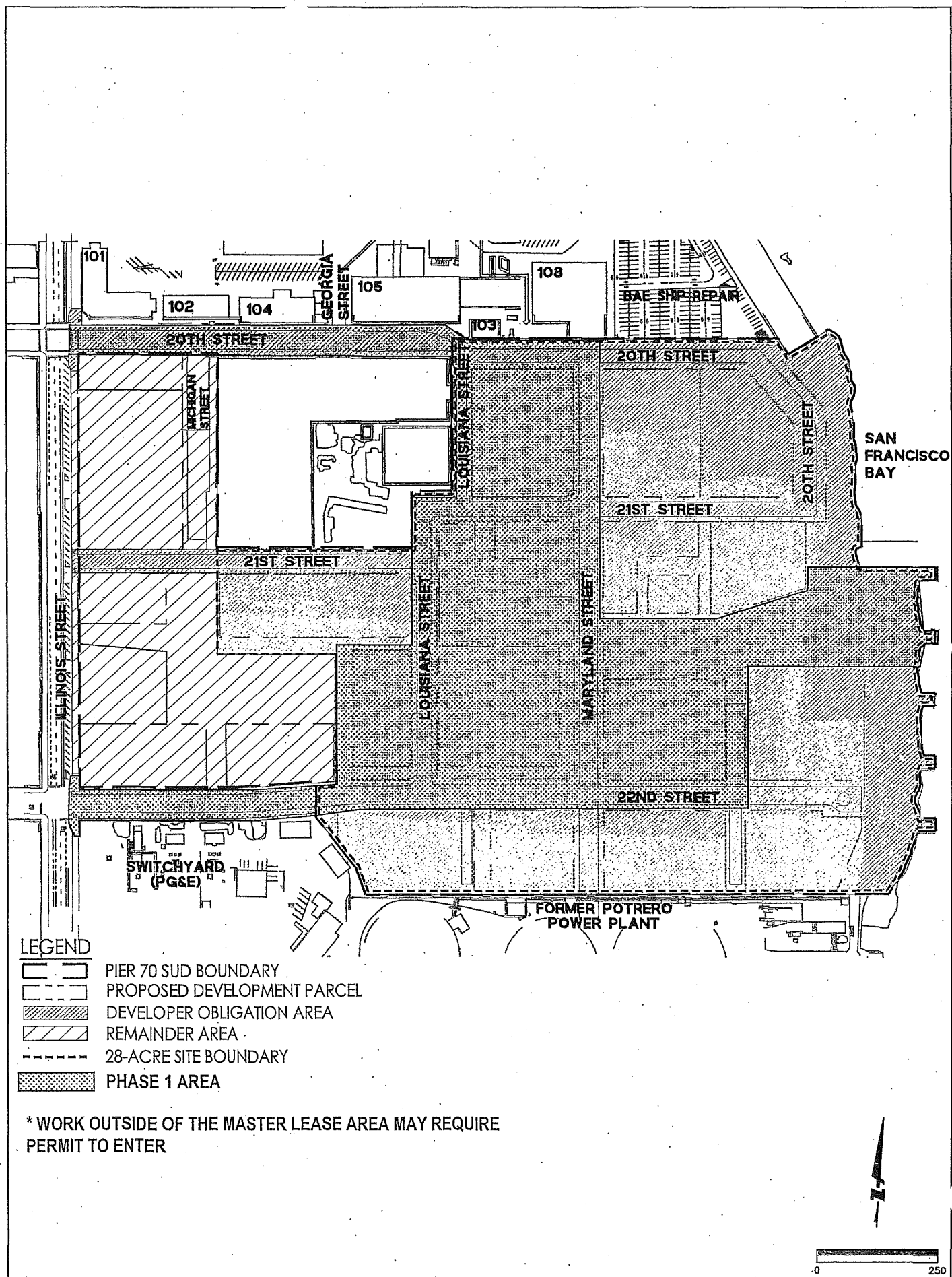


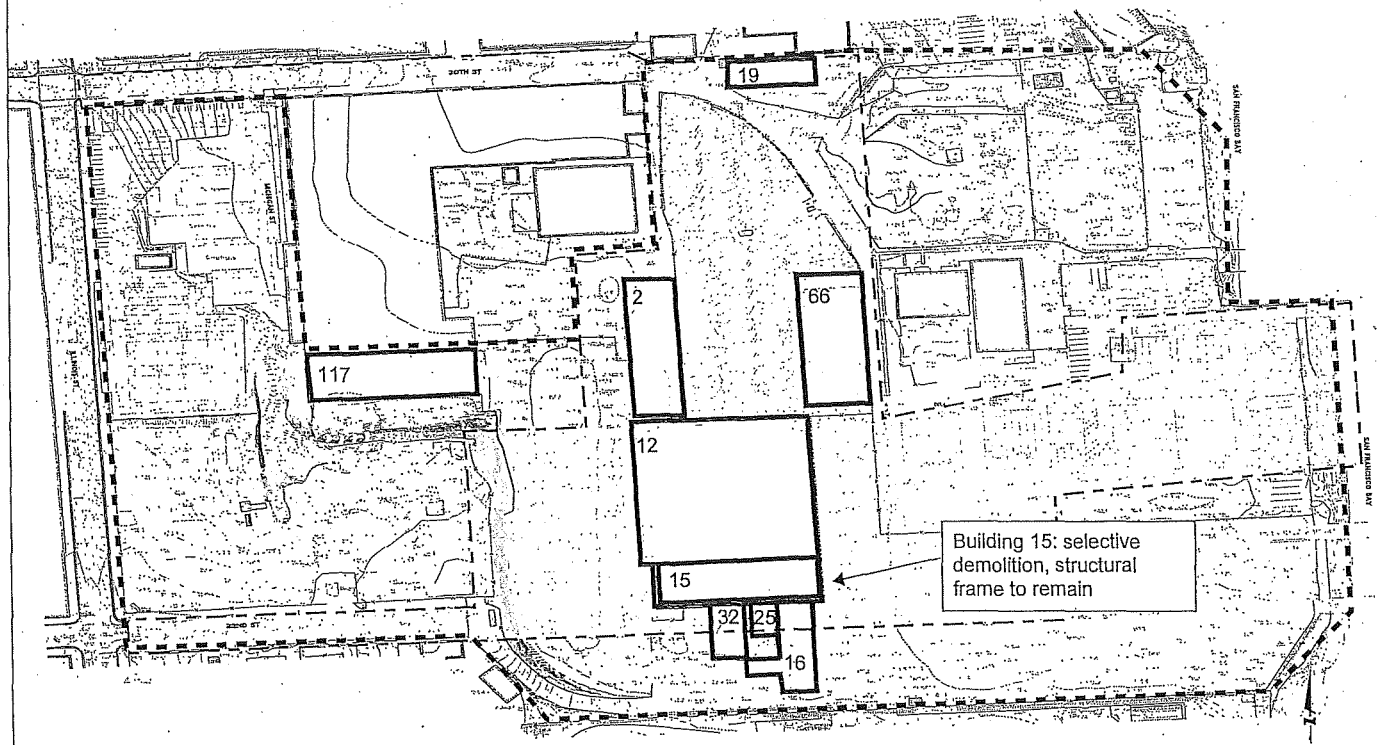
PIER 70 SUD PHASING PLAN


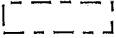



SITELAB urban studio 08/21/2017

SITE BOUNDARIES
 - - - Pier 70 SUD
 - - - 28-Acre Site
 - - - Illinois Parcels

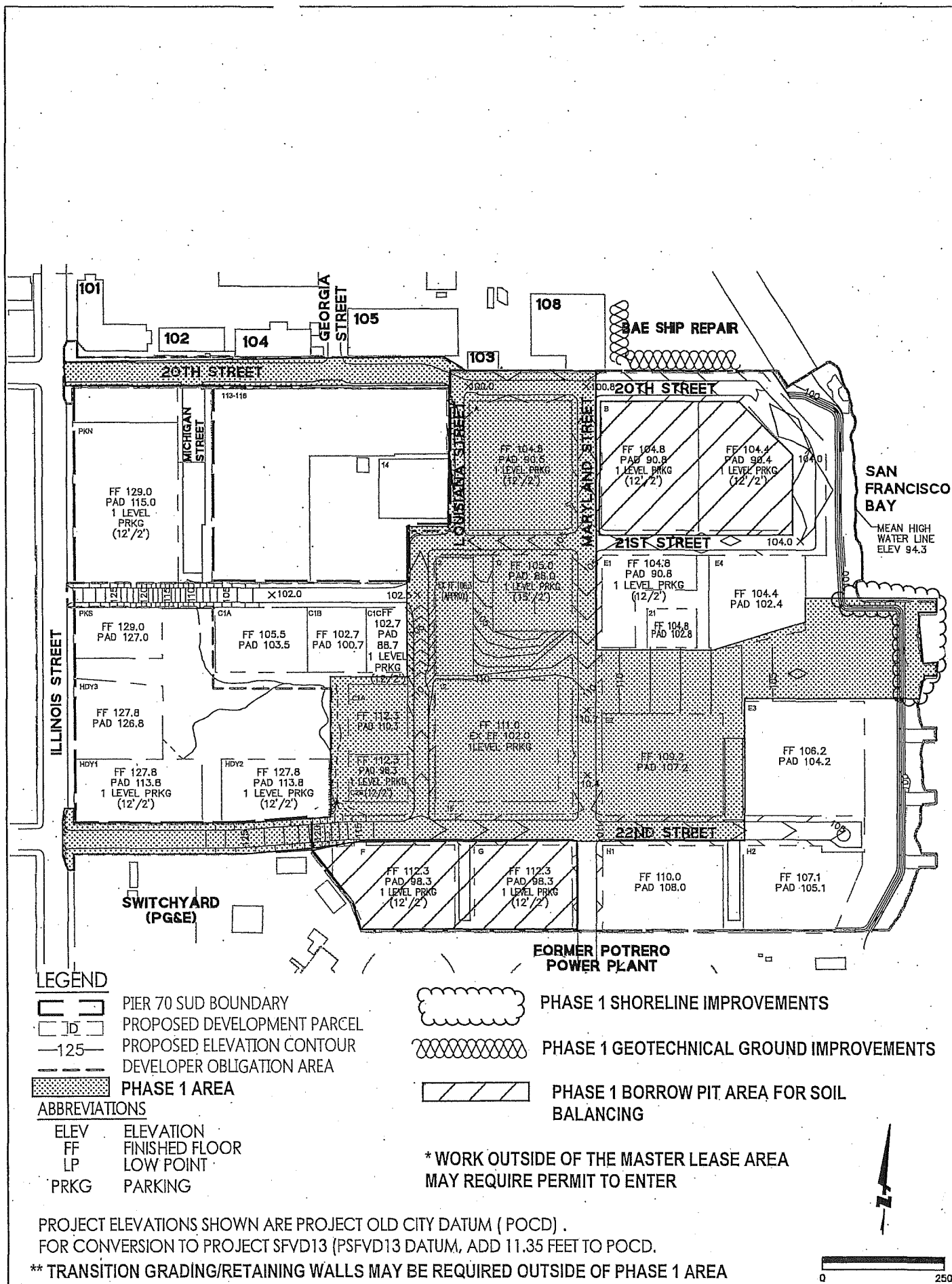
PHASES
 Phase 0.5
 Phase 1
 Phase 2
 Phase 3

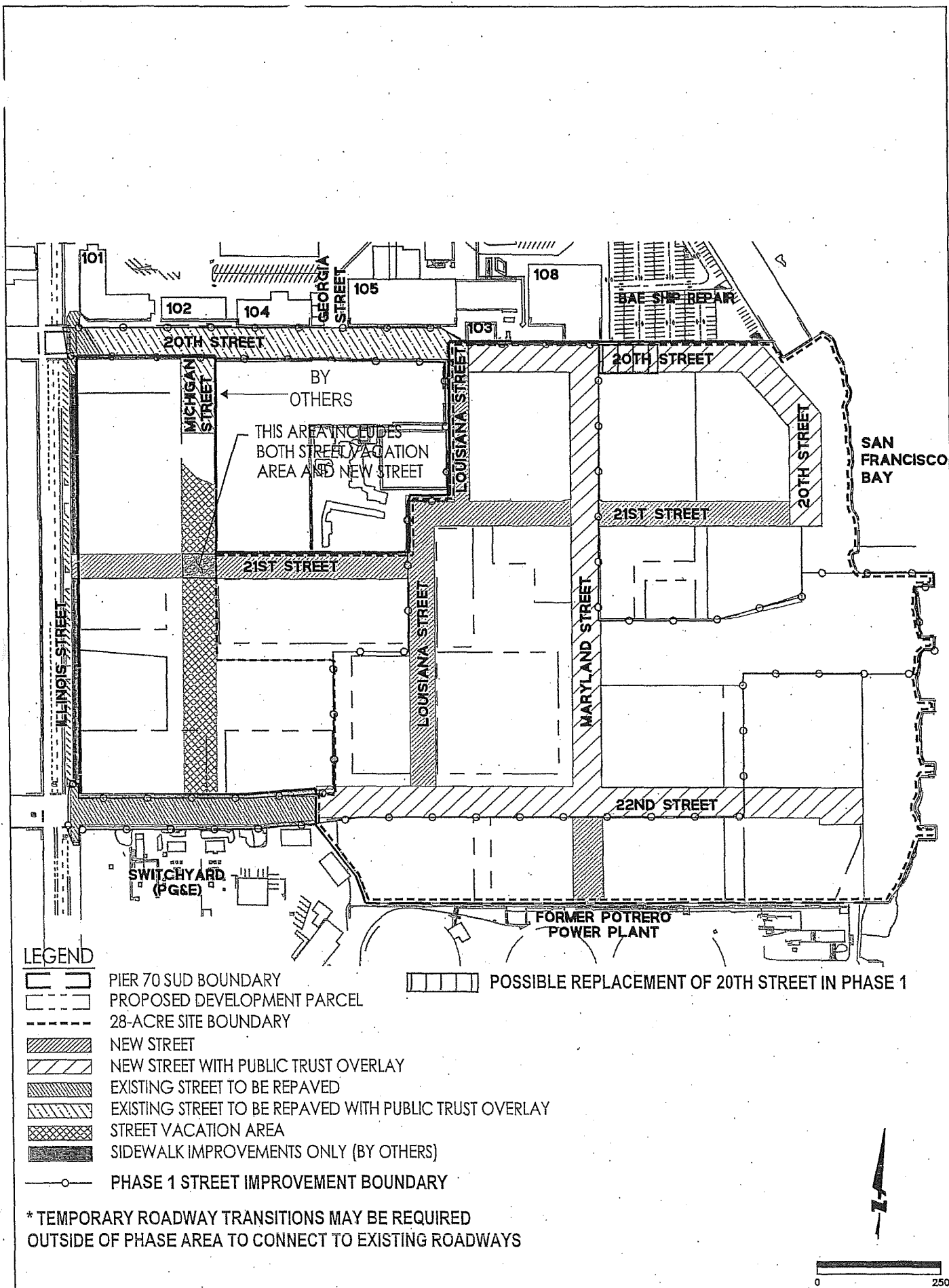


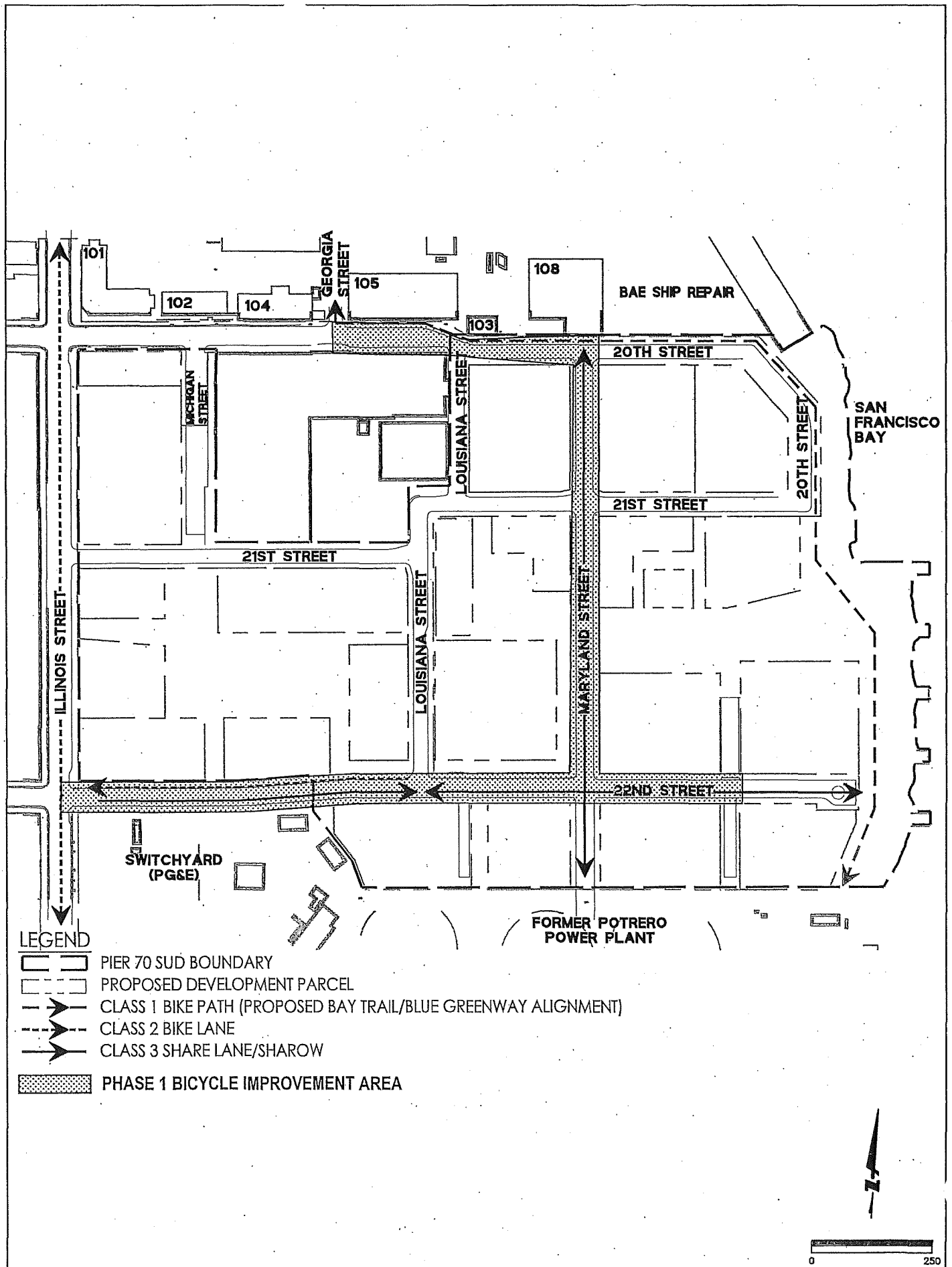


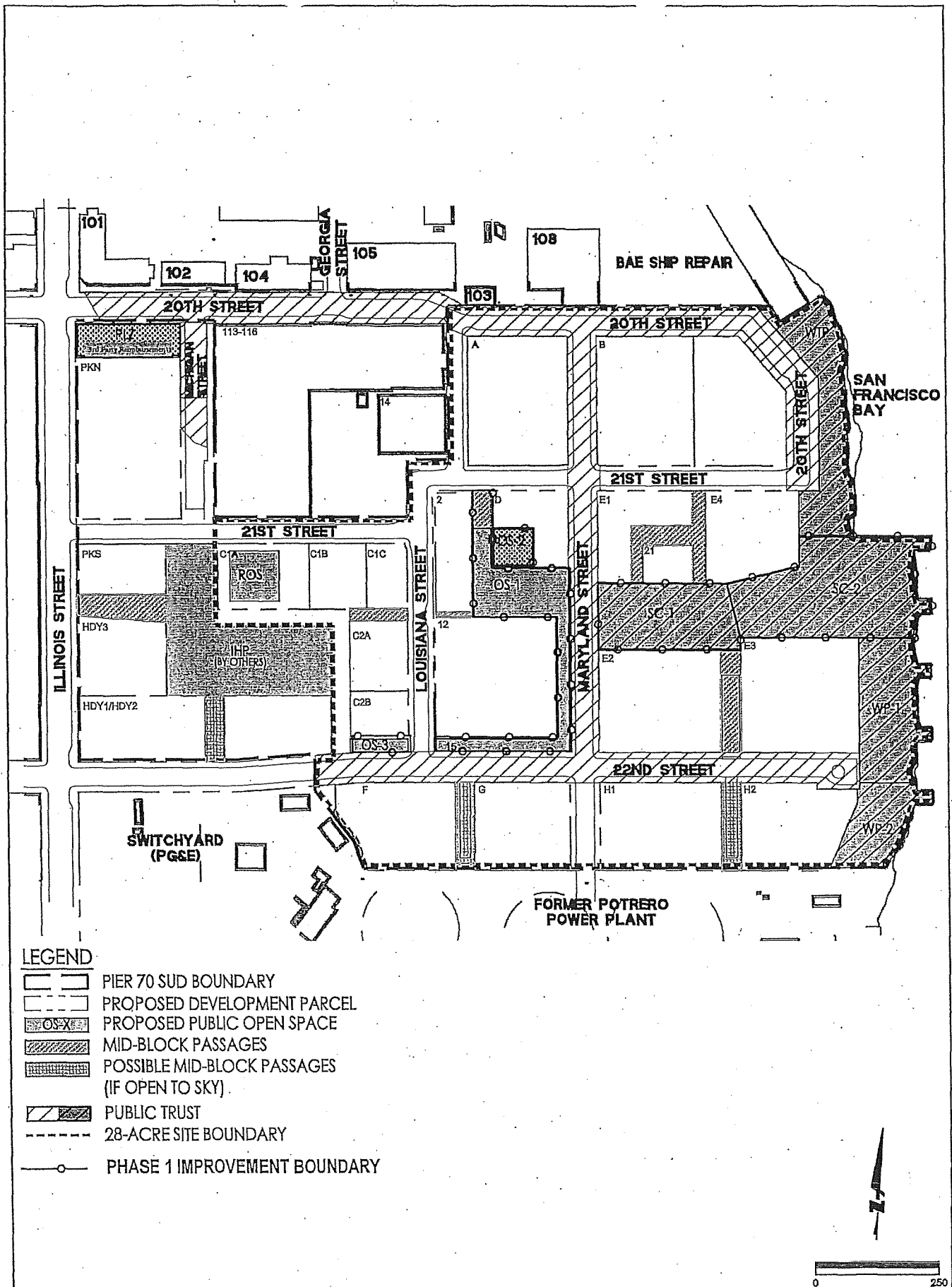
-  PIER 70 SUD BOUNDARY
-  PHASE 1 AREA
-  BUILDING TO BE DEMOLISHED BY DEVELOPER IN PHASE 1
-  BUILDING TO BE DEMOLISHED BY OTHERS PRIOR TO PHASE 1
-  BUILDING TO REMAIN

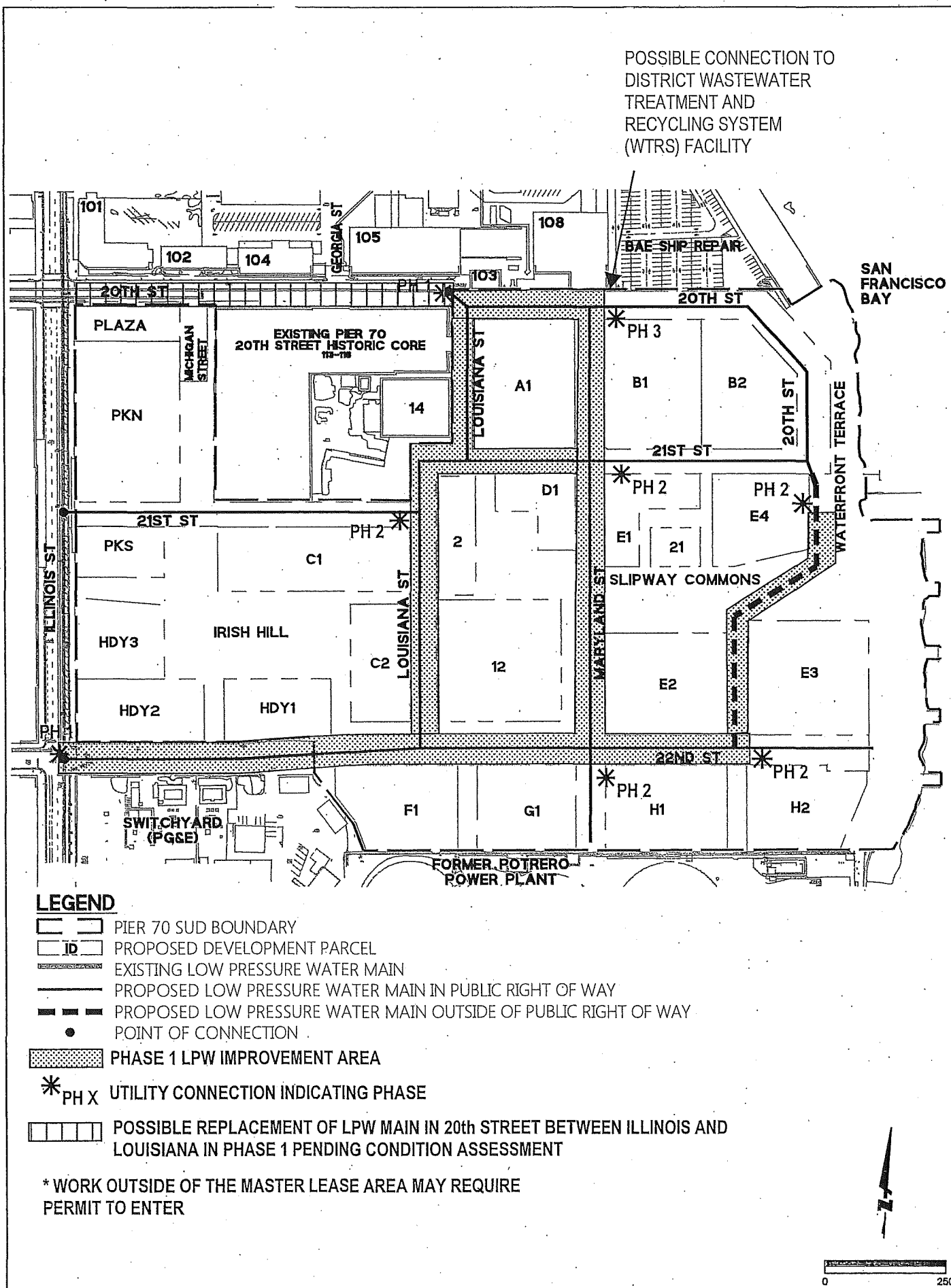


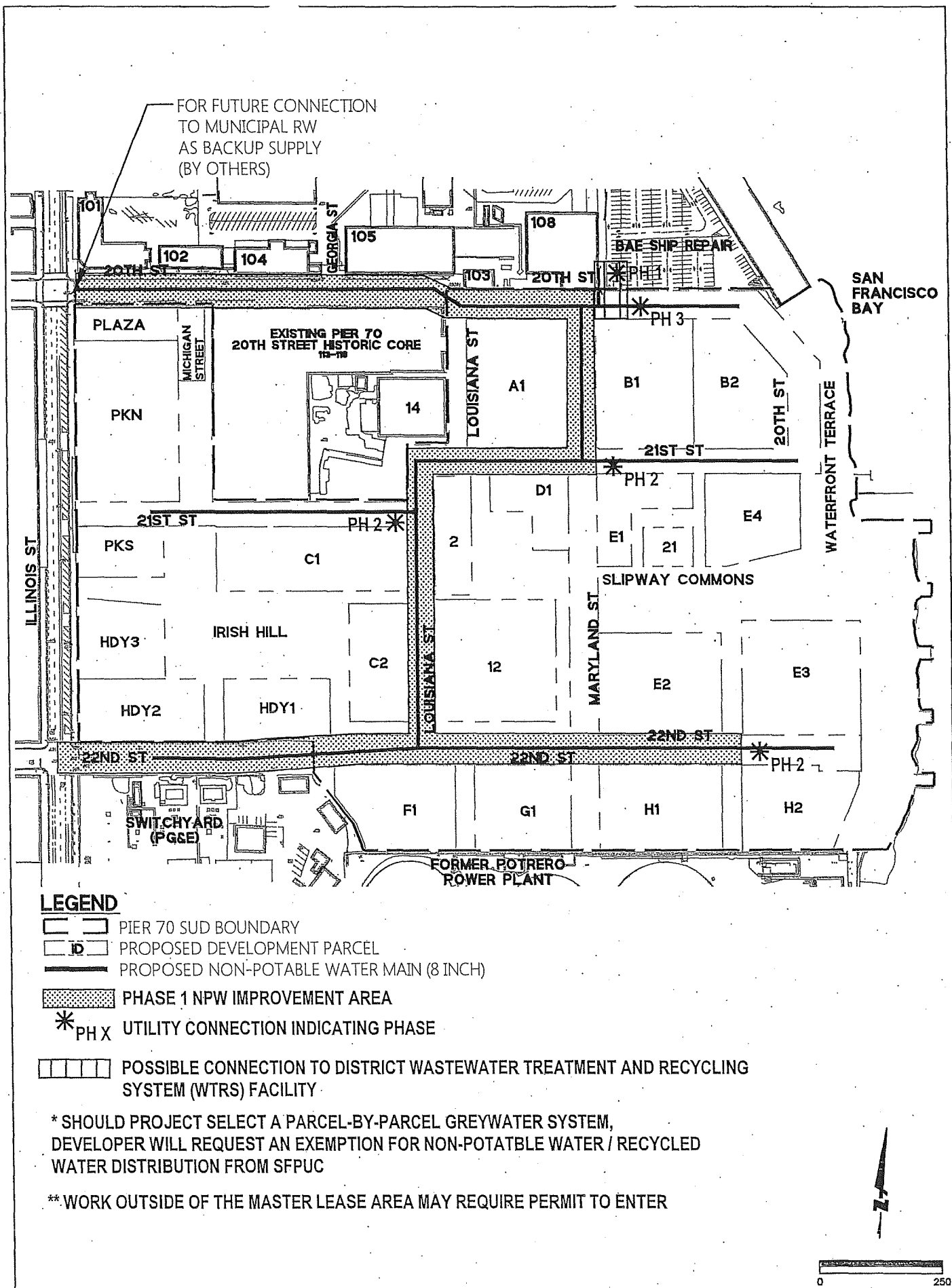


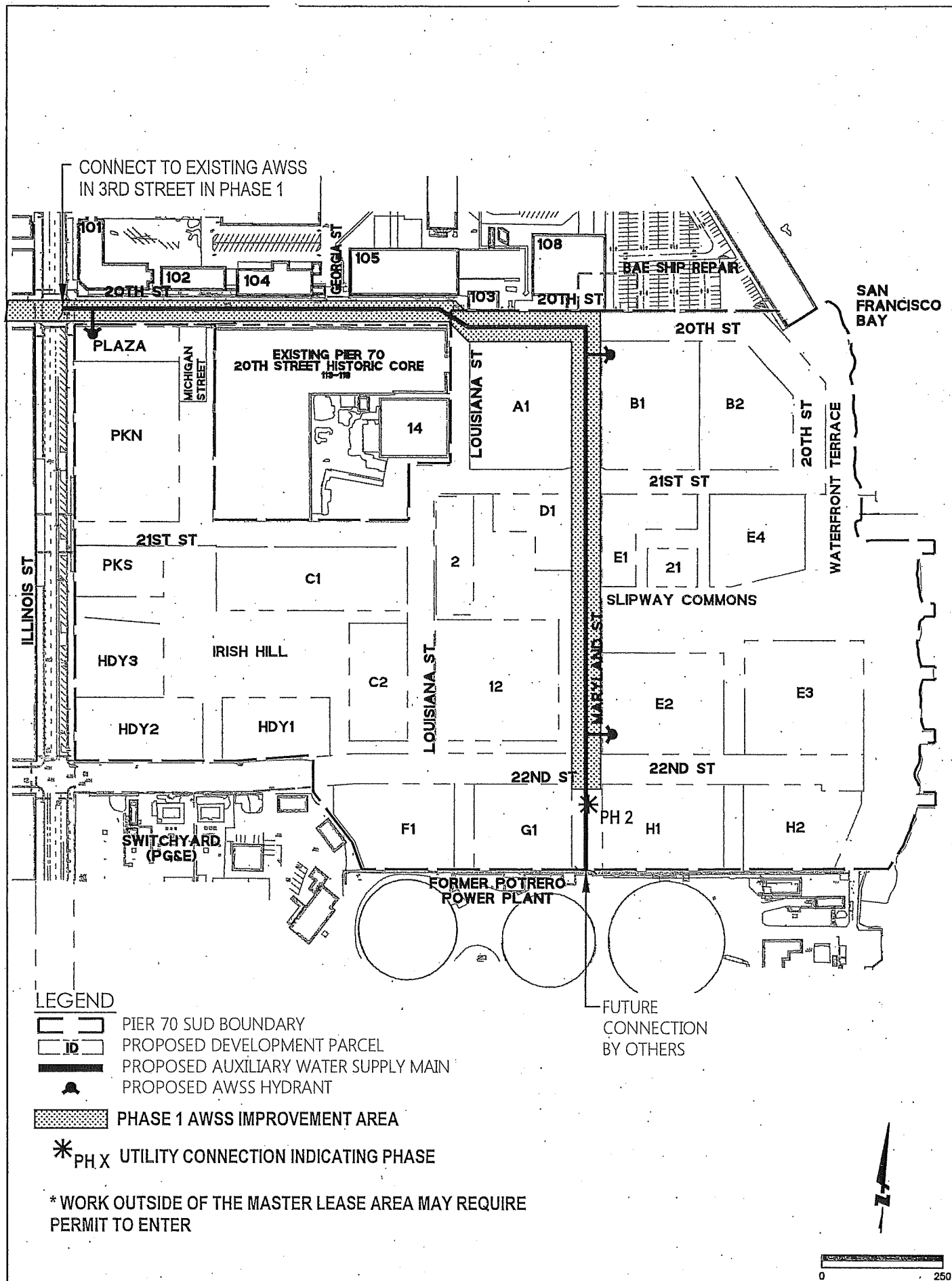


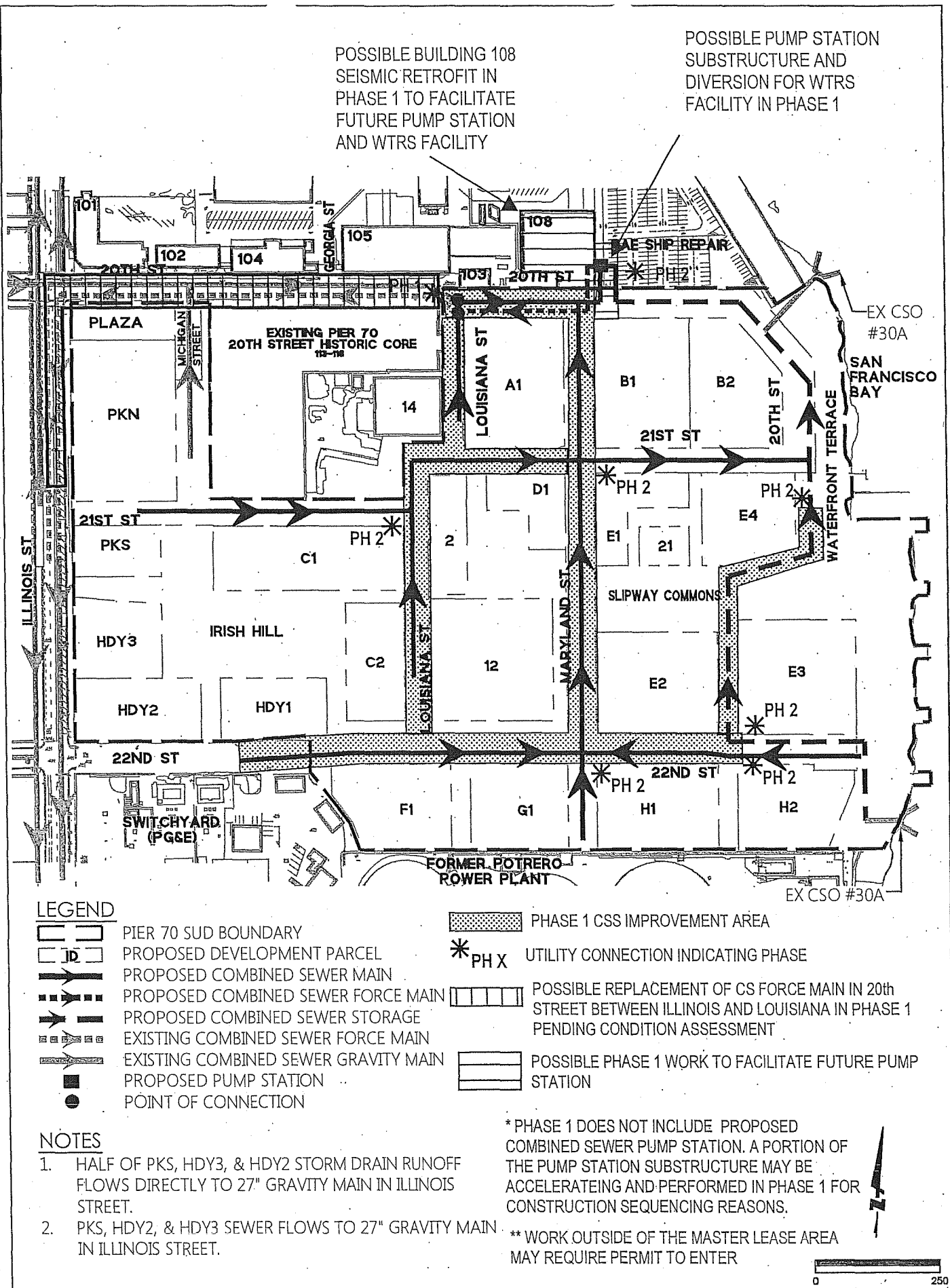


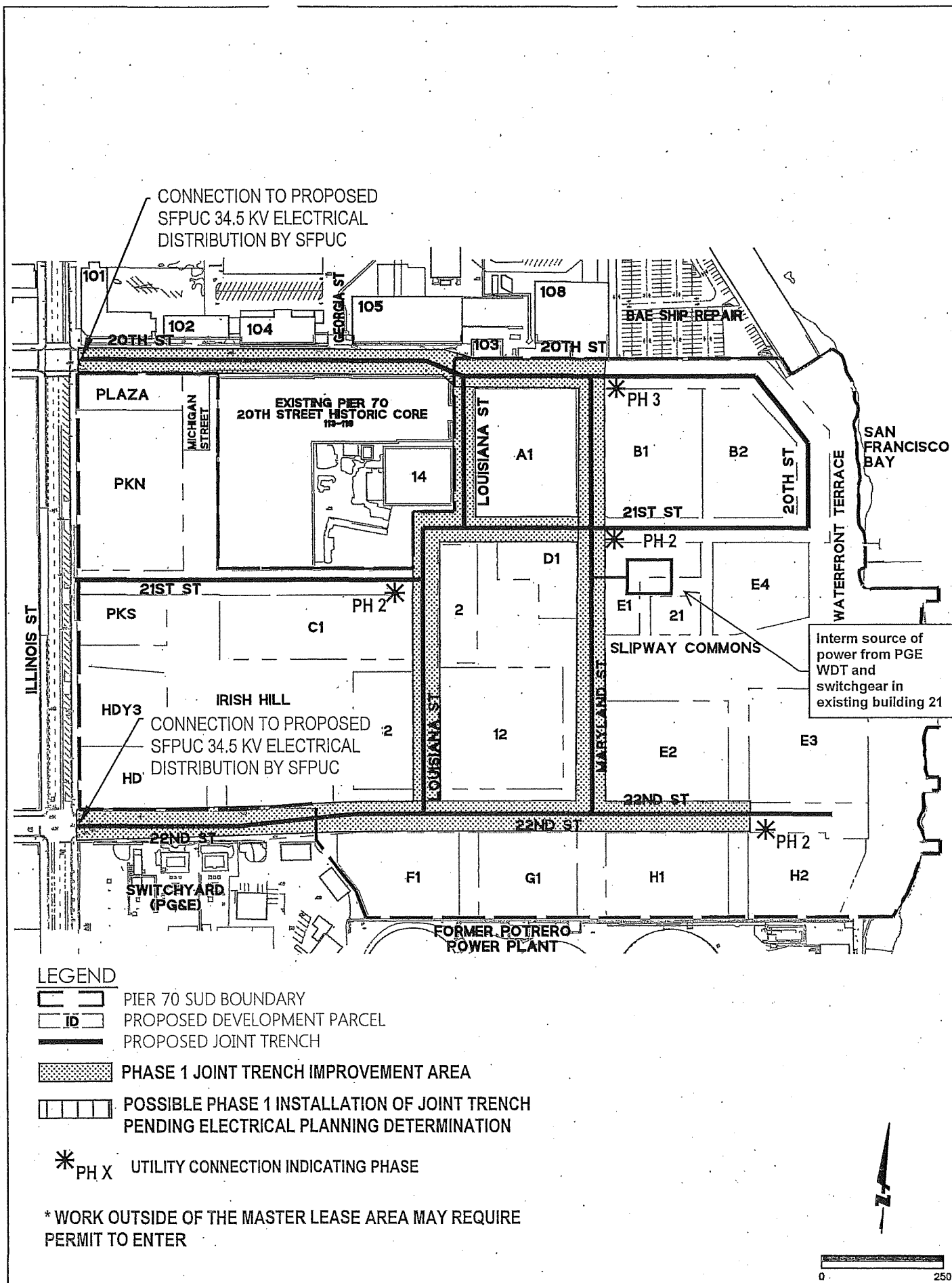












1 [Adoption of Guidelines for the Establishment and Use of an Infrastructure Financing District
2 on Port Land]

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

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

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

17 WHEREAS, By Board Resolution No. 110-12, adopted on March 27, 2012, and Board
18 Resolution No. 227-121, adopted on June 12, 2012, the Board stated its intention to form a
19 single IFD consisting of all Port land (waterfront district) with project areas corresponding to
20 Port development projects within the waterfront district; and

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

24 ///

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

3 WHEREAS, This City policy for the use of Infrastructure Financing Districts on Port
4 property is unique to the Port of San Francisco and does not establish a precedent for use of
5 the Infrastructure Financing District Law elsewhere in the City and County; and

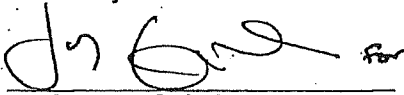
6 WHEREAS, A draft document entitled "Guidelines for the Establishment and Use of an
7 Infrastructure Financing District with Project Areas on Land under the Jurisdiction of the San
8 Francisco Port Commission" (Port Guidelines) setting forth proposed policy criteria and
9 guidelines for the waterfront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

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

15 FURTHER RESOLVED, That this Resolution and the Port Guidelines will be effective
16 on the date the Board of Supervisors adopts this Resolution.
17

18 APPROVED AS TO FORM:

19 DENNIS J. HERRERA
20 City Attorney

21 By: 
22 Joanne Sakai
23 Deputy City Attorney
24
25



City and County of San Francisco

**Tails
Resolution**

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 130264

Date Passed: April 23, 2013

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.

April 17, 2013 Budget and Finance Sub-Committee - RECOMMENDED

April 23, 2013 Board of Supervisors - AMENDED

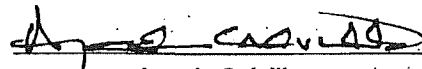
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

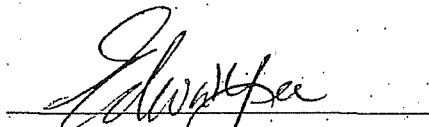
April 23, 2013 Board of Supervisors - ADOPTED AS AMENDED

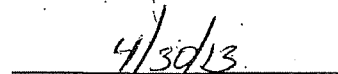
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130264

I hereby certify that the foregoing
Resolution was ADOPTED AS AMENDED on
4/23/2013 by the Board of Supervisors of the
City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor


4/30/13
Date Approved

FILE NO. 120128

RESOLUTION NO.

110-12

[Resolution of Intention to Form Waterfront Infrastructure Financing District]

**Resolution of Intention to establish Infrastructure Financing District No. 2 for the
City and County of San Francisco at the Port of San Francisco.**

WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the San Francisco Charter Section 4.114 and B3.581 empower the San Francisco Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction; and

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

WHEREAS, More specifically, this Board of Supervisors is authorized to establish a "waterfront district" under Section 53395.8 of the IFD Law, including (i) a waterfront district for 65 acres of waterfront land in the area near Pier 70 (a "Pier 70 district") for which there is a "Pier 70 enhanced financing plan" and (ii) a waterfront district created as a "special waterfront district" and a "Port America's Cup district" under Section 53395.81; and,

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

WHEREAS, This Board of Supervisors wishes to establish a waterfront district as described and for the purposes specified in this Resolution; now, therefore, be it

RESOLVED, By the Board of Supervisors as follows:

1. Authority. This Board of Supervisors proposes to conduct proceedings to establish an infrastructure financing district pursuant to the IFD Law, which district shall constitute a waterfront district. The waterfront district shall include project areas as identified by this Board of Supervisors from time to time, one of which is intended to constitute a Pier 70 district (at the time authorized by the IFD Law) and one or more of which may constitute special waterfront districts; and,

2. Name of IFD. The name proposed for the infrastructure financing district is "City and County of San Francisco Infrastructure Financing District (IFD) No. 2 (Port of San Francisco)". The names of the initial proposed project areas are:

a. Project Area A (Seawall Lot 330). Project Area A shall be a special waterfront district and a Port America's Cup district.

b. Project Area B (Piers 30-32). Project Area B shall be a special waterfront district and a Port America's Cup district.

c. Project Area C (Pier 28). Project Area C shall be a special waterfront district and a Port America's Cup district.

d. Project Area D (Pier 26). Project Area D shall be a special waterfront district and a Port America's Cup district.

~~e. Project Area E (Seawall Lot 351). Project Area E shall be a waterfront district.~~

~~ef. Project Area F (Seawall Lot 337). Project Area F shall be a waterfront district.~~

~~efg.~~ Project Area G (Pier 48). Project Area G shall be a waterfront district.

~~fgh.~~ Project Area H (Pier 70). Project Area H is expected to be a Pier 70 district and may not be subject to a Pier 70 enhanced financing plan prior to January 1, 2014.

ghi. Project Area I (Rincon Point-South Point Project Area). Unless the IFD Law is amended to permit venues within the Rincon Point-South Beach Project Area of the Redevelopment Agency of the City and County of San Francisco to be included in a special waterfront district, Project Area I shall not constitute a special waterfront district.

The City intends to establish additional project areas from time to time in compliance with the IFD Law.

3. Boundaries Described. The proposed boundaries of the IFD, including the boundaries of the initial project areas within the IFD, are as shown on the map of the IFD on file with the Clerk of the Board of Supervisors, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars.

4. Facilities. The type of public facilities proposed to be financed by the IFD and pursuant to the IFD Law shall consist of those listed as facilities on Exhibit A hereto and hereby incorporated in this Resolution (Facilities). The Board of Supervisors hereby authorizes the Executive Director of the Port of San Francisco and any designee of such official to execute one or more agreements to acquire Facilities financed by the IFD, which agreement(s) may provide for the acquisition of discrete portions or phases of facilities.

5. Incremental Property Tax Revenue. The Board of Supervisors hereby declares that, pursuant to the IFD Law, the IFD will use incremental property tax revenue from the City but none of the other affected taxing entities within the IFD (except to the extent permitted by Section 53395.8(h) of the IFD Law) to finance the Facilities.

6. Infrastructure Financing Plan. The Executive Director of the Port of San Francisco is hereby directed to prepare an infrastructure financing plan (Infrastructure Financing Plan) for this Board of Supervisors that complies with the requirements of the IFD Law. The Infrastructure Financing Plan shall be a special waterfront district enhanced financing plan, as defined in the IFD Law, with respect to Project Areas A, B, C and D. This Board of Supervisors reserves the right to establish enhanced financing plans in the future with respect to other project areas within the IFD. To the extent required by the IFD Law, the Executive Director of the Port shall cause the Infrastructure Financing Plan to be sent to the San Francisco Planning Department and to this Board.

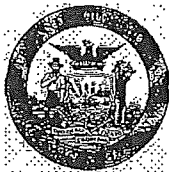
7. Public Hearing. This Board of Supervisors will conduct a public hearing on the proposed establishment of the IFD in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California, on a date to be established by the Executive Director of the Port, in consultation with the Clerk of the Board of Supervisors.

8. Notice of Public Hearing. The Clerk of the Board of Supervisors is hereby directed to cause notice of the public hearing to be published not less than once a week for four successive weeks in a newspaper designated by this Board of Supervisors for the publication of official notices in the City. The notice shall state that the IFD will be used to finance Facilities, briefly describe the Facilities and the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed IFD and state the day, hour, and place when and where any persons having any objections to the proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings, may appear before this Board of Supervisors and object to the adoption of the proposed Infrastructure Financing Plan by this Board.

9. Further Action. The Clerk of the Board of Supervisors and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

10. No Obligation. This Resolution shall in no way obligate the Board of Supervisors to establish the IFD. The establishment of the IFD, including the project areas described above, shall be subject to the approval of this Board of Supervisors by ordinance following the holding of the public hearing referred to above.

11. California Environmental Quality Act. This Board of Supervisors hereby finds that, pursuant to Title 14, California Code of Regulations, Section 15378(b)(4), adoption of this Resolution and the establishment of the IFD are not "projects" under the California Environmental Quality Act, because they do not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment.



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 120128

Date Passed: March 27, 2012

Resolution of Intention to establish Infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco.

February 15, 2012 Budget and Finance Committee - AMENDED

February 15, 2012 Budget and Finance Committee - CONTINUED AS AMENDED

February 22, 2012 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 22, 2012 Budget and Finance Committee - REFERRED WITHOUT RECOMMENDATION

February 28, 2012 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

March 27, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120128

I hereby certify that the foregoing
Resolution was ADOPTED on 3/27/2012 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

4/5/12

Date Approved

1 Amending Resolution of Intention to Form Waterfront Infrastructure Financing District]

2
3 **Resolution amending Resolution of Intention to establish Infrastructure**
4 **Financing District No. 2 (File No. 120128) for the [City and County of San**
5 **Francisco at the Port of San Francisco.**

6
7 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the
8 San Francisco Charter Section 4.114 and B3.581 empower the San Francisco Port
9 Commission with the power and duty to use, conduct, operate, maintain, manage,
10 regulate and control the lands within Port Commission jurisdiction; and

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

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

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

21 WHEREAS, Seawall Lot 351 was not included in the territory proposed to be
22 included in the IFD pursuant to the Original Resolution of Intention; and

23 WHEREAS, Because the IFD Law provides that incremental tax revenues
24 allocated to a waterfront district must be used within the waterfront district and the
25 Executive Director of the Port of San Francisco has proposed the use of incremental
tax

1 revenues generated by Seawall Lot 351 and related development to finance authorized
2 facilities throughout the IFD, the Board of Supervisors wishes to amend the Original
3 Resolution of Intention to add Seawall Lot 351 to the territory proposed to be included
4 in the IFD, and to designate Seawall Lot 351 as an initial proposed Project Area E;
5 now, therefore, be it

6 RESOLVED, By the Board of Supervisors as follows:

7 1. Ratification of Original Resolution of Intention. This Board of Supervisors
8 hereby ratifies the Original Resolution of Intention except as set forth in this Resolution.
9 Except as set forth in this Resolution, the Original Resolution of Intention shall remain
10 in full force and effect. Exhibit A to the Original Resolution of Intention, which lists the
11 type of public facilities proposed to be financed by the IFD, is attached hereto and
12 incorporated herein.

13 2. Amendment of Original Resolution of Intention. The Original Resolution of
14 Intention is hereby amended to propose a Project Area E (Seawall Lot 351), which will
15 be a project area and a waterfront district within the IFD. In order to provide for a
16 orderly designation of project areas, the Original Resolution of Intention is hereby
17 amended to establish the names of the initial proposed project areas as follows:

18 a. Project Area A (Seawall Lot 330). Project Area A shall be a special
19 waterfront district and a Port America's Cup district.

20 b. Project Area B (Piers 30-32). Project Area B shall be a special waterfront
21 district and a Port America's Cup district.

22 c. Project Area C (Pier 28). Project Area C shall be a special waterfront
23 district and a Port America's Cup district.

24 d. Project Area D (Pier 26). Project Area D shall be a special waterfront
25 district and a Port America's Cup district.

- 1 e. Project Area E (Seawall Lot 351). Project Area E shall be a waterfront
2 district.
- 3 f. Project Area F (Pier 48). Project Area F shall be a waterfront district.
- 4 g. Project Area G (Pier 70). Project Area G is expected to be a Pier 70
5 district and may not be subject to a Pier 70 enhanced financing plan prior to January 1,
6 2014.
- 7 h. Project Area H (Rincon Point-South Point Project Area). Unless the IFD
8 Law is amended to permit venues within the Rincon Point-South Beach Project Area of
9 the former Redevelopment Agency of the City and County of San Francisco to be
10 included in a special waterfront district, Project Area H shall not constitute a special
11 waterfront district.

12 3. Amended Boundaries Described. The proposed amended boundaries of
13 the IFD, which are amended to include Project Area E and to reflect the re-naming of
14 certain proposed project areas as described above, are as shown on the amended map
15 of the IFD on file with the Clerk of the Board of Supervisors, which boundaries are
16 hereby preliminarily approved and to which map reference is hereby made for further
17 particulars.

18 4. Public Hearing; Notice. This Board of Supervisors will conduct a public
19 hearing on the proposed establishment of the IFD, including Project Area E as
20 proposed by this Board of Supervisors in this Resolution, in the Board of Supervisors
21 Chambers, 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California, on a
22 date to be established by the Executive Director of the Port, in consultation with the
23 Clerk of the Board of Supervisors. The Clerk of the Board of Supervisors shall cause
24 notice of the public hearing to be published as set forth in the Original Resolution of
25 Intention.

1 5. Further Action. The Clerk of the Board of Supervisors and all other officers
2 and agents of the City are hereby authorized and directed to take all actions necessary
3 or advisable to give effect to the transactions contemplated by Original Resolution of
4 Intention, as amended by this Resolution.

5 6. No Obligation. The Original Resolution of Intention, as amended by this
6 Resolution, shall in no way obligate the Board of Supervisors to establish the IFD. The
7 establishment of the IFD, including the project areas described in the Original
8 Resolution of Intention as amended by this Resolution, shall be subject to the approval
9 of this Board of Supervisors by ordinance following the holding of the public hearing
10 referred to above. The proposal to include property in the boundaries of the IFD does
11 not constitute an approval of any specific land uses on such property.

12 7. California Environmental Quality Act. This Board of Supervisors hereby
13 finds that, pursuant to Title 14, California Code of Regulations, Section 15378(b)(4),
14 adoption of this Resolution and the establishment of the IFD are not "projects" under
15 the California Environmental Quality Act, because they do not involve any commitment
16 to a specific project that may result in a potentially significant physical impact on the
17 environment.



City and County of San Francisco

**Tails
Resolution**

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 120278

Date Passed: June 12, 2012

Resolution amending Resolution of Intention to establish Infrastructure Financing District No. 2 (File No. 120128) for the City and County of San Francisco at the Port of San Francisco.

June 06, 2012 Budget and Finance Sub-Committee - REFERRED WITHOUT
RECOMMENDATION

June 12, 2012 Board of Supervisors - ADOPTED

Ayes: 8 - Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

Noes: 3 - Avalos, Campos and Chiu

File No. 120278

I hereby certify that the foregoing
Resolution was ADOPTED on 6/12/2012 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

6/20/2012
Date Approved

[Amending Resolutions of Intention to Establish Port Infrastructure Financing District]

Resolution further amending Resolutions of Intention to establish Infrastructure Financing District No. 2 (Resolution Nos. 110-12 and 227-12) for the City and County of San Francisco at the Port of San Francisco.

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

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

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

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

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

1 WHEREAS, Because the Executive Director of the Port of San Francisco (Executive
2 Director) has proposed that the Board of Supervisors designate Sub-Project Area G-1 to
3 Project Area G (Pier 70), the Board of Supervisors wishes to amend the Initial Resolution of
4 Intention as amended by the First Amending Resolution (as so amended, Original Resolution
5 of Intention) to designate Sub-Project Area G-1; now, therefore, be it

6 RESOLVED, By the Board of Supervisors as follows:

7 1. Ratification of Original Resolution of Intention. This Board of Supervisors hereby
8 ratifies the Original Resolution of Intention except as set forth in this Resolution. Except as set
9 forth in this Resolution, the Original Resolution of Intention shall remain in full force and effect.
10 Exhibit A to the Original Resolution of Intention, which lists the type of public facilities
11 proposed to be financed by the IFD, is attached hereto and incorporated herein.

12 2. Amendment of Original Resolution of Intention. Paragraph g of Section 2 of the
13 Original Resolution of Intention is hereby amended to read in its entirety as follows:

14 g. Project Area G (Pier 70). Project Area G shall be a Pier 70 district and shall
15 include Sub-Project Area G-1 (Pier 70 – Historic Core). Sub-Project Area G-1 shall be a Pier
16 70 district.

17 3. Amended Boundaries Described. The proposed amended boundaries of Project
18 Area G of the IFD, which are amended to include Sub-Project Area G-1 (Pier 70 – Historic
19 Core), are as shown on the amended map of Project Area G of the IFD on file with the Clerk
20 of the Board of Supervisors, which boundaries are hereby preliminarily approved and to which
21 map reference is hereby made for further particulars.

22 4. Infrastructure Financing Plan. In the Original Resolution of Intention, this Board
23 of Directors directed the Executive Director to prepare an infrastructure financing plan for the
24 IFD (Infrastructure Financing Plan) that complies with the IFD Law. The Executive Director is
25 hereby directed to prepare an infrastructure financing plan for Sub-Project Area G-1 (Pier 70 -

1 Historic Core) as an appendix to the Infrastructure Financing Plan, to be designated Appendix
2 G-1, for this Board of Supervisors that complies with the requirements of the IFD Law.
3 Appendix G-1 shall be a Pier 70 enhanced financing plan with respect to Sub-Project Area G-
4 1 (Pier 70 - Historic Core). This Board of Supervisors reserves the right to establish
5 infrastructure financing plans in the future specific to other project areas and sub-project areas
6 within the IFD. To the extent required by the IFD Law, the Executive Director shall cause the
7 Infrastructure Financing Plan, including Appendix G-1, to be sent to the San Francisco
8 Planning Department and to this Board of Supervisors.

9 5. Public Hearing; Notice. This Board of Supervisors will conduct a public hearing
10 on the proposed establishment of the IFD, including Project Area G and Sub-Project Area G-
11 1, as proposed by this Board of Supervisors in the Original Resolution of Intention, as
12 amended by this Resolution, in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett
13 Place, City Hall, San Francisco, California, on a date to be established by the Executive
14 Director, in consultation with the Clerk of the Board of Supervisors. The Clerk of the Board of
15 Supervisors shall cause notice of the public hearing to be published as set forth in the Original
16 Resolution of Intention.

17 6. Further Action. The Clerk of the Board of Supervisors and all other officers and
18 agents of the City are hereby authorized and directed to take all actions necessary or
19 advisable to give effect to the transactions contemplated by the Original Resolution of
20 Intention, as amended by this Resolution.

21 7. No Obligation. The Original Resolution of Intention, as amended by this
22 Resolution, shall in no way obligate the Board of Supervisors to establish the IFD. The
23 establishment of the IFD, including the project areas described in the Original
24
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1 Resolution of Intention as amended by this Resolution, shall be subject to the approval
2 of this Board of Supervisors by ordinance following the holding of the public hearing
3 referred to above. The proposal to include property in the boundaries of the IFD does
4 not constitute an approval of any specific land uses on such property.

5 8. California Environmental Quality Act. This Board of Supervisors hereby
6 finds that, pursuant to Title 14, California Code of Regulations, Sections 15378 and
7 15060(c)(2), adoption of this Resolution and the establishment of the IFD are not
8 "projects" under the California Environmental Quality Act because they do not result in a
9 physical change in the environment.

10
11 APPROVED AS TO FORM:

12 DENNIS J. HERRERA
13 City Attorney

14 By: 

15 GRACE PARK
16 Deputy City Attorney
17
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City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 151006

Date Passed: November 17, 2015

Resolution further amending Resolutions of Intention to establish Infrastructure Financing District No. 2 (Resolution Nos. 110-12 and 227-12) for the City and County of San Francisco at the Port of San Francisco.

October 28, 2015 Budget and Finance Committee - RECOMMENDED

November 03, 2015 Board of Supervisors - CONTINUED


Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

November 17, 2015 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 151006

I hereby certify that the foregoing
Resolution was ADOPTED on 11/17/2015
by the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor

11/25/15
Date Approved

[Resolution of Intention to Form Sub-Project Area G-2, Sub-Project Area G-3, and Sub-Project Area G-4 - Infrastructure Financing District (Port of San Francisco, Pier 70)]

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, Pier 70); to call a public hearing on September 11, 2018, on the establishment and to provide public notice thereof; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

NOTE: Additions are single-underline italics Times New Roman;
deletions are ~~strike-through italics Times New Roman~~.
Board amendment additions are double-underlined;
Board amendment deletions are ~~striketrough normal~~.

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

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

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

WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of Intention to Establish IFD), this Board of Supervisors declared its intention to establish a waterfront district to be known as "City and County of San Francisco Infrastructure Financing

1 District No. 2 (Port of San Francisco)" (IFD), and designated initial proposed project areas
2 within the IFD; and

3 WHEREAS, On June 12, 2012, by Resolution No. 227-12 (First Amending Resolution),
4 this Board of Supervisors amended the Original Resolution of Intention to propose, among
5 other things, an amended list of project areas, including Project Area G (Pier 70); and

6 WHEREAS, On November 17, 2015, by Resolution 421-15 (Second Amending
7 Resolution, and together with the Original Resolution of Intention to Establish IFD and the
8 First Amending Resolution, the "Resolution of Intention to Establish IFD"), this Board of
9 Supervisors amended the Original Resolution of Intention, as amended by the First Amended
10 Resolution, to propose, among other things, a further amended list of project areas, including
11 Project Area G (Pier 70), as a Pier 70 district, and Sub-Project Area G-1 (Pier 70 – Historic
12 Core), as a Pier 70 district; and

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

18 WHEREAS, in accordance with the IFD Law, at the direction of this Board of Directors,
19 the Executive Director prepared the Infrastructure Financing Plan; and

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

23 WHEREAS, At its hearing on August 24, 2017, and prior to recommending the
24 proposed Planning Code amendments for approval, by Motion No. 19976, the Planning
25 Commission certified a Final Environmental Impact Report (FEIR) for the Pier 70 Mixed-Use

1 District Project (Case No. 2014-001272ENV) (Project) pursuant to the California
2 Environmental Quality Act (CEQA) (California Public Resources Code Section 21000 et seq.),
3 the CEQA Guidelines (14 Cal. Code Reg. Section 15000 et seq.), and Chapter 31 of the
4 Administrative Code. A copy of said Motion is on file with the Clerk of the Board of
5 Supervisors in File No. 170930, and, is incorporated herein by reference. In accordance with
6 the actions contemplated herein, this Board of Supervisors has reviewed the FEIR, concurs
7 with its conclusions, affirms the Planning Commission's certification of the FEIR, and finds
8 that the actions contemplated herein are within the scope of the Project described and
9 analyzed in the FEIR; and

10 WHEREAS, In recommending the proposed Planning Code Amendments for approval
11 by this Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the
12 Planning Commission also adopted findings under CEQA, including a statement of overriding
13 consideration, and a Mitigation Monitoring and Reporting Program (MMRP). A copy of said
14 Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 170930,
15 and is incorporated herein by reference. This Board of Supervisors hereby adopts and
16 incorporates by reference as though fully set forth herein the Planning Commission's CEQA
17 approval findings, including the statement of overriding considerations. This Board of
18 Supervisors also adopts and incorporates by reference as though fully set forth herein the
19 Project's MMRP; and

20 WHEREAS, In connection with the Project, this Board of Supervisors wishes to declare
21 its intention to establish three additional sub-project areas within Project Area G (Pier 70) of
22 the IFD designated Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier
23 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site); now, therefore, be it
24
25

1 RESOLVED, By the Board of Supervisors as follows:

2 1. Authority. This Board of Supervisors proposes to conduct proceedings to
3 establish three additional sub-project areas within Project Area G (Pier 70) of the IFD
4 pursuant to the IFD Law; and

5 2. Name of Sub-Project Areas. The names of the proposed sub-project areas are:

6 a. Sub-Project Area G-2 (Pier 70 - 28-Acre Site). Sub-Project Area G-2 (Pier 70 -
7 28-Acre Site) shall be a Pier 70 district and a sub-project area within Project Area G (Pier 70).

8 b. Sub-Project Area G-3 (Pier 70 - 28-Acre Site). Sub-Project Area G-3 (Pier 70 -
9 28-Acre Site) shall be a Pier 70 district and a sub-project area within Project Area G (Pier 70).

10 c. Sub-Project Area G-4 (Pier 70 - 28-Acre Site). Sub-Project Area G-4 (Pier 70 -
11 28-Acre Site) shall be a Pier 70 district and a sub-project area within Project Area G (Pier 70).

12 3. Amended Boundaries Described. The proposed amended boundaries of the
13 IFD, which are amended to include (i) Sub-Project Area G-2 (Pier 70 - 28-Acre Site) within
14 Project Area G of the IFD, (ii) Sub-Project Area G-3 (Pier 70 - 28-Acre Site) within Project
15 Area G of the IFD, and (iii) Sub-Project Area G-4 (Pier 70 - 28-Acre Site) within Project Area
16 G of the IFD, are as shown on the amended map of the IFD on file with the Clerk of the Board
17 of Supervisors, which boundaries are hereby preliminarily approved and to which map
18 reference is hereby made for further particulars.

19 4. Facilities. The type of public facilities proposed to be financed by Sub-Project
20 Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-
21 Project Area G-4 (Pier 70 - 28-Acre Site) consist of those listed on Exhibit A to the Original
22 Resolution of Intention to Establish IFD, and are particularly described in Appendix G-2 to the
23 Infrastructure Financing Plan described below. Exhibit A to the Original Resolution of Intention
24 to Establish IFD, which lists the type of public facilities proposed to be financed by the IFD,
25 including, without limitation, Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area

1 G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site), is attached
2 hereto and incorporated herein.

3 5. Incremental Property Tax Revenue. This Board of Supervisors hereby declares
4 that, pursuant to the IFD Law, Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project
5 Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site) will use
6 incremental property tax revenue from the City but none of the other affected taxing entities
7 within Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre
8 Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site) (in each case except to the extent
9 permitted by Section 53395.8(h) of the IFD Law or as a result of the allocation of the ERAF
10 share (as defined in the IFD Law) to finance the Facilities.

11 6. Infrastructure Financing Plan. The Executive Director is hereby directed to
12 prepare an infrastructure financing plan for Sub-Project Area G-2 (Pier 70 - 28-Acre Site),
13 Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre
14 Site) as an appendix to the Infrastructure Financing Plan, to be designated Appendix G-2 that
15 complies with the requirements of the IFD Law. Appendix G-2 shall be a Pier 70 enhanced
16 financing plan with respect to Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area
17 G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site). The Executive
18 Director shall cause the Infrastructure Financing Plan to be amended to include Appendix G-
19 2, and, to the extent required by the IFD Law, for the Infrastructure Financing Plan as so
20 amended to be sent to the San Francisco Planning Department and to this Board of
21 Supervisors.

22 7. Public Hearing. That on Tuesday, September 11, 2018 at 3:00 p.m. or as soon
23 as possible thereafter, in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place,
24 City Hall, San Francisco, California, be, and the same are hereby appointed and fixed as the
25 time and place when and where this Board of Supervisors will conduct a public hearing on the

1 proposed establishment of Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-
2 3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site) within Project
3 Area G (Pier 70) of the IFD.

4 8. Notice of Public Hearing. The Clerk of the Board of Supervisors is hereby
5 directed to cause notice of the public hearing to be published not less than once a week for
6 four successive weeks in a newspaper designated by this Board of Supervisors for the
7 publication of official notices in the City. The notice shall state that Sub-Project Area G-2 (Pier
8 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4
9 (Pier 70 - 28-Acre Site) will be used to finance Facilities, briefly describe the Facilities and the
10 proposed financial arrangements, including the proposed commitment of incremental tax
11 revenue, describe the boundaries of the proposed Sub-Project Area G-2 (Pier 70 - 28-Acre
12 Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-
13 Acre Site) and state the day, hour and place when and where any persons having any
14 objections to the proposed Appendix G-2 to the Infrastructure Financing Plan, or the regularity
15 of any of the prior proceedings, may appear before this Board of Supervisors and object to the
16 adoption of the proposed Appendix G-2 to the Infrastructure Financing Plan by this Board of
17 Supervisors.

18 9. Further Action. The Clerk of the Board of Supervisors and all other officers and
19 agents of the City are hereby authorized and directed to take all actions necessary or
20 advisable to give effect to the transactions contemplated by this Resolution. The Clerk of the
21 Board of Supervisors is further directed to mail a copy of this Resolution to any affected taxing
22 entities.

23 10. No Obligation. This Resolution shall in no way obligate the Board of
24 Supervisors to establish Sub-Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3
25 (Pier 70 - 28-Acre Site) or Sub-Project Area G-4 (Pier 70 - 28-Acre Site) within the IFD. The

1 establishment of Sub-Project Area G-2 (Pier 70 - 28-Acre Site); Sub-Project Area G-3 (Pier 70
2 - 28-Acre Site) and Sub-Project Area G-4 (Pier 70 - 28-Acre Site) within the IFD, shall be
3 subject to the approval of this Board of Supervisors by ordinance following the holding of the
4 public hearing referred to above. The proposal to include property in the boundaries of Sub-
5 Project Area G-2 (Pier 70 - 28-Acre Site), Sub-Project Area G-3 (Pier 70 - 28-Acre Site) and
6 Sub-Project Area G-4 (Pier 70 - 28-Acre Site) within the IFD does not constitute an approval
7 of any specific land uses on such property.
8

9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA
City Attorney

11
12
13 By: _____

14 MARK D. BLAKE
Deputy City Attorney
15

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City and County of San Francisco

Tails Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 170878

Date Passed: July 24, 2018

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, Pier 70); to call a public hearing on September 11, 2018, on the establishment and to provide public notice thereof; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

November 09, 2017 Budget and Finance Committee - RECOMMENDED

November 28, 2017 Board of Supervisors - CONTINUED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - RE-REFERRED AS AMENDED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

July 12, 2018 Budget and Finance Sub-Committee - AMENDED

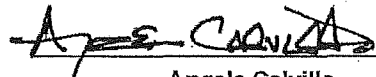
July 12, 2018 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

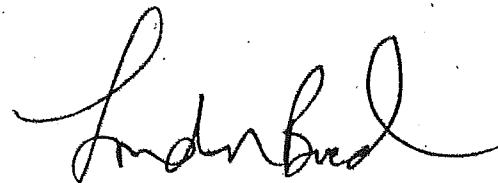
July 24, 2018 Board of Supervisors - ADOPTED

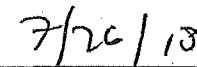
Ayes: 9 - Cohen, Brown, Kim, Mandelman, Peskin, Ronen, Safai, Stefani and Yee
Excused: 2 - Fewer and Tang

File No. 170878

I hereby certify that the foregoing
Resolution was ADOPTED on 7/24/2018 by
the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board


London N. Breed
Mayor


Date Approved



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 19976

HEARING DATE: AUGUST 24, 2017

Case No.: 2014-001272ENV
Project Title: Pier 70 Mixed-Use District Project
Zoning: M-2 (Heavy Industrial) and P (Public)
40-X and 65-X Height and Bulk Districts
Block/Lot: Assessor's Block 4052/Lot 001, Block 4111/Lot 004
Block 4120/Lot 002, and Block 4110/Lots 001 and 008A
Project Sponsor: David Beaupre/Port of San Francisco
david.beaupre@sfpport.com, (415) 274-0539
Kelly Pretzer/Forest City Development California, Inc.
KellyPretzer@forestcity.net, (415) 593-4227
Staff Contact: Melinda Hue – (415) 575-9041
melinda.hue@sfgov.org

1650 Mission St.
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Reception:
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ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED PIER 70 MIXED-USE DISTRICT PROJECT.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the final Environmental Impact Report identified as Case No. 2014-001272ENV, the "Pier 70 Mixed-Use District Project" (hereinafter "Project"), based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").
 - A. The Department determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on May 6, 2015.
 - B. The Department held a public scoping meeting on May 28, 2015 in order to solicit public comment on the scope of the Project's environmental review.
 - C. On December 21, 2016, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning

Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

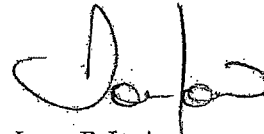
- D. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site on December 21, 2016.
 - E. On December 21, 2016, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, and to government agencies, the latter both directly and through the State Clearinghouse.
 - F. A Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on December 21, 2016.
2. The Commission held a duly advertised public hearing on said DEIR on February 9, 2017 at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on February 21, 2017.
 3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 60-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Comments and Responses document, published on August 9, 2017, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department.
 4. A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document all as required by law.
 5. Project EIR files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, Suite 400, and are part of the record before the Commission.
 6. On August 24, 2017, the Commission reviewed and considered the information contained in the FEIR and hereby does find that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.
 7. The Planning Commission hereby does find that the FEIR concerning File No. 2014-001272ENV reflects the independent judgement and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR that would require recirculation of the document pursuant to CEQA Guideline Section 15088.5, and hereby does CERTIFY THE COMPLETION of said FEIR in compliance with CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

8. The Commission, in certifying the completion of said FEIR, hereby does find that the project described in the EIR would have the following significant unavoidable environmental impacts, which cannot be mitigated to a level of insignificance:
 - A. **TR-5:** The Proposed Project would cause the 48 Quintara/24th Street bus route to exceed 85 percent capacity utilization in the a.m. and p.m. peak hours in both the inbound and outbound directions.
 - B. **TR-12:** The Proposed Project's loading demand during the peak loading hour would not be adequately accommodated by proposed on-site or off-street loading supply or in proposed on-street loading zones, which may create hazardous conditions or significant delays for transit, bicycles or pedestrians.
 - C. **C-TR-4:** The Proposed Project would contribute considerably to significant cumulative transit impacts on the 48 Quintara/24th Street and 22 Fillmore bus routes.
 - D. **NO-2:** Construction of the Proposed Project would cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project.
 - E. **NO-5:** Operation of the Proposed Project would cause substantial permanent increases in ambient noise levels along some roadway segments in the project site vicinity.
 - F. **C-NO-2:** Operation of the Proposed Project, in combination with other cumulative development, would cause a substantial permanent increase in ambient noise levels in the project vicinity.
 - G. **AQ-1:** Construction of the Proposed Project would generate fugitive dust and criteria air pollutants, which would violate an air quality standard, contribute substantially to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.
 - H. **AQ-2:** At project build-out, the Proposed Project would result in emissions of criteria air pollutants at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.
 - I. **C-AQ-1:** The Proposed Project, in combination with past, present, and reasonably foreseeable future development in the project area, would contribute to cumulative regional air quality impacts.
9. The Commission reviewed and considered the information contained in the FEIR prior to approving the Project.

Motion No. 19976
August 24, 2017

CASE NO. 2014-001272ENV
Pier 70 Mixed-Use District Project

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of August 24, 2017.



Jonas P. Ionin
Commission Secretary

AYES: Hillis, Richards, Johnson, Koppel, Melgar, Moore
NOES: None
ABSENT: Fong
ADOPTED: August 24, 2017



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 19977

HEARING DATE: AUGUST 24, 2017

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
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Fax:
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Planning
Information:
415.558.6377

Case No.: 2014-001272ENV
Project Address: Pier 70 Mixed-Use Project
Existing Zoning: M-2 (Heavy Industrial) Zoning District
P (Public) Zoning District
40-X and 65-X Height and Bulk Districts
Block/Lot: 4052/001, 4110/001 and 008A, 4111/004, and 4120/002
Project Sponsor: Port of San Francisco and FC Pier 70, LLC
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org

ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, INCLUDING FINDINGS OF FACT, FINDINGS REGARDING SIGNIFICANT IMPACTS AND SIGNIFICANT AND UNAVOIDABLE IMPACTS, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND A STATEMENT OF OVERRIDING CONSIDERATIONS RELATED TO APPROVALS FOR THE PIER 70 MIXED-USE PROJECT ("PROJECT"), LOCATED ON ASSESSOR'S BLOCK 4052 LOT 001, BLOCK 4110 LOTS 001 and 008A, BLOCK 4111 LOT 004 and BLOCK 4120 LOT 002.

PREAMBLE

The Pier 70 Mixed-Use Project ("Project") comprises a project site of approximately 35-acres, bounded by Illinois Street to the west, 20th Street to the north, San Francisco Bay to the east, and 22nd Street to the south. Together, the Port of San Francisco ("Port") and FC Pier 70, LLC ("Forest City") are project sponsors for the Project. The Project is a mixed-use development containing two development areas—the "28-Acre Site" and the "Illinois Parcels"—that will include substantial residential uses (including affordable housing), office, retail, light industrial, arts, parks and open space areas.

The "28-Acre Site" is an approximately 28-acre area located between 20th, Michigan, and 22nd streets, and San Francisco Bay. This site includes Assessor's Block 4052/Lot 001 and Lot 002 and Block 4111/Lot 003 and Lot 004. The "Illinois Parcels" form an approximately 7-acre site that consists of an approximately 3.4-acre Port-owned parcel, called the "20th/Illinois Parcel," along Illinois Street at 20th Street (Assessor's Block 4110/Lot 001) and the approximately 3.6-acre "Hoedown Yard," at Illinois and 22nd streets (Assessor's Block 4120/Lot 002 and Block 4110/Lot 008A), which is owned by PG&E. The Hoedown Yard includes a City-owned 0.2-acre portion of street right-of-way that bisects the site.

The Project would rezone the entire 35-acre project site (including the 28-Acre Site and the Illinois Parcels) and establish land use controls for the project site through adoption of the Pier 70 Special Use District (SUD), and incorporation of design standards and guidelines in a proposed *Pier 70 Design for Development* document. The Project would include the rehabilitation and adaptive reuse of three of the 12

on-site contributing resources in the Union Iron Works Historic District, and retention of the majority of one on-site contributing resource (Irish Hill). The Project would demolish eight remaining on-site contributing resources and partially demolish the single, non-contributing structure, Slipways 5 through 8, which are currently covered by fill and asphalt. As envisioned, the Project would include market-rate and affordable residential uses, commercial use, RALI uses, parking, shoreline improvements, infrastructure development and street improvements, and public open space. The Project involves a flexible land use program under which certain parcels on the project site could be designated for either commercial-office or residential uses, depending on future market demand. Depending on the uses proposed, the Project would include between 1,645 to 3,025 residential units, a maximum of 1,102,250 to 2,262,350 gross square feet (gsf) of commercial-office use, and a maximum of 494,100 to 518,700 gsf of retail-light industrial-arts use. The Project also includes construction of transportation and circulation improvements, new and upgraded utilities and infrastructure, geotechnical and shoreline improvements, between 3,215 to 3,345 off-street parking spaces in proposed buildings and district parking structures, and nine acres of publicly-owned open space. New buildings would range in height from 50 to 90 feet, consistent with Proposition F, which was passed by San Francisco voters in November 2014. Under the Project, development of the 28-Acre Site would include up to approximately 3,422,265 gsf of construction in new buildings and improvements to existing structures (excluding square footage allocated to accessory and structured parking). Development of the Illinois Parcels would include up to approximately 801,400 gsf of construction in new buildings (excluding square footage allocated to accessory parking). New buildings on the Illinois Parcels would not exceed a height of 65 feet. The Project is more particularly described in Attachment A (See Below).

The Project Sponsors filed an Environmental Evaluation Application for the Project with the Department on November 10, 2014.

Pursuant to and in accordance with the requirements of Section 21094 of CEQA and Sections 15063 and 15082 of the CEQA Guidelines, the San Francisco Planning Department ("Department"), as lead agency, published and circulated a Notice of Preparation ("NOP") on May 6, 2015, which notice solicited comments regarding the scope of the environmental impact report ("EIR") for the proposed project. The NOP and its 30-day public review comment period were advertised in a newspaper of general circulation in San Francisco and mailed to governmental agencies, organizations and persons interested in the potential impacts of the proposed project. The Department held a public scoping meeting on May 28, 2015, at the Port of San Francisco, Pier 1.

During the approximately 30-day public scoping period that ended on June 5, 2015, the Department accepted comments from agencies and interested parties that identified environmental issues that should be addressed in the EIR. Comments received during the scoping process were considered in preparation of the Draft EIR.

¹ The Project Sponsors describe the RALI use as including neighborhood-serving retail, arts activity, eating and drinking places, production distribution and repair, light manufacturing, and entertainment establishments.

The Department prepared the Draft EIR, which describes the Draft EIR Project and the environmental setting, analyzes potential impacts, identifies mitigation measures for impacts found to be significant or potentially significant, and evaluates alternatives to the Draft EIR Project. The Draft EIR assesses the potential construction and operational impacts of the Draft EIR Project on the environment, and the potential cumulative impacts associated with the Draft EIR Project in combination with other past, present, and future actions with potential for impacts on the same resources. The analysis of potential environmental impacts in the Draft EIR utilizes significance criteria that are based on the San Francisco Planning Department Environmental Planning Division guidance regarding the environmental effects to be considered significant. The Environmental Planning Division's guidance is, in turn, based on CEQA Guidelines Appendix G, with some modifications.

The Department published a Draft EIR for the project on December 21, 2016, and circulated the Draft EIR to local, state, and federal agencies and to interested organizations and individuals for public review. On December 21, 2016, the Department also distributed notices of availability of the Draft EIR; published notification of its availability in a newspaper of general circulation in San Francisco; posted the notice of availability at the San Francisco County Clerk's office; and posted notices at locations within the project area. The Planning Commission held a public hearing on February 9, 2017, to solicit testimony on the Draft EIR during the public review period. A court reporter, present at the public hearing, transcribed the oral comments verbatim, and prepared written transcripts. The Department also received written comments on the Draft EIR, which were sent through mail, fax, hand delivery, or email. The Department accepted public comment on the Draft EIR until February 21, 2017.

The San Francisco Planning Department then prepared the Comments and Responses to Comments on Draft EIR document ("RTC"). The RTC document was published on August 9, 2017, and includes copies of all of the comments received on the Draft EIR and written responses to each comment.

During the period between publication of the Draft EIR and the RTC document, the Project Sponsor has requested to adopt three variants into the Project, including the Reduced Off-Haul Variant, the Wastewater Treatment and Reuse System Variant, and the Irish Hill Passageway Variant. Thus, these three variants are added to the Project Description as part of the Project. The Reduced Off-Haul Variant would minimize the overall volume of excavated soils and the number of off-haul truck trips required for the transport and disposal of excavated soils. Under the Wastewater Treatment and Reuse System Variant, blackwater, graywater, and rainwater would be collected from all newly constructed buildings, treated, and reused for toilet and urinal flushing, irrigation, and cooling tower makeup. This variant differs from the project without the variant, because it assumes blackwater is treated and recycled and that all newly constructed buildings would form a district system. Finally, the Irish Hill Passageway Variant would realign the proposed pedestrian passageway between Illinois Street and the proposed Irish Hill Playground in order to create a view corridor through the proposed infill construction, from Illinois Street to the Irish Hill landscape feature. Under this Variant, the 40-foot-wide pedestrian passageway connecting Illinois Street and the proposed Irish Hill Playground would separate construction within Parcel PKS and Parcel HDY2 at the southwest corner of the project site. The pedestrian passageway would be shifted northward by approximately 165 feet, to bisect Parcel PKS.

(which would become PKS1 and HDY3 with this variant), to allow views of the western face of the Irish Hill remnant from Illinois Street. These variants were fully studied in the Draft EIR.

In addition to describing and analyzing the physical, environmental impacts of the revisions to the Project, the RTC document provided additional, updated information, clarification and modifications on issues raised by commenters, as well as Planning Department staff-initiated text changes to the Draft EIR. The Final EIR, which includes the Draft EIR, the RTC document, the Appendices to the Draft EIR and RTC document, and all of the supporting information, has been reviewed and considered. The RTC documents and appendices and all supporting information do not add significant new information to the Draft EIR that would individually or collectively constitute significant new information within the meaning of Public Resources Code Section 21092.1 or CEQA Guidelines Section 15088.5 so as to require recirculation of the Final EIR (or any portion thereof) under CEQA. The RTC documents and appendices and all supporting information contain no information revealing (1) any new significant environmental impact that would result from the Project or from a new mitigation measure proposed to be implemented, (2) any substantial increase in the severity of a previously identified environmental impact, (3) any feasible project alternative or mitigation measure considerably different from others previously analyzed that would clearly lessen the environmental impacts of the Project, but that was rejected by the project sponsor, or (4) that the Draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

The Commission reviewed and considered the Final Environmental Impact Report (FEIR) for the Project and found the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed complied with the California Environmental Quality Act (Public Resources Code section 21000 *et seq.*) ("CEQA"), the CEQA Guidelines (14 Cal. Code Reg. section 15000 *et seq.*), and Chapter 31 of the San Francisco Administrative Code.

The Commission found the FEIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Planning Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and certified the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31 by its Motion No. 19976.

The Commission, in certifying the FEIR, found that the Project described in the FEIR will have the following significant and unavoidable environmental impacts:

- Cause one individual Muni route (48 Quintara/24th Street bus routes) to exceed 85 percent capacity utilization in the a.m. and p.m. peak hours in both the inbound and outbound directions;
- Cause loading demand during the peak loading hour to not be adequately accommodated by proposed on-site/off-street loading supply or in proposed on-street loading zones, which may create hazardous conditions or significant delays for transit, bicycles, or pedestrians;
- Contribute considerably to significant cumulative transit impacts on the 48 Quintara/24th Street and 22 Fillmore bus routes;
- Cause a substantial temporary or periodic increase in ambient noise levels during construction in the project vicinity above levels existing without the project;

- Cause substantial permanent increases in ambient noise levels in the project vicinity (22nd Street [east of Tennessee Street to east of Illinois Street]; and Illinois Street [20th Street to south of 22nd Street]);
- Combine with cumulative development to cause a substantial permanent increase in ambient noise levels in the project vicinity (22nd Street [east of Tennessee Street to east of Illinois Street] and Illinois Street [20th Street to south of 22nd Street]);
- Generate fugitive dust and criteria air pollutants during construction, which would violate an air quality standard, contribute substantially to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants;
- Result in operational emissions of criteria air pollutants at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants; and
- Combine with past, present, and reasonably foreseeable future development in the project area to contribute to cumulative regional air quality impacts.

The Planning Commission Secretary is the custodian of records for the Planning Department materials, located in the File for Case No. 2014-001272ENV, at 1650 Mission Street, Fourth Floor, San Francisco, California.

On August 24, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Case No. 2014-001272ENV to consider the approval of the Project. The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the Project, the Planning Department staff, expert consultants and other interested parties.

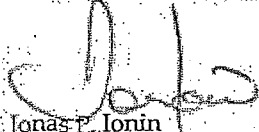
This Commission has reviewed the entire record of this proceeding, the Environmental Findings, attached to this Motion as Attachment A and incorporated fully by this reference, regarding the alternatives, mitigation measures, environmental impacts analyzed in the FEIR and overriding considerations for approving the Project, and the proposed MMRP attached as Attachment B and incorporated fully by this reference, which material was made available to the public.

MOVED, that the Planning Commission hereby adopts these findings under the California Environmental Quality Act, including rejecting alternatives as infeasible and adopting a Statement of Overriding Considerations, as further set forth in Attachment A hereto, and adopts the MMRP attached as Attachment B, based on substantial evidence in the entire record of this proceeding.

Motion No. 19977
August 24, 2017

CASE NO 2014-001272ENV
Pier 70 Mixed-Use Project

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on August 24, 2017:


Jonas P. Ionin
Commission Secretary

AYES: Hillis, Johnson, Koppel, Melgar, Moore and Richards

NAYES: None

ABSENT: Fong

ADOPTED: August 24, 2017

Attachment A

Pier 70 Mixed-Use Project

California Environmental Quality Act Findings:

FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND STATEMENT OF OVERRIDING CONSIDERATIONS

SAN FRANCISCO PLANNING COMMISSION

August 24, 2017

In determining to approve the Pier 70 Mixed-Use Project ("Project"), as described in Section I.A, Project Description, below, the following findings of fact and decisions regarding mitigation measures and alternatives are made and adopted, and the statement of overriding considerations is made and adopted, based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act, California Public Resources Code Sections 21000-21189.3 ("CEQA"), particularly Sections 21081 and 21081.5, the Guidelines for implementation of CEQA, California Code of Regulations, Title 14, Sections 15000-15387 ("CEQA Guidelines"), particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code.

This document is organized as follows:

Section I provides a description of the project proposed for adoption, project objectives, the environmental review process for the project, the approval actions to be taken, and the location of records;

Section II identifies the impacts that were not studied in the EIR;

Section III identifies the impacts found not to be significant that do not require mitigation;

Section IV identifies potentially significant impacts that can be avoided or reduced to less-than-significant levels through mitigation and describes the disposition of the mitigation measures;

Section V identifies significant impacts that cannot be avoided or reduced to less-than-significant levels and describes any applicable mitigation measures as well as the disposition of the mitigation measures;

Section VI evaluates the different project alternatives and the economic, legal, social, technological, and other considerations that support approval of the project and the rejection as infeasible of alternatives, or elements thereof, analyzed; and

Section VII presents a statement of overriding considerations setting forth specific reasons in support of the actions for the project and the rejection as infeasible of the alternatives not incorporated into the project.

The Mitigation Monitoring and Reporting Program ("MMRP") for the mitigation measures that have been proposed for adoption is attached with these findings as Attachment B to Motion No. 19977. The MMRP is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. The MMRP provides a table setting forth each mitigation measure listed in the Final Environmental Impact Report for the Project ("Final EIR") that is required to reduce or avoid a significant adverse impact. The MMRP also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule. The full text of the mitigation measures is set forth in the MMRP.

These findings are based upon substantial evidence in the entire record before the San Francisco Planning Commission. The references set forth in these findings to certain pages or sections of the Draft Environmental Impact Report ("Draft EIR" or "DEIR") or the Responses to Comments document ("RTC") in the Final EIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

I. PROJECT DESCRIPTION, OBJECTIVES, ENVIRONMENTAL REVIEW PROCESS, APPROVAL ACTIONS, AND RECORDS

The [Project is a mixed-use development project, located on an approximately 35-acre portion of Pier 70 bounded by Illinois Street to the west, 20th Street to the north, San Francisco Bay to the east, and 22nd Street to the south. Together, the Port of San Francisco ("Port") and FC Pier 70, LLC ("Forest City") are project sponsors for the Project. The Project contains two development areas: the "28-Acre Site" and the "Illinois Parcels." The "28-Acre Site" is an approximately 28-acre area located between 20th, Michigan, and 22nd streets, and San Francisco Bay. This site includes Assessor's Block 4052/Lot 001 and Lot 002 and Block 4111/Lot 003 and Lot 004. The "Illinois Parcels" form an approximately 7-acre site that consists of an approximately 3.4-acre Port-owned parcel, called the "20th/Illinois Parcel," along Illinois Street at 20th Street (Assessor's Block 4110/Lot 001) and the approximately 3.6-acre "Hoedown Yard," at Illinois and 22nd streets (Assessor's Block 4120/Lot 002 and Block 4110/Lot 008A), which is owned by PG&E. The Hoedown Yard includes a City-owned 0.2-acre portion of street right-of-way that bisects the site.

The Project would provide a phased mixed-use land use program in which certain parcels could be developed with either primarily commercial uses or residential uses, with much of the ground floor dedicated to retail/arts/light industrial ("RALI") uses. In addition, two parcels on the project site (Parcels C1 and C2) could be developed for structured parking, residential/commercial use, or solely residential use, depending on future market demand for parking and future travel demand patterns. Development of the 28-Acre Site would include up to a maximum of approximately 3,422,265 gross square feet (gsf) of construction in new buildings and improvements to existing structures (excluding square footage allocated to accessory parking). New buildings would have maximum heights of 50 to 90 feet. Development of the Illinois Parcels would include up to a maximum of approximately 801,400 gsf in new buildings; these new buildings would not exceed a height of 65 feet, which is the existing height limit along Illinois Street on both the Port-owned and the western portion of the Hoedown Yard.

A. Project Description.

1. Project Location and Site Characteristics.

a. Project Site and Vicinity.

The 35-acre project site is located within the 69-acre Pier 70 area on San Francisco Bay along San Francisco's Central Waterfront. It is just south of Mission Bay South and east of the Potrero Hill and Dogpatch neighborhoods. The American Industrial Center, a large multi-tenant light-industrial building, is located across Illinois Street, west of the Illinois Parcels. To the north of the project site are the BAE Systems Ship Repair facility, the 20th Street Historic Core (Historic Core) of the Union Iron Works Historic District, future Crane Cove Park (construction of which is scheduled to begin in 2016), and the Mission Bay South redevelopment area. To the south of the project site are PG&E's Potrero Substation (a functioning high-voltage transmission substation serving San Francisco), the decommissioned Potrero Power Plant, and the TransBay Cable converter station, which connects the Pittsburg-San Francisco 400-megawatt direct-current, underwater electric transmission cable to PG&E's electricity transmission grid by way of the Potrero Substation. There is a dilapidated pier extending from the project site into San Francisco Bay immediately northeast of the slipways, but is not part of the Project analyzed in this EIR.

The project site currently contains approximately 351,800 gsf of buildings and facilities, most of which are deteriorating. Current uses on the site, all of which are temporary, include special event venues, artists' studios, self-storage facilities, warehouses, automobile storage lots, a parking lot, a soil recycling yard, and office spaces. The project site has varying topography, sloping up from San Francisco Bay, with an approximately 30-foot increase in elevation at the western extent of the 28-Acre Site. The 35-foot-tall remnant of Irish Hill is located in the southwestern portion of the project site and straddles both the 28-Acre Site and Illinois Parcels. Impervious surface covers approximately 98 percent of the 28-Acre Site and approximately 43 percent of the Illinois Parcels.

b. Union Iron Works Historic District.

Most of Pier 70 (66 of the total 69 acres) is listed in the Union Iron Works Historic District. The Historic District's National Register nomination report documents the significance of Union Iron Works (UIW) and Bethlehem Steel at Pier 70 and their role in the nation's maritime history, supporting multiple war efforts, as well as in the evolution of industrial architecture in San Francisco. The Historic District's 44 contributing features and 10 non-contributing features include "buildings, piers, slips, cranes, segments of a railroad network, and landscape elements." Most of the buildings are of an industrial architectural style and historic use, and made of "unreinforced brick masonry, concrete, and steel framing, with corrugated iron or steel cladding." UIW built or repaired ships at Pier 70 from the time of the Spanish American War in 1898, and ship repair operations continue today.

The project site contains 12 of the 44 contributing features in the Historic District and one of the ten non-contributing features in the Historic District. The Hoedown Yard is not within the Historic District, but it has also been used for industrial purposes since the 1880s. Identifiable historical uses at the Hoedown Yard appear to have been limited to the storage of fuel oil in above-ground storage tanks

(30,000- to 40,000-barrel capacity) for adjacent industrial activities. PG&E acquired the Hoedown Yard over time from various companies, including UIW and Bethlehem Steel.

c. Historic Uplands and Tidelands.

The largest portion of the Pier 70 site comprises lands mapped and sold by the Board of Tide Land Commissioners (BTLCL). The sales were authorized by Chapter 543 of the Statutes of 1868. Most of the BTLCL lots were owned by Bethlehem Steel or Risdon Iron & Locomotive Works by the turn of the nineteenth century into the twentieth century. All of the filled lands north of the Bethlehem Steel property appear to have been reserved from sale by the State, including Illinois Street, portions of 20th and Michigan streets, and the Central Basin. The State conveyed these lands to the City as part of the Burton Act grant.

d. Proposition F.

On November 4, 2014, the San Francisco electorate approved Proposition F, a ballot measure that authorized a height increase at the 28-Acre Site from the existing 40 to 90 feet, directed that the project proposed on the 28-Acre Site undergo environmental review, and established policies regarding the provision of certain significant public benefits as part of the proposed project at the 28-Acre Site. Proposition F complied with the requirement established by Proposition B (June 2014) for San Francisco voter approval for any proposed height limit increase along the San Francisco waterfront on Port-owned property that would exceed existing height limits in effect on January 1, 2014. Proposition B does not apply to the Hoedown Yard, because the property is not owned by the Port. Proposition F conditioned the effective date of the proposed height increase on completion of an EIR and approval of a development plan for the 28-Acre Site by the Port Commission and Board of Supervisors. Proposition F did not address heights on the Illinois Parcels.

The height increase approved in Proposition F was contingent on the City's later approval of a project at the 28-Acre Site that would include the following:

- Provision of 9 acres of waterfront parks, playgrounds, and recreation opportunities on and adjacent to the 28-Acre Site;
- Construction of between approximately 1,000 and 2,000 new housing units;
- Provision of 30 percent of all new housing units at below-market rates;
- Stipulation that the majority of new housing units be offered for rent;
- Restoration of those historic structures on the site that are essential to the integrity of the Union Iron Works Historic District;
- Creation of substantial new and renovated space for arts, cultural, small-scale manufacturing, local retail, and neighborhood-serving uses;
- Preservation of the artist community currently located in Building 11 (the Noonan Building) by providing new state-of-the-art, on-site space that is affordable, functional and aesthetic, and by continuing to accommodate the Noonan Building community within the Union Iron Works Historic District during any transition period associated with the construction of new space;

- Creation of between approximately 1,000,000 and 2,000,000 square feet of new commercial and office space; and
- Provision of accessory parking facilities and other transportation infrastructure as part of a transportation demand management program that enhances mobility in the district and neighborhood.

2. Project Characteristics.

a. Demolition and Rehabilitation.

The project site has 12 contributors to the Union Iron Works Historic District and one non-contributor, totaling 351,800 gsf. The Project includes rehabilitation, in compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties, of approximately 227,800 gsf in Buildings 2, 12, and 21 for reuse. Buildings 2 and 12 would remain in their current location. Building 21 would be relocated about 75 feet to the southeast, to create public frontage along the waterfront park and maintain a visual connection to Buildings 2 and 12. Seven of the remaining contributing buildings and structures on the site (Buildings 11, 15, 16, 19, 25, 32, and 66), containing 92,945 gsf, would be demolished. A small portion of the contributing feature, the remnant of Irish Hill, would also be removed. The Port has proposed to demolish the 30,940-gsf Building 117, located on the Project site, as part of the 20th Street Historic Core project to allow the adjacent building (Building 116) to be rehabilitated to meet fire code. This demolition is proposed separately from and prior to approval of the Project. The non-contributing feature on the project site (subterranean portions of Slipways 5 through 8) would be partially removed as part of the Project.

b. Special Use District and Land Use Program

The Project amends the Planning Code to create the Pier 70 Special Use District (SUD), and amends the Zoning Maps to make conforming changes related to Pier 70 SUD. The Pier 70 SUD requires compliance with the proposed Pier 70 SUD Design for Development, which is discussed on p. 2.35 of the DEIR. Under the SUD, the Project provides a mixed-use land use program in which certain parcels (Parcels F, G, H1, H2, HDY1, and HDY2) and Building 2 could be developed for either primarily commercial uses or residential uses. Parcels C1 and C2 would be designated for structured parking, but could be developed with either residential or commercial (Parcel C1) or residential uses (Parcel C2), depending on future methods of travel for residents and visitors.

The Zoning Maps are amended to show changes from the current zoning (M-2 [Heavy Industrial] and P [Public]) to the Pier 70 SUD. Height limits on the 28-Acre Site would be increased from 40 to 90 feet, except for a 100-foot-wide portion adjacent to the shoreline that would remain at 40 feet, as authorized by Proposition F in November 2014. The Zoning Map amendments also modify the existing height limits on an eastern portion of the Hoedown Yard from 40 to 65 feet. The height limits for the Illinois Street parcels would remain the same at 65 feet. Height limits are further restricted through the design standards established in the Pier 70 SUD Design for Development (Design for Development). The Project also amends the Port's Waterfront Land Use Plan (WLUP).

Proposed new zoning in the SUD would permit the following uses, listed below by parcel and shown in DEIR Table 2.2: Proposed Pier 70 Special Use District – Primary Uses by Parcel and Rehabilitated Building:

On the 28-Acre Site:

- Parcels A and B: Restricted to primarily commercial use, with RALI uses allowed on the ground floor.
- Parcel C1: Permitted for commercial, residential, or structured parking uses with RALI uses allowed on the ground floor.
- Parcel C2: Permitted for either residential or structured parking uses, with RALI uses allowed on the ground floor.
- Parcels D, E1, E2, and E3: Restricted to primarily residential use, with RALI uses allowed on the ground floor.
- Parcels F, G, H1, and H2, and Building 2: Permitted for either commercial or residential uses, with RALI uses allowed on the ground floor.
- Parcel E4 and Buildings 12 and 21: Permitted for RALI uses with commercial allowed on the upper floor of Parcel E4 and Building 12.
- All 28-Acre Site parcels except existing Buildings 2, 12, and 21 and Parcel E4: Permitted to include accessory parking.

On the Illinois Parcels:

- 20th/Illinois Parcel (Subdivided into Parcel K North [PKN] and Parcel K South [PKS]): Restricted to primarily residential use, with RALI uses on the ground floor.
- Hoedown Yard (Subdivided into Parcel Hoedown Yard 1 [HDY1] and Parcel Hoedown Yard 2 [HDY2]): Permitted for either commercial or residential uses, with RALI uses allowed on the ground floor.
- All Illinois Parcels: Permitted to include accessory parking.

To cover a full range of potential land uses that could be developed under the proposed SUD, the EIR analyzed a maximum residential-use scenario and a maximum commercial-use scenario for the project site. The Maximum Residential Scenario and the Maximum Commercial Scenario for both the 28-Acre Site and the Illinois Parcels are mutually exclusive: the maximum commercial and maximum residential programs could not both be built. Depending on the uses developed over time, the Project's total gross square feet (gsf) would range between a maximum of 4,212,230 gsf, under the Maximum Residential Scenario, to 4,179,300 gsf, under the Maximum Commercial Scenario, excluding square footage associated with accessory and structured parking. Total construction would not exceed a maximum of 3,422,265 gsf on the 28-Acre Site and 801,400 gsf on the Illinois Parcels.

Maximum Residential Scenario

Development under the Maximum Residential Scenario on the 28-Acre Site would include a maximum of up to 3,410,830 gsf in new and renovated buildings (excluding square footage allocated to parking). Under this scenario, there would be up to 2,150 residential units (up to approximately 710 studio/one-bedroom units and 1,440 two- or more bedroom units), totaling about 1,870,000 gsf, as well as approximately 1,095,650 gsf of commercial space and 445,180 gsf of RALI space (241,655 gsf of retail space, 60,415 gsf of restaurant space, and 143,110 gsf of arts/light-industrial space). Under a scenario where the Project provides up to 10 percent three-bedroom units, there would be up to 2,150 residential units (up to approximately 925 studio/one-bedroom units and 1,225 two- or more bedroom units), totaling about 1,870,000 gsf. The overall development envelope includes rehabilitation of 237,800 gsf in Buildings 2, 12, and 21 in compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties.

Development under the Maximum Residential Scenario on the Illinois Parcels would include a maximum of up to 801,400 gsf in newly constructed buildings. Under this scenario, there would be up to 875 residential units (up to approximately 290 studio/one-bedroom units and 585 two- or more bedroom units), totaling about 760,000 gsf, as well as approximately 6,600 gsf of commercial area and approximately 34,800 gsf of RALI space (27,840 gsf of retail space and 6,960 gsf of restaurant space) in new buildings. Under a scenario where the Project provides up to 10 percent three-bedroom units, there would be up to 875 residential units (up to approximately 377 studio/one-bedroom units and 498 two- or more bedroom units) totaling about 760,000 gsf. Under the Maximum Residential Scenario a maximum of 3,370 off-street parking spaces would be allowed.

Maximum Commercial Scenario

Development on the 28-Acre Site under the Maximum Commercial Scenario would include a maximum of up to about 3,422,265 gsf in new and renovated buildings. Under this scenario, there would be up to 1,100 residential units (up to approximately 365 studio/one-bedroom units and 735 two- or more bedroom units), totaling about 957,000 gsf, as well as approximately 2,024,050 gsf of commercial area, and 441,215 gsf of RALI space (238,485 gsf of retail space, 59,620 gsf of restaurant space, and 143,110 gsf of arts/light-industrial space). Under a scenario where the Project provides up to 10 percent three-bedroom units, there would be up to 1,100 residential units (up to approximately 473 studio/one-bedroom units and 627 two- or more bedroom units) totaling about 957,000 gsf. The overall development envelope includes the rehabilitation of 227,800 gsf in Buildings 2, 12, and 21 in compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties.

Illinois Parcels

Development on the Illinois Parcels under the Maximum Commercial Scenario would include a maximum of about 757,035 gsf in new buildings. Under this scenario, there would be up to 545 residential units (up to approximately 180 studio/one-bedroom units and 365 two-or-more bedroom units), totaling about 473,000 gsf, as well as approximately 238,300 gsf of commercial area and approximately 45,735 gsf of RALI (36,590 gsf of retail space and 9,145 gsf of restaurant space) in new buildings. Under a scenario where the Project provides up to 10 percent three-bedroom units, 545 residential units (up to approximately 235 studio/one-bedroom units and 310 two-or-more bedroom units) totaling about 473,000 gsf. Under the Maximum Commercial Scenario a maximum of 3,496 off-street parking spaces would be allowed.

c. Public Trust Exchange

Portions of the 28-Acre Site and Illinois Parcels are subject to the common law public trust for commerce, navigation, and fisheries and the statutory trust under the Burton Act, as amended (the Public Trust). In order to clarify the Public Trust status of portions of Pier 70, the Port has obtained State legislation (AB 418) that authorizes the State Lands Commission to approve a Public Trust exchange that would free some portions of the project site from the Public Trust while committing others to the Public Trust. To implement the Project in accordance with the proposed SUD, the Port and State Lands Commission would have to implement a public trust exchange that would lift the Public Trust from designated portions of Pier 70 in accordance with the terms of a negotiated trust exchange agreement meeting the requirements of AB 418. The Hoedown Yard is not subject to the Public Trust and will not be affected by the trust exchange.

d. Affordable Housing Program

Under the Project, 30 percent of all completed residential units on the 28-Acre Site would be required to be offered at below market rate prices, and a majority of residential units constructed would be rentals, in compliance with Proposition F. Residential units on the Illinois Parcels would be subject to the affordable housing requirements in Section 415 of the Planning Code. Under Board of Supervisors Resolution No. 54-14, if the City exercises its option to purchase the Hoedown Yard from PG&E, proceeds from the sale of the Hoedown Yard would be directed to the City's HOPE SF housing program, which includes the Potrero Terrace and Annex HOPE SF project.

e. Pier 70 SUD Design for Development

The Pier 70 SUD Design for Development sets forth the underlying vision and principles for development of the project site, and establishes implementing standards and design guidelines. The Design for Development includes building design standards and guidelines (Building Design Standards) that are intended to address compatibility of new development within the project site with the Historic District, guide rehabilitation of existing historic buildings as critical anchors, and encourage architecture of its own time in new construction.

Future vertical development at the project site, whether constructed by Forest City, Forest City affiliates, or third-party developers selected by the Port through broker-managed offerings, would be bound by the Design for Development, including the Building Design Standards.

The Design for Development provides standards and guidelines for Zoning and Land Use; Open Space & Streetscape Improvements; Streets and Streetscapes; Parking and Loading; Building Form, Massing, and Architecture; and Lighting, Signage, and Art.

f. Project Open Space Plan

The Project includes 9 acres of publicly owned open space, in addition to private open space areas such as balconies, rooftops with active recreational spaces, and courtyards that would be accessible only to building occupants. The open spaces are anticipated to accommodate everyday passive uses as well as public outdoor events, including art exhibitions, theater performances, cultural events, outdoor fairs,

festivals and markets, outdoor film screenings, evening/night markets, food events, street fairs, and lecture services. Fewer than 100 events per year are anticipated and would likely include approximately 25 mid-size events attracting between 500 to 750 people, and four larger-size events attracting up to 5,000 people. The proposed open space would supplement recreational amenities in the vicinity of the project site, such as the future Crane Cove Park in the northwestern part of Pier 70, and would include extension of the Blue Greenway and Bay Trail through the southern half of the Pier 70 area. Publicly owned open space on the site is allocated as follows: Waterfront Promenade; Waterfront Terrace; Slipway Commons; Building 12 Plaza and Market Square; Irish Hill Playground; 20th Street Plaza; and Rooftop Open Space Areas.

g. Traffic and Circulation Plan.

i. Street Improvements, Circulation and Parking.

The primary streets on the project site would be 20th and 22nd streets, built out from west to east. Maryland Street would be a secondary north-south-running street designed as a shared street. New minor streets include a new 21st Street, running west to east from Illinois Street to the waterfront, and Louisiana Street, running north from 22nd Street. New traffic signals would be installed at the intersection of Illinois and 21st streets. Louisiana Street from 21st Street to 20th Street would include a jog to accommodate existing historic structures within the Historic Core. Except for the western side of Louisiana Street adjacent to the Historic Core, all new streets would include sidewalks, and street furniture where appropriate. Maryland, 20th, and 22nd streets would include bicycle infrastructure or signage. With the exception of Louisiana Street between 20th and 21st streets, all streets would be two-way, with a single lane of travel in each direction. Louisiana Street would be one-way in the southbound direction, with a single lane of travel.

As part of the Project, Michigan Street from the southern side of 20th Street towards 21st Street shall be narrowed from 80 to 68 feet with 12 feet of the right-of-way converted from a public street to private use, i.e., "vacated," and developed as part of the Illinois Parcels. Vehicle travel would not be connected through to 21st Street due to a grade change, but pedestrian pathways would connect.

The Project provides parking spaces within a site-wide maximum and a maximum ratio per use. Under the Maximum Residential Scenario a maximum of 3,370 off-street parking spaces would be allowed, and under the Maximum Commercial Scenario a maximum of 3,496 off-street parking spaces would be allowed. The Project provides about 285 on street parking spaces along most the streets internal to the project site under either scenario. One parking space per 1,000 square feet of gross floor area would be provided for office/commercial and RALI uses, and 0.75 parking spaces per residential unit would be allowed. If not developed as residential or commercial uses, planned structured parking on Parcels C1 and C2 would provide shared parking for multiple uses. The Illinois Parcels and most parcels on the 28-Acre Site, excluding Buildings 2, 12, and 21, would also have accessory parking. All residential parking would be unbundled, which means parking would be an optional, additional cost to the price of renting or purchasing a dwelling unit.

ii. Transportation Plan.

The Project includes a Pier 70 SUD Transportation Plan intended to manage transportation demands and to encourage sustainable transportation choices, consistent with the City of San Francisco's Transit First, Better Streets, Climate Action, and Transportation Sustainability Plans and Policies. The Pier 70 SUD Transportation Plan includes a transportation demand management ("TDM") plan, which is described in an exhibit to the Development Agreement for the Project. The TDM Plan provides a comprehensive strategy to manage the transportation demands that the Project would create, and is also required as a mitigation measure under the Final EIR [See Mitigation Measure M-AQ-1f]. The street improvements and TDM Plan would be the same for both the Maximum Residential Scenario and the Maximum Commercial Scenario.

The Project's TDM Plan would be administered and maintained by a Transportation Management Association (TMA). The TMA would be responsible for provision of shuttle service between the project site and local and regional transit hubs.

The TMA would work collaboratively with SFMTA and Bay Area Bike Share (BABS) representatives to finalize the design, location, installation timeline, and funding arrangements for both initial installation and ongoing operation and maintenance of any proposed bikesharing station. Supplementary components such as provision of passenger amenities, real-time occupancy data for shared parking facilities, on-street carshare spaces, unbundled parking for residents, and preferential treatment for high-occupancy vehicles would be coordinated and provided through the TMA, as required by the TDM Plan and mitigation measure.

iii. Bicycle and Pedestrian Improvements.

The Project includes bike lanes, bike-safety-oriented street design, and bike-parking facilities to promote bicycling in and around the project site. Under the provisions of the SUD, bike amenities would be constructed on the project site that would meet or exceed the existing Planning Code requirements at the time of permit submittal. Under the Maximum Residential Scenario, 1,142 Class 1 and 514 Class 2 bicycle parking spaces would be required. Sufficient Class 2 bicycle parking should also be provided at key entrance areas of the major open spaces. Under the Maximum Commercial Scenario, 995 Class 1 and 475 Class 2 bicycle parking spaces would be required. Improvements proposed for the Project include construction of Class II facilities (bicycle lanes) and Class III facilities (shared-lane markings and signage) on 20th, 22nd, and Maryland streets. A Class I separated bicycle and pedestrian facility would be provided along the Bay Trail and Blue Greenway the length of the project site along the shoreline, connecting at Georgia Street to the northbound path to Crane Cove Park and the southern waterfront park boundary to the future southern connection through the former Potrero Power Plant site.

Pedestrian travel would be encouraged throughout the project site by establishing a network of connected pedestrian pathways running both west-to-east and north-to-south to connect open spaces. Street and open space design would also incorporate pedestrian-safe sidewalk and street design and signage. All streets on the project site would include 9- to 18-foot-wide sidewalks. The project site is designed to make the area east of Maryland Street a predominantly pedestrian zone, and there would be no vehicular streets along the length of waterfront parks, with the exception of the north-south running portion of 20th Street. Maryland Street and 20th Street could potentially have a shared street condition, to reinforce the pedestrian connection from the western portion of the site, across the street, and to San Francisco Bay.

Both 20th and 22nd streets would feature pedestrian amenities to encourage walking from the Dogpatch neighborhood, as well as transit use along the Third and 22nd streets corridors.

iv. Loading.

The proposed new streets would provide access for emergency vehicles and off-street freight loading. Michigan, Louisiana, and 21st streets would be designed as primary on-street loading corridors.

h. Infrastructure and Utilities.

i. Potable Water.

Potable water distribution piping would be constructed in trenches under the planned streets to provide water for site uses and firefighting needs. To reduce potable water demand, high-efficiency fixtures and appliances would be installed in new buildings, and fixtures in existing buildings would be retrofitted, as required by City regulations.

ii. Recycled (Reclaimed) Water.

The project site is located within the City's designated recycled water use area and is subject to Article 22 of the San Francisco Public Works Code, the Recycled Water Use Ordinance, whose goal is to maximize the use of recycled water. Therefore, buildings and facilities that are subject to this ordinance must use recycled water for all uses authorized by the State once a source of recycled water is available and projects must include recycled water distribution systems within buildings as well as throughout the project sites. Although a source of recycled water is not yet available from the City, the project sponsors would install distribution pipelines to ultimately connect with the City's recycled water distribution system once it is constructed. Accordingly, the Project includes the installation of distribution pipelines beneath existing and proposed streets within the project area. Once the City's recycled water system is constructed, the Project's recycled water pipelines would connect to the City's recycled water system.

iii. On-Site Non-Potable Water.

San Francisco's Non-potable Water Ordinance requires new buildings larger than 250,000 square feet to use on-site "alternate water sources" of graywater, rainwater, and foundation drainage water to meet that building's toilet and urinal flushing and irrigation demands. The Project would include the diversion and reuse of graywater and rainwater for toilet and urinal flushing and irrigation.

iv. Auxiliary Water Supply System.

To meet supplemental firefighting water requirements for the Auxiliary Water Supply System (AWSS), the Project would be required to include on-site AWSS high-pressure distribution piping. The pipelines would be installed beneath existing and proposed streets and would supply fire hydrants within the project site for the purposes of firefighting. The AWSS may also include a permanent manifold installed upland of the shoreline that can be connected to a temporary, portable submersible pump for redundancy.

v. Wastewater (Sanitary Sewer) and Stormwater Facilities.

Wastewater and stormwater flows from the project site are currently conveyed to the Southeast Water Pollution Control Plant ("SEWPCP") for treatment via the City's combined sewer system. The Port also owns and maintains many gravity sewer lines that connect the existing buildings on the site to the SFPUC sewer lines. The project sponsors are considering three options for managing wastewater and stormwater flows from the project site: Option 1, Combined Sewer System; Option 2, Separate Wastewater and Stormwater Systems; and Option 3, Hybrid System.

vi. Electricity and Natural Gas.

The Project would replace overhead electrical distribution with a joint trench utilities distribution system which would follow the proposed realigned roadways. The Project would also extend the existing natural gas distribution system from 20th Street to connect to the 28-Acre Site. A new natural gas distribution system would be constructed to extend to the Illinois Parcels. New gas lines would be placed in the joint utilities trench distribution system following the realigned roadways.

The Project would comply with San Francisco Green Building Requirements for energy efficiency in new buildings. Energy-efficient appliances and energy-efficient lighting would be installed in the three rehabilitated historic buildings.

Back-up emergency diesel generators are required by the San Francisco Building Code for new buildings with occupied floor levels greater than 75 feet in height. There are 10 parcels (all in the 28-Acre Site) that would allow building heights of up to 90 feet: Parcels A, B, C1, C2, D, E1, F, G, H1, and H2. Each of the buildings on Parcels A, C1, C2, D, E1, F, G, H1, and H2 would have a back-up diesel generator, if built with occupied floor levels greater than 75 feet; such generators would operate in emergency situations, each having an average size of 400 horsepower. Due to the larger size of Parcel B, the building proposed for that parcel would have two 400-horsepower, back-up diesel generators to operate in emergency situations. In total, 11 generators are anticipated on the project site.

vii. Renewable Energy.

The Project is required to meet the State's Title 24 and the San Francisco Green Building Requirements for renewable energy and the Better Roof Requirements for Renewable Energy Standards. The Project would allow for roof-mounted or building-integrated solar photovoltaic (PV) systems and/or roof-mounted solar thermal hot water systems for all proposed buildings, excluding existing Buildings 2, 12, and 21. At least 15 percent of the roof area would include roof-mounted or building-integrated PV systems and/or roof-mounted solar thermal hot water systems that would be installed in residential and commercial buildings. These systems would partially offset the energy demands of the associated buildings. No ground-mounted facilities are proposed under the Project. The solar PV arrays located on various rooftops could be interconnected via a community microgrid that serves as a site-wide distribution network capable of balancing captive supply and demand resources to maintain stable service within the Project.

i. Grading and Stabilization Plan.

i. Site Grading.

The Project would involve excavation of soils for grading and construction of the 15- to 27-foot-deep basements planned on Parcels A, B, C1, C2, D, E1, E2, E3, E4, F, G, H1, H2, PKN, PKS, HDY1 and HDY2. No basement levels are planned for existing Buildings 2, 12, or 21. The Project will likely require bedrock removal by controlled rock fragmentation techniques. Controlled rock fragmentation technologies may include pulse plasma rock fragmentation, controlled foam or hydraulic injection, and controlled blasting. In some scenarios it may be necessary to utilize a combination of these techniques.

The Project would raise the grade of the 28-Acre Site and the southern, low-lying portions of the Illinois Parcels by adding up to 5 feet of fill in order to help protect against flooding and projected future sea level rise and as required for environmental remediation.

A portion of the northern spur of the remnant of Irish Hill would be removed for construction of the new 21st Street. Retaining walls would be necessary along the sides of the new 21st Street to protect the adjacent Building 116 in the Historic Core as well as the remnant of Irish Hill and along the reconfigured 22nd Street, to account for the proposed elevation difference between the streets and adjacent ground surfaces.

ii. Geotechnical Stabilization

To address the potential hazard of liquefaction and lateral spreading that may occur during a major earthquake, the Project would include construction of improvements to control the amount of lateral displacement that could occur. These improvements could include either reinforcing the existing slope with structural walls or implementing ground improvements.

iii. Shoreline Protection Improvements and Sea Level Rise Adaptation

The objectives of the proposed shoreline protection improvements include maintaining a stable shoreline in the project area by preventing shoreline erosion and protecting the proposed development from coastal flooding. The proposed shoreline protection system is designed to minimize the need for placing fill in San Francisco Bay; maximize open space and public access to the shoreline edge; improve existing slope protection, where feasible; develop aesthetically pleasing and cost-efficient shoreline protection; and provide for future sea level rise adaptation. For design purposes, the existing shoreline is divided into four separate "reaches." Options for shoreline protection improvements were developed for each reach.

The improvements constitute minor repairs to the existing shoreline protection system along the bayfront of the 28-Acre site that is currently in disrepair. These improvements are restricted to repair or replacement of the existing bulkhead in Reach II, and repair or replacement of the existing rip rap slopes in Reaches I, III, and IV. As proposed, the improvements would provide shoreline protection from erosion based on current flooding conditions, and the worst case flooding projected for the year 2100. The entire 100-foot shoreline band, including the shoreline protection features, would be reserved for public access that is safe and feasible. The project sponsors would also implement a long-term inspection and maintenance program to observe for deterioration of the shoreline protection system, and would repair any deficiencies noted to ensure adequate erosion and flood protection for the life of the project.

3. Project Variants.

The Draft EIR studied five variants to the Project. Each variant would modify a limited feature or aspect of the Project. During the period between publication of the Draft EIR and the RTC document, the Project Sponsor requested adoption of three variants into the Project, including the Reduced Off-Haul Variant, the Wastewater Treatment and Reuse System Variant, and the Irish Hill Passageway Variant. Thus, these three variants are added to the Project.

The Reduced Off-Haul Variant would minimize the overall volume of excavated soils and the number of off-haul truck trips required for the transport and disposal of excavated soils. Under the Wastewater Treatment and Reuse System Variant, blackwater, graywater, and rainwater would be collected from all newly constructed buildings, treated, and reused for toilet and urinal flushing, irrigation, and cooling tower makeup. This variant differs from the project without the variant, because it assumes blackwater is treated and recycled and that all newly constructed buildings would form a district system. Finally, the Irish Hill Passageway Variant would realign the proposed pedestrian passageway between Illinois Street and the proposed Irish Hill Playground in order to create a view corridor through the proposed infill construction, from Illinois Street to the Irish Hill landscape feature. Under this Variant, the 40-foot-wide pedestrian passageway connecting Illinois Street and the proposed Irish Hill Playground would separate construction within Parcel PKS and Parcel HDY2 at the southwest corner of the project site. The pedestrian passageway would be shifted northward by approximately 165 feet, to bisect Parcel PKS (which would become PKS1 and HDY3 with this variant), to allow views of the western face of the Irish Hill remnant from Illinois Street.

Additionally, the FEIR analyzed two additional project variants that are not proposed for approval at this time: the District Energy System Variant and the Automated Waste Collection System Variant. The Project assumes all heating and cooling would be done at the individual building level and independent from adjacent buildings, and PG&E would provide natural gas, and electricity would be provided by the SFPUC and renewable power generated on the project site. Under the District Energy System Variant, a single central energy plant would be located in one of the basement levels of a newly constructed building on Parcel C1. The proposed central energy plant would provide heating and cooling for a linked group of residential and commercial buildings.

Under the Project, typical collection trucks would drive around the project site to pick up solid waste (separated by residents and businesses into recyclables, compostables, and trash/waste) from each individual building for transport to Pier 96 (recyclables) in San Francisco, the Jepson-Prairie facility (compostables) in Solano County, and the Hay Road Landfill (trash/waste) in Solano County. Under the

Automated Waste Collection System (AWCS) Variant, an automated waste collection system would be installed to transport solid waste from individual new buildings and in public areas, replacing interior and outdoor trash receptacles. The central waste collection facility would be located in a stand-alone building near the proposed 20th Street Pump Station on the BAE Systems Ship Repair site directly north of Parcels A and B on the project site. This variant has the potential to operate more efficiently and would reduce the number of trash collection truck trips and the associated noise and air pollutant emissions.

1. Project Construction Phasing and Duration

For both development scenarios, the Maximum Residential Scenario and the Maximum Commercial Scenario, Project construction is conceptual; however it is expected to begin in 2018 and would be phased over an approximately 11-year period, concluding in 2029. Proposed development is expected to involve up to five phases, designated as Phases 1, 2, 3, 4, and 5. The Project's construction and rehabilitation phasing for the Maximum Residential and Maximum Commercial Scenarios are outlined in Tables 2.5 and 2.6 in the DEIR on pp. 2.80 to 2.84.

Infrastructure improvements (utilities, streets, and open space) and grading and excavation activities would be constructed by Forest City, as master developer, and would occur in tandem, as respective and adjacent parcels are developed. Vertical development on the various parcels could be constructed by Forest City and its affiliates, or by third party developers.

B. Project Objectives

The Port and Forest City seek to achieve the following objectives by undertaking the Project:

- Create a unique San Francisco neighborhood within an industrial historic district that includes new, activated waterfront open spaces with the amenities and services necessary to support a diverse, thriving community of residents and workers, while addressing potential land use conflicts with ongoing ship repair at Pier 70.
- Implement the open space, housing, affordability, historic rehabilitation, artist community preservation, commercial, waterfront height limit and urban design policies endorsed by the voters in Proposition F for the 28-Acre Site (November 2014).
- Provide dense, mixed-income housing that includes both ownership and rental opportunities, to attract a diversity of household types in order to help San Francisco meet its fair share of regional housing needs.
- Provide a model of 21st century sustainable urban development by implementing the Pier 70 Risk Management Plan approved by the San Francisco Bay Regional Water Quality Control Board; encouraging energy and water conservation systems; and reducing vehicle usage, emissions, and vehicle miles traveled to reduce the carbon footprint impacts of new development, consistent with the Port's Climate Action Plan.
- Provide access to San Francisco Bay where it has been historically precluded, by opening the eastern shore of the site to the public with a major new waterfront park, extending the Bay Trail, and establishing the Blue Greenway, and create a pedestrian- and bicycle-friendly environment.

- Rehabilitate three contributors to the Union Iron Works Historic District to accommodate new uses consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties, and design and build new infrastructure, public realm areas, parks and buildings consistent with the Infill Development Design Criteria within the Port's *Pier 70 Preferred Master Plan* and support the continued integrity of the Union Iron Works Historic District.
- Create business and employment opportunities for local workers and businesses during the design, construction, and operation phases of the Project.
- Elevate and reinforce site infrastructure and building parcels to allow the new Pier 70 neighborhood to be resilient to projected levels of sea level rise and any major seismic event, as well as incorporate financing strategies that enable the project and the Port's Bay shoreline to adapt to future, increased levels of sea level rise.
- Along with the Historic Core and Crane Cove Park, serve as a catalyst project for Pier 70 to support the Port's site-wide goals established in the Pier 70 Preferred Master Plan, including new infrastructure, streets and utilities, and new revenue to fund other Pier 70 improvements.
- Construct a high-quality, public-private development project that can attract sources of public investment, equity, and debt financing sufficient to fund the Project's site and infrastructure costs, fund ongoing maintenance and operation costs, and produce a market rate return investment that meets the requirement of Assembly Bill (AB) 418 (2011) and allows the Port to further its Public Trust mandate and mission.
- Through exercise of the City's option with PG&E to purchase the Hoedown Yard, provide funds for the City's HOPE VI rebuild projects in accordance with Board Resolution No. 54-14, such as the Potrero Terrace and Annex project.

C. Approval Actions.

The Project is subject to review and approvals by local, regional, State, and Federal agencies, with jurisdiction after completion of environmental review, including the following:

San Francisco Board of Supervisors

- Approval of *General Plan* amendments.
- Approval of Planning Code Text Amendments and associated Zoning Map Amendments.
- Approval of a Development Agreement.
- Approval of the Interagency Cooperation Agreement.
- Approval of a Public Trust Exchange Agreement.
- Approval of a Disposition and Development Agreement, including forms of ground leases and purchase and sale agreements.
- Approval of Final Subdivision Maps.
- Approval of street vacations, approval of dedications and easements for public improvements, and acceptance (or delegation to Public Works Director to accept) of public improvements, as necessary.

- Approval of the formation of one or more community facilities districts and adoption of a Rate and Method of Apportionment for the districts and authorizing other implementing actions and documents.
- Approval of one or more appendices to the Infrastructure Financing Plan for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) and formation of one or more sub-project areas for the 28-Acre Site and some or all of the Illinois Parcels and authorizing other implementing actions and documents.

San Francisco Planning Commission

- Certification of the Final EIR.
- Adoption of findings that the Public Trust Exchange is consistent with the *General Plan*.
- Approval of *Pier 70 SUD Design for Development*.
- Initiation and recommendation to Board of Supervisors to approve amendments to the *General Plan*.
- Initiation and recommendation to the Board of Supervisors to approve Planning Code amendments adopting a Special Use District and associated Zoning Map amendments.
- Recommendation to Board of Supervisors to approve a Development Agreement.
- Approval of the Interagency Cooperation Agreement.

San Francisco Port Commission

- Adoption of findings regarding Public Trust consistency.
- Approval of Disposition and Development Agreement, including forms of Ground Leases and Purchase and Sale Agreements, authorizing other actions and documents necessary to implement the project, and recommending that the Port Commission and the Board of Supervisors take other actions and documents necessary to implement the project.
- Consent to a Development Agreement and recommendation to the Board of Supervisors to approve.
- Approval of the Interagency Cooperation Agreement.
- Approval of a Development Plan for the 28-Acre Site in accordance with Section 11 of Proposition F.
- Approval of *Pier 70 SUD Design for Development*.
- Approval of amendments to *Waterfront Land Use Plan*.
- Public Trust consistency findings and approval of Public Trust Exchange Agreement with the State Lands Commission.
- Approval of project construction-related permits for property within Port jurisdiction.
- Approval of Construction Site Stormwater Runoff Control Permit.

San Francisco Public Utilities Commission

- Consent to Development Agreement.
- Consent to Interagency Cooperation Agreement.

San Francisco Public Works

- Review of subdivision maps and presentation to the Board for approval.
- Approval of Interagency Cooperation Agreement.
- Issuance of Public Works street vacation order.

San Francisco Municipal Transportation Agency

- Approval of transit improvements, public improvements and infrastructure, including certain roadway improvements, bicycle infrastructure and loading zones, to the extent included in the project, if any.
- Consent to Development Agreement.
- Consent to Interagency Cooperation Agreement.

San Francisco Fire Department

- Consent to Interagency Cooperation Agreement.

San Francisco Art Commission

- Approval of design of public structures and private structures located within public property, to the extent any such structures are located outside of Port jurisdiction.

San Francisco Department of Public Health

- Oversee compliance with San Francisco Health Code Article 22A (Maher Ordinance).

Bay Conservation and Development Commission

- Approval of permits for improvements and activities within the San Francisco Bay Conservation and Development Commission's jurisdictions.

State Lands Commission

- Approval of Public Trust Exchange Agreement.

Regional Water Quality Control Board – San Francisco Bay Region

- Approval of Section 401 water quality certification.
- Site-Specific Remediation Completion Approval(s) under Risk Management Plan.

Bay Area Air Quality Management District

- Approval of any necessary air quality permits (e.g., Authority to Construct and Permit to Operate) for individual air pollution sources, such as boilers and emergency diesel generators.

California Public Utilities Commission

- Approval of PG&E's sale of Hoedown Yard parcel, if PG&E's operations on the site have not already been relocated.

California Department of Fish and Wildlife

- Possible Section 404/Section 10 Permit.

U.S. Army Corps of Engineers

- Possible Section 404/Section 10 Permit.

U.S. Fish and Wildlife

- Possible Section 404/Section 10 Permit.

National Marine Fisheries Service

- Possible Essential Fish Habitat Consultation.
- Possible Endangered Species Act Consultation.

D. Findings About Significant Environmental Impacts and Mitigation Measures.

The following Sections II, III, IV, and V set forth the findings about the determinations of the Final EIR regarding significant environmental impacts and the mitigation measures proposed to address them. These findings provide written analysis and conclusions regarding the environmental impacts of the Project and the mitigation measures included as part of the Final EIR and adopted as part of the Project.

In making these findings, the opinions of the Planning Department and other City staff and experts, other agencies and members of the public have been considered. These findings recognize that the determination of significance thresholds is a judgment within the discretion of the City and County of San Francisco; the significance thresholds used in the Final EIR are supported by substantial evidence in the record, including the expert opinion of the Final EIR preparers and City staff; and the significance thresholds used in the Final EIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the Project.

These findings do not attempt to describe the full analysis of each environmental impact contained in the Final EIR. Instead, a full explanation of these environmental findings and conclusions can be found in the Final EIR and these findings hereby incorporate by reference the discussion and analysis in the Final EIR supporting the determination regarding the Project impacts and mitigation measures designed to address those impacts. In making these findings, the determinations and conclusions of the Final EIR relating to environmental impacts and mitigation measures, are hereby ratified, adopted and incorporated in these

findings, except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

As set forth below, the mitigation measures set forth in the Final EIR and the attached MMRP are hereby adopted and incorporated to substantially lessen or avoid the potentially significant impacts of the Project. Accordingly, in the event a mitigation measure recommended in the Final EIR has inadvertently been omitted in these findings or the MMRP, such mitigation measure is nevertheless hereby adopted and incorporated in the findings below by reference. In addition, in the event the language describing a mitigation measure set forth in these findings or the MMRP fails to accurately reflect the mitigation measure in the Final EIR due to a clerical error, the language of the mitigation measure as set forth in the Final EIR shall control. The impact numbers and mitigation measure numbers used in these findings reflect the numbers contained in the Final EIR.

In Sections II, III, IV, and V below, the same findings are made for a category of environmental impacts and mitigation measures. Rather than repeat the identical finding dozens of times to address each and every significant effect and mitigation measure, the initial finding obviates the need for such repetition because in no instance are the conclusions of the Final EIR, or the mitigation measures recommended in the Final EIR for the Project, being rejected.

E. Location and Custodian of Records.

The public hearing transcripts and audio files, a copy of all letters regarding the Final EIR received during the public review period, the administrative record, and background documentation for the Final EIR are located at the Planning Department, 1650 Mission Street, San Francisco. The Planning Commission Secretary, Jonas P. Ionin, is the custodian of records for the Planning Department and the Planning Commission.

II. IMPACTS NOT CONSIDERED

CEQA Section 21099(d), provides that "aesthetics and parking impacts of a residential, mixed-use residential, or employment center project on an infill site located within a transit priority area shall not be considered significant impacts on the environment." Accordingly, aesthetics and parking are not considered in determining whether the Project has the potential to result in significant environmental effects since the Project meets all of the following three criteria:

1. The Project is in a transit priority area;
2. The Project is on an infill site; and
3. The Project is residential, mixed-use residential, or an employment center.

A "transit priority area" is defined as an area within one-half mile of an existing or planned major transit stop. A "major transit stop" is defined in California Public Resources Code Section 21064.3 as a rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

III. IMPACTS FOUND NOT TO BE SIGNIFICANT AND THUS DO NOT REQUIRE MITIGATION

Under CEQA, no mitigation measures are required for impacts that are less than significant (Pub. Res. Code § 21002; CEQA Guidelines §§ 15126.4, subd. (a)(3), 15091). As more fully described in the Final EIR and based on the evidence in the whole record of this proceeding, it is hereby found that implementation of the Project would not result in any significant impacts in the following areas and that these impact areas therefore do not require mitigation.

A. Land Use.

Impacts LU-1: The Project would not physically divide an existing community.

Impacts LU-2: The Project would not conflict with applicable land use plans, policies or regulations adopted for the purpose of avoiding or mitigating an environmental effect. Such that a substantial adverse physical change in the environment related to Land Use would result.

Impact C-LU-1: The Project, in combination with past, present and reasonably foreseeable future projects, would not contribute considerably to significant cumulative land use impacts related to (a) physical division of an established community, or (b) conflicts with applicable land use plans and policies adopted for the purpose of avoiding or mitigating an environmental effect.

B. Population, Employment and Housing.

Impacts PH-1: The Project would not substantially induce population growth, either directly or indirectly.

Impacts PH-2: The Project would not displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing elsewhere.

Impact C-PH-1: The Project under the Maximum Residential and Maximum Commercial scenarios, in combination with past, present and reasonably foreseeable future projects, would not result in a cumulatively considerable contribution to significant cumulative population and housing impacts.

C. Cultural Resources.

Impact CR-3: Construction activities for the Project would not cause a substantial adverse change in the significance of a tribal cultural resource, as defined in Public Resources Code Section 21074, if such resources are present within the project site.

Impact CR-4: The Project would result in the demolition of seven buildings that contribute to the significance of the UIW Historic District. These are Buildings 11, 15, 16, 19, 25, 32, and 66.

The demolition of these buildings would not result in a substantial adverse change in the historic significance of the UIW Historic District, nor would the demolition result in a deleterious effect on most of the District's character-defining features. The UIW Historic District would retain sufficient contributing features, character-defining features, and overall integrity to continue its listing in the NRHP.

and the CRHR. As such, the demolition of contributing Buildings 11, 15, 16, 19, 25, 32, and 66 would not materially impair the physical characteristics that justify the UIW Historic District's inclusion in the NRHP or the CRHR. Although demolition of contributing Buildings 11, 15, 16, 19, 25, 32, and 66 would have a less-than-significant impact on individual historical resources identified in this EIR and the UIW Historic District as a whole, implementation of Improvement Measure I-CR-4a: Documentation and I-CR-4b: Public Interpretation, which call for the documentation and interpretation of the UIW Historic District for the general public, would further reduce the less-than-significant impact resulting from the proposed demolition of contributing features.

Impact CR-6: The relocation of contributing Building 21 would not materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources, nor the physical characteristics of Building 21 that justify its eligibility for individual inclusion in the California Register of Historical Resources.

Impact CR-7: The demolition of non-contributing slipways would not materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources.

Impact CR-8: The site grading work associated with contributing Buildings 2 and 12 would not materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources.

Impact CR-9: The alteration of Irish Hill, a contributing landscape feature, and the proposed infill construction surrounding Irish Hill, would not materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources.

Impact CR-10: The changes and additions to the network of streets and open space would not materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources.

Impact CR-12: The Project would not materially alter, in an adverse manner, the physical characteristics of other historical resources (outside of the UIW National Register Historic District) that justify inclusion of such resources in a Federal, State or local register of historical resources.

Impact C-CR-3: The impacts of the Project, in combination with other past, present, and future projects, would not materially alter, in an adverse manner, the physical characteristics of historical resources (outside of the UIW National Register Historic District) that justify its inclusion in the California Register of Historical Resources, resulting in a cumulative impact.

D. Transportation and Circulation.

Impact TR-1: Construction of the Project would not result in significant impacts on the transportation and circulation network because they would be of limited duration and temporary.

Although no mitigation measures would be required, Improvement Measure I-TR-A: Construction Management Plan is identified to further reduce less-than-significant potential conflicts between

construction activities and pedestrians, bicyclists, transit, and autos, and between construction activities and nearby businesses and residents.

Impact TR-2: The Project would not cause substantial additional VMT nor substantially induce automobile travel.

Impact TR-3: The Project would not create major traffic hazards.

Impact TR-4: The Project would not result in any Muni screenlines or sub-corridors exceeding 85 percent capacity utilization nor would it increase ridership by more than five percent on any Muni screenline or subcorridor forecast to exceed 85 percent capacity utilization under Baseline conditions without the Project.

Impact TR-6: Two individual Muni routes would continue to operate within the 85 percent capacity utilization standard in the a.m. and p.m. peak hours in both the inbound and outbound directions with addition of the Project.

Impact TR-7: The Project would not cause significant impacts on regional transit routes.

Impact TR-8: Pedestrian travel generated by the Project could be accommodated on the new roadway and sidewalk network proposed for the project site.

Although the Project's parking facility access points would comply with appropriate design standards, the less-than-significant effect of vehicle queuing across sidewalks would be minimized with implementation of **Improvement Measure I-TR-B: Queue Abatement**, to ensure that pedestrian travel is unimpeded.

Impact TR-9: Existing pedestrian facilities in the vicinity of the project site, while incomplete, would not pose substantial hazards to pedestrian traffic generated by the Project.

Impact TR-11: The Project would not create potentially hazardous conditions for bicyclists and would not interfere with bicycle accessibility to the project site or adjoining areas.

Impact TR-13: The Project would not result in significant impacts on emergency access to the project site or adjacent locations.

Although not required to address significant impacts, implementation of **Improvement Measure I-TR-C: Strategies to Enhance Transportation Conditions During Events** would ensure that events at Pier 70 are coordinated with events at AT&T Park to further reduce the less-than-significant effects of congestion on emergency vehicle circulation.

Impact C-TR-1: Construction of the Project would occur over an approximately 11-year time frame and may overlap with construction of other projects in the vicinity. Due to the detailed planning and coordination requirements, the Project would not contribute considerably to a significant cumulative impact in the area.

Although no mitigation measures would be required, Improvement Measure I-TR-A: Construction Management Plan is identified to further reduce impacts associated with construction of the Project.

Impact C-TR-2: The Project's incremental effects on regional VMT would not be significant, when viewed in combination with past, present, and reasonably foreseeable future projects.

Impact C-TR-3: The Project would not contribute to a major traffic hazard.

Impact C-TR-5: The Project would not contribute considerably to a significant cumulative impact on the KT Third Ingleside Muni line.

Impact C-TR-6: The Project would not contribute considerably to significant cumulative impacts at Muni Downtown screenlines or subcorridors.

Impact C-TR-7: The Project would not contribute considerably to significant cumulative impacts on regional transit routes.

Impact C-TR-8: The Project would not contribute considerably to significant cumulative pedestrian impacts.

Impact C-TR-9: The Project would not contribute considerably to a significant cumulative bicycle impact.

Impact C-TR-10: The Project would not contribute to a significant cumulative loading impact.

Impact C-TR-11: The Project would not contribute considerably to a significant cumulative impact on emergency vehicle access.

E. Noise

Impact NO-8: Operation of the Project would not expose people and structures to or generate excessive groundborne vibration or noise levels.

Impact C-NO-1: Construction of the Project combined with cumulative construction noise in the project area would not cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity during construction.

F. Air Quality

Impact AQ-5: The Maximum Residential or Maximum Commercial Scenarios would not create objectionable odors that would affect a substantial number of people.

G. Greenhouse Gas Emissions

Impact C-GG-1: The Project would generate GHG emissions, but not at levels that would result in a significant impact on the environment or conflict with any policy, plan, or regulation adopted for the purpose of reducing GHG emissions.

H. Wind and Shadow.

Impact WS-3: At full build-out, the Project would not alter wind in a manner that substantially affects ground-level public areas. The pedestrian comfort criterion is not considered within the CEQA significance threshold; however, Improvement Measures I-WS-3a: Wind Reduction for Public Open Spaces and Pedestrian and Bicycle Areas, I-WS-3b: Wind Reduction for Waterfront Promenade and Waterfront Terrace, I-WS-3c: Wind Reduction for Slipways Commons, I-WS-3d: Wind Reduction for Building 12 Market Plaza and Market Square, I-WS-3e: Wind Reduction for Irish Hill Playground, and I-WS-3f: Wind Reduction for 20th Street Plaza would improve the comfort, suitability, and usability of public open spaces and further reduce this less-than-significant impact. City decision makers may choose to impose these improvement measures on the Project as conditions of approval.

Impact WS-4: The Project would not create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas.

Impact C-WS-1: The Project at full build-out, when combined with other cumulative projects, would not alter wind in a manner that substantially affects public areas within the vicinity of the project site.

Impact C-WS-2: The Project, in combination with past, present, and reasonably foreseeable future projects in the project vicinity, would not create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas. The Project would not make a cumulatively considerable contribution to a significant cumulative shadow impact.

I. Recreation.

Impact RE-1: The Project would increase the use of existing neighborhood and regional parks or other recreational facilities, but not to such an extent that substantial physical deterioration of existing facilities would occur or be accelerated, or such that the construction of new facilities would be required.

Impact RE-2: Construction of the parks and recreational facilities proposed as part of the Project would not result in substantial adverse physical environmental impacts beyond those analyzed and disclosed in the Final EIR.

Impact C-RE-1: The Project, in combination with past, present, and reasonably foreseeable future development, would not result in a cumulatively considerable contribution to significant cumulative impacts on recreation.

J. Utilities and Service Systems.

Impact UT-1: The City's water service provider would have sufficient water supply available to serve the Project from existing entitlements and resources, and would not require new or expanded water supply resources or entitlements.

Impact UT-2: The Project would not require or result in the construction of new water treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.

Impact UT-3: The Project would not exceed wastewater treatment requirements of the Southeast Water Pollution Control Plant.

Impact UT-4: The Project would not require or result in the construction of new wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. Nor would the project result in a determination by the SFPUC that it has inadequate capacity to serve the project's projected demand in addition to its existing commitments.

Impact UT-5: The Project would not require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.

Impact UT-6: The Project would be served by a landfill with sufficient capacity to accommodate the Project's solid waste disposal needs.

Impact UT-7: The Project would not fail to comply with Federal, State, and local statutes and regulations related to solid waste.

Impact C-UT-1: The Project, in combination with other past, present, and reasonably foreseeable future projects, would not result in significant adverse cumulative utilities and service systems impacts.

K. Public Services.

Impact PS-1: The Project would not result in the need for new or physically altered facilities in order to maintain acceptable service ratios, response times, or other performance objectives for police protection.

Impact PS-2: The Project would not result in the need for new or physically altered facilities in order to maintain acceptable response times for fire protection and emergency medical services.

Impact PS-3: The increase in students associated with implementation of the Project would not require new or expanded school facilities, the construction of which could result in substantial adverse impacts.

Impact PS-4: The Project would not result in an increase in demand for library services that could not be met by existing library facilities.

Impact C-PS-1: The Project, in combination with other past, present, and reasonably foreseeable future projects, would not result in a cumulatively considerable contribution to significant adverse cumulative impacts that would result in a need for construction of new or physically altered facilities in order to maintain acceptable service ratios, response times, or other performance objectives for any public services, including police protection, fire protection and emergency services, schools, and libraries.

L. Biological Resource.

Impact BI-6: The Project would not conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance, and would not have a substantial conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State habitat conservation plan.

M. Geology and Soils.

Impact GE-1: The Project would not expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving fault rupture, seismic ground shaking, seismically induced ground failure, or seismically induced landslides.

Impact GE-2: The Project would not result in substantial erosion or loss of topsoil.

Impact GE-4: The Project would not create substantial risks to life or property as a result of locating buildings or other features on expansive or corrosive soils.

Impact GE-5: The Project would not substantially change the topography or any unique geologic or physical features of the site.

Impact C-GE-1: The Project, in combination with past, present, and reasonably foreseeable future projects, would not substantially contribute to cumulative impacts on geology and soils.

N. Hydrology and Water Quality.

Impact HY-1: Construction of the Project would not violate a water quality standard or a waste discharge requirement, or otherwise substantially degrade water quality.

Impact HY-3: The Project would not substantially deplete groundwater supplies or interfere with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table.

Impact HY-4: The Project would not substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion, siltation, or flooding on- or off site.

Impact HY-5: Operation of the Project would not place housing within a 100-year flood zone or place structures within an existing 100-year flood zone that would impede or redirect flood flows.

Impact HY-6: Operation of the Project would not place structures within a future 100-year flood zone that would impede or redirect flood flows.

Impact HY-7: The Project would not expose people or structures to substantial risk of loss, injury, or death due to inundation by seiche, tsunami, or mudflow.

Impact C-HY-1: The Project, in combination with past, present, and reasonably foreseeable future projects in the site vicinity, would not result in a considerable contribution to cumulative impacts on hydrology and water quality.

O. Hazards and Hazardous Materials.

Impact HZ-1: Construction and operation of the Project would not create a significant hazard through routine transport, use, or disposal of hazardous materials.

Impact HZ-9: The Project would not handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school. Although construction activities would emit diesel particulate matter and naturally occurring asbestos, these emissions would not result in adverse effects on nearby schools.

Impact HZ-10: The Project would not expose people or structures to a significant risk of loss, injury, or death involving fires, nor would it impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.

Impact C-HZ-1: The Project, in combination with other past, present or reasonably foreseeable future projects in the project vicinity, would not result in a considerable contribution to significant cumulative impacts related to hazards and hazardous materials.

P. Mineral and Energy Resources.

Impact ME-1: The Project would not have a significant adverse impact on the availability of a known mineral resource and/or a locally important mineral resource recovery site.

Impact ME-2: The Project would not have a substantial adverse effect on the use of fuel, water, or energy consumption, and would not encourage activities that could result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner.

Impact ME-3: The Project would not result in new or expansion of existing electric or natural gas transmission and/or distribution facilities that would cause significant physical environmental effects.

Impact C-ME-1: The Project, in combination with other past, present and reasonably foreseeable future projects in the vicinity, would not result in a cumulatively considerable contribution to a significant adverse cumulative impact on mineral and energy resources.

Q. Agriculture and Forest Resources.

Impact AG-1: The Project would not convert designated farmland under the Farmland Mapping and Monitoring Program, nor would it conflict with any existing agricultural zoning or a Williamson Act contract, nor would it involve any changes to the environment that would result in the conversion of designated farmland. The Project would have no impact on farmland and land zoned or contracted for agricultural uses. Therefore no mitigation measures are necessary.

Impact AG-2: The Project would not conflict with existing zoning for, or cause rezoning of, forest land or timberland, nor would it result in the loss of or conversion of forest land to non-forest uses. There would be no impact with respect to forest land or timberland, and no mitigation measures are necessary.

Impact C-AG-1: The Project, in combination with other past, present and reasonably foreseeable future projects in the vicinity, would not result in a cumulatively considerable contribution to a significant adverse cumulative impact on agricultural resources or forest land or timberland, and no mitigation measures are necessary.

R. Growth Inducement.

While the Project in itself represents growth, the provision of new housing and employment opportunities would not encourage substantial new growth in the City that has not been previously projected or in an area of the City that has not been identified through local and regional planning processes as an area that could accommodate future population, housing, and employment growth. Thus, the Project would not have a substantial growth-inducing impact.

IV. FINDINGS OF POTENTIALLY SIGNIFICANT IMPACTS THAT CAN BE AVOIDED OR REDUCED TO A LESS-THAN-SIGNIFICANT LEVEL THROUGH MITIGATION AND THE DISPOSITION OF THE MITIGATION MEASURES

CEQA requires agencies to adopt mitigation measures that would avoid or substantially lessen a project's identified significant impacts or potential significant impacts if such measures are feasible (unless mitigation to such levels is achieved through adoption of a project alternative). The findings in this Section IV and in Section V concern mitigation measures set forth in the Final EIR. These findings discuss mitigation measures as identified in the Final EIR for the Project. The full text of the mitigation measures is contained in the Final EIR and in Attachment B, the Mitigation Monitoring and Reporting Program. The impacts identified in this Section IV would be reduced to a less-than-significant level through implementation of the mitigation measures contained in the Final EIR, included in the Project, or imposed as conditions of approval and set forth in Attachment B. The impacts identified in Section V, below, for which feasible mitigation has been identified in the Final EIR also would be reduced, although not to a less-than-significant level.

This Commission recognizes that some of the mitigation measures are partially within the jurisdiction of other agencies. The Commission urges these agencies to assist in implementing these mitigation measures, and finds that these agencies can and should participate in implementing these mitigation measures.

A. Cultural Resources.

Impact CR-1: Construction activities for the Project would cause a substantial adverse change in the significance of archeological resources, if such resources are present within the project site.

Construction activities, in particular grading and excavation, could disturb archeological resources potentially located at the project site. Unless mitigated, ground-disturbing construction activity within the project site, particularly within previously undisturbed soils, could adversely affect the significance of archeological resources under CRHR Criterion 4 (Information Potential) by impairing the ability of such resources to convey important scientific and historical information. This effect would be considered a substantial adverse change in the significance of an historical resource and would therefore be a potentially significant impact under CEQA.

Mitigation Measures M-CR-1a: Archeological Testing, Monitoring, Data Recovery and Reporting and Mitigation Measure M-CR-1b: Interpretation, as more fully described in the Final EIR, are hereby adopted in the form set forth in the Final EIR and the attached MMRP and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measures M-CR-1a and M-CR-1b would reduce Impact CR-1 to a less-than-significant level.

Impact CR-2: Construction activities for the Project would cause a substantial adverse change in the significance of human remains, if such resources are present within the project site.

Because the project site has been substantially disturbed over the last two centuries, the possibility of discovering human remains is considered low. Although unlikely, it is possible human remains may be encountered during project implementation. If human remains are present within the project site, construction activities for the Project would cause a substantial adverse change in the significance of human remains.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that with implementing Mitigation Measures M-CR-1a, referenced above, would reduce Impact CR-2 to a less-than-significant level.

Impact C-CR-1: Disturbance of archeological resources, if encountered during construction of the Project, in combination with other past, present, and future reasonably foreseeable projects, would make a cumulatively considerable contribution to a significant cumulative impact on archeological resources.

Ground-disturbing activities of foreseeable projects, in particular (but not limited to) those along San Francisco's Central Waterfront, have the potential to disturb previously unidentified archeological resources that could yield information pertaining to common research themes identified for the Project in the ARDTP (consumer behavior, social status and identity, wharf and pier construction, land reclamation, and industrialization and technology). As such, the potential disturbance of archeological resources within the project site could make a cumulatively considerable contribution to a loss of significant historic and scientific information about California, Bay Area, and San Francisco history.

There is no evidence that the Project would cause a substantial adverse change in the significance of a tribal cultural resource. For this reason, the Project in combination with past, present, and future reasonably foreseeable projects would not make a cumulatively considerable contribution to a significant cumulative impact on tribal cultural resources.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that with implementation of Mitigation Measures M-CR-1a and M-CR-1b, referenced above, the Project's contribution to cumulative impacts on archeological resources would not be cumulatively considerable.

Impact CR-5: The rehabilitation of Buildings 2, 12, and 21 would materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources and would materially alter the physical characteristics of Building 21 that justify its individual eligibility for inclusion in the California Register of Historical Resources.

Buildings 2, 12, and 21 would be rehabilitated under the Project for a range of possible reuse purposes. Prior to Port issuance of building permits, the City and the Port of San Francisco would require the project sponsors to rehabilitate Buildings 2, 12, and 21 in accordance with the Secretary of the Interior's Standards for Rehabilitation (Secretary's Standards). As noted in CEQA Section 15064.5(a)(3), "a project that follows the Secretary of the Interior's Standards for the Rehabilitation and Guidelines for Rehabilitating Historic Buildings ... shall be considered as mitigated to a level of less-than-significant impact on the historical resource."

As the rehabilitation efforts for these buildings are still in the design phase, the Planning Department conservatively finds that the impact of the proposed rehabilitation to Buildings 2, 12, and 21 to be significant.

Mitigation Measure M-CR-5: Preparation of Historic Resource Evaluation Reports, Review, and Performance Criteria, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementation of Mitigation Measure M-CR-5 would reduce Impact CR-5 to a less-than-significant level.

Impact CR-11: The proposed infill construction would materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources.

As new construction is expected to begin in 2018, would be phased over an approximately 11-year period, and could be designed and constructed by different development teams responding to varying real estate market conditions, it is possible that new infill development could change the historic significance of the UIW Historic District by introducing a wide variety of new building designs and types that may not be compatible with the historic character of adjacent historical resources. This could incrementally reduce the integrity of the UIW Historic District to the extent it may no longer qualify for the National Register, which would be considered a significant impact on historical resources.

However, the Project site was more densely developed at the end of the UIW Historic District's period of significance (1945) than it is today. As such, the proposed infill construction would return the site to a building density that is more in keeping with its historic density.

The application of the Pier 70 Design for Development standards and guidelines, including the application of maximum heights, building articulation, material grain and palette, and building-specific responsiveness, would help maintain the integrity of the UIW Historic District by emphasizing the industrial character of the District. The Project would also establish buffer zones surrounding the core of historic buildings and landscapes that specify the minimum distances of separation between historic buildings and landscapes and new construction. These measures would reduce the impacts of new construction on the integrity of adjacent contributing buildings and the UIW Historic District.

The proposed new construction would not result in the need to adjust the boundary of the UIW Historic District, because the boundary is based on the boundary of the shipyard at the end of WWII, according to

the Bethlehem Shipbuilding Division's 1944 Master Plan. The district boundary, therefore, captures the entire shipyard's development from 1884 through 1945.

Mitigation Measure M-CR-11: Performance Criteria and Review Process for New Construction, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein. Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementation of Mitigation Measure M-CR-11 would reduce Impact CR-11 to a less-than-significant level.

Impact C-CR-2: The impacts of the Project, in combination with other past, present, and future projects, would materially alter, in an adverse manner, the physical characteristics of the UIW National Register Historic District that justify its inclusion in the California Register of Historical Resources, and could materially alter the physical characteristics of Building 21 that justify its individual eligibility for inclusion in the California Register of Historical Resources.

In addition to the Project, there are three anticipated projects within the UIW Historic District that have the potential to have a significant cumulative impact on the significance of the UIW Historic District: (1) Crane Cove Park project, (2) BAE Systems Lease Renewal project, and (3) revisions to the on-going 20th Street Historic Core project, which would demolish historic Buildings 40 and 117.

The Planning Department completed the environmental review for the Crane Cove Park project in October 2015. As part of the Crane Cove Park environmental review, Planning Department Preservation staff completed a HRER that evaluated the impacts of the project on historical resources. Department staff found that the demolition of two contributing buildings (Buildings 30 and 50) within the UIW Historic District would not cause a significant adverse impact upon any qualified historical resource.

The Planning Department completed the environmental review for the BAE Systems Lease Renewal Project in March 2015. As part of the BAE Systems Lease Renewal Project environmental review, Planning Department Preservation staff completed a HRER that evaluated the impacts of project on historical resources. Department staff found that the demolition of Buildings 38, 119, and 121 would not impact the integrity of the UIW Historic District.

In 2014, the Planning Department issued a CPE for the 20th Street Historic Core Project (Case No. 2013.1168E) to the Port of San Francisco for the rehabilitation of 10 historic buildings at Pier 70. The rehabilitation project is currently underway. In 2015, the Port added demolition of contributing Buildings 40 and 117, located within the Pier 70 project site. Although Building 40 is a contributor to the District, it was not found to possess individual significance because it is one of many architecturally undistinguished support buildings from World War II and it has lost integrity due to advanced deterioration. Therefore, it would not qualify for listing under the National or California Registers as an individual historical resource. The Planning Department and Port of San Francisco found that the proposed demolition of Building 40 would have a less-than-significant impact on the integrity of the UIW Historic District.

Although Building 117 is a contributor to the District, it was not found to possess individual significance because its simple, undistinguished, and utilitarian design lacks architectural distinction, and it had a minor support function as a parts storage warehouse in the shipbuilding and repair process. Therefore, it

would not qualify for listing under the National or California Registers as an individual historical resource. The Planning Department and Port of San Francisco found that the proposed demolition of Building 117 would have a less-than-significant impact on the integrity of the UIW Historic District.

All projects described above cumulatively would result in the collective loss of 14 historic buildings that contribute to the significance of the UIW Historic District, as well as the retention and rehabilitation, or no change, to the other 30 contributing features. The collective demolition of these buildings and its cumulative impact on the integrity of the UIW Historic District were analyzed in a report prepared by Carey & Co., Inc. for the Port of San Francisco in August 2015. The Planning Department concurs that that despite the new construction under the Crane Cove Park project and the loss of two contributing buildings (Buildings 30 and 50), the loss of three contributing buildings (Buildings 38, 119, and 121) from the BAE Systems Lease Renewal project, and the loss of two contributing buildings (Buildings 40 and 117) from the revised 20th Street Historic Core project, these three projects would have a less-than-significant impact on the integrity of the UIW Historic District.

The Project would also result in a less-than-significant impact to historical resources (demolition of seven contributing resources), and would result in significant but mitigable impacts to historical resources resulting from rehabilitation of three contributing features and new infill construction.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that with implementation of Mitigation Measures M-CR-5 and M-CR-11, referenced above, the Project and other projects described above would collectively result in a less-than-significant cumulative impact upon historical resources.

B. Transportation and Circulation.

Impact TR-10: Existing pedestrian facilities at the Project's access points would present barriers to accessible pedestrian travel.

The Project's access points would use existing stop-controlled intersections on Illinois Street at 20th Street and 22nd Street and a new intersection at the new 21st Street to be added west of Illinois Street. Several barriers to accessible pedestrian travel currently exist between these intersections, including missing ADA curb ramps at the intersection of 22nd Street and Illinois Street and a narrow stretch of sidewalk with obstructions mid-block on Illinois Street between 22nd and 20th streets. This lack of an accessible path of travel to and from the project site would be a significant impact.

Additionally, the Project's transit riders would cross Illinois Street at the intersections with 20th, 21st, and 22nd streets. Although the Project is proposing to construct a new signal at the new intersection at Illinois Street and 21st Street, pedestrian crossings at the all-way stop controlled intersections along Illinois Street at 20th and 22nd streets would be particularly challenging, given forecasted increases in traffic along Illinois Street. This would also be a significant impact.

Mitigation Measure M-TR-10: Improve pedestrian facilities on Illinois Street adjacent to and leading to the project site, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-TR-10 would reduce Impact CR-5 to a less-than-significant level.

C. Noise.

Impact NO-1: Construction of the Project would expose people to or generate noise levels in excess of standards in the Noise Ordinance (Article 29 of the San Francisco Police Code) or applicable standards of other agencies.

Operation of jackhammers, concrete saws, controlled rock fragmentation (CRF) equipment, rock drills, and a rock/concrete crusher would have the potential to exceed the noise limit for construction equipment (as specified by the Police Code) by 2 to 4 dBA. While jackhammers with approved acoustic shields as well as rock drills and pile drivers with approved intake and exhaust mufflers are exempt from this ordinance limit, concrete saws and rock/concrete crushers would not be exempt. Therefore, operation of concrete saws, a rock/concrete crusher, or any other equipment not exempt from the Police Code that exceeds the noise limit would be a significant noise impact.

Mitigation Measure M-NO-1: Construction Noise Control Plan, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined implementing Mitigation Measure M-NO-1: Construction Noise Control Plan would reduce Impact NO-1 to a less-than-significant level.

Impact NO-3: Construction of the Project would expose people and structures to or generate excessive groundborne vibration levels.

The Project would include the types of construction activities that could produce excessive groundborne vibration (i.e., CRF during excavation and pile driving for foundations or secant walls). In addition, construction equipment used for demolition, site preparation, and shoring activities, such as jackhammers, pavement breakers, and drills, could generate varying degrees of temporary groundborne vibration, with the highest levels expected during demolition, excavation, and below-grade construction stages of each construction phase. If groundborne vibration generated by project-related demolition and construction activities were to exceed 0.5 in/sec PPV, it could cause cosmetic damage to a nearby structure. Pile driving, CRF, and building locations on project parcels have not been specified for the entire site, but pile driving is proposed adjacent to and east of the 20th Street Historic Core, which adjoins the northwestern boundary of the 28-Acre Site and eastern boundary of the 20th/Illinois Parcels. CRF may need to be employed along the western portion of the site (Parcels PKN, PKS, and HDY), as well as Parcels C1, D, E2, F and G on the 28-Acre Site. While it may be possible to maintain a setback of 70 feet or more, between pile drivers and adjacent structures at many locations to avoid cosmetic damage to adjacent structures, the minimum separation between some parcels such as between Parcel E1, Parcel E4, and Building 21 or between Parcels E2 and E3 would be less than 70 feet. At distances of less than 70 feet, vibration from impact or vibratory pile-driving activities could result in cosmetic damage to Project structures and historic Buildings 113 and 114, a significant vibration impact.

Depending on the timing of development at Parcels E2, E3, and E4, as well as the timing of the proposed relocation of Historic Building 21 to within 25 feet of new development, construction-related vibration impacts on this building from adjacent pile driving activities could be avoided entirely if development precedes relocation. If, however, relocation of Building 21 precedes development at adjacent Parcels E2, E3, and E4, significant vibration impacts could occur. When the more stringent threshold of 0.2 in/sec PPV is applied to historic buildings, cosmetic damage could occur at distances of up to 160 feet from historic buildings.

While vibratory pile driving (or similar continuous vibration sources) can reduce the potential impacts to fragile structures that can occur with impact pile driving (where higher intermittent vibration levels can occur when the hammer strikes the pile), continuous vibration can also cause liquefaction (or differential settlement in sandy soils), due to the continuous nature of the vibration. The potential for structural damage from vibration-induced liquefaction would be a significant vibration impact.

Mitigation Measure M-NO-3: Vibration Control Measures During Construction, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, implementing Mitigation Measure M-NO-3 would reduce Impact NO-3 to a less-than-significant level.

Impact NO-4: Operation of the Project would result in a substantial permanent increase in ambient noise levels in the immediate project vicinity, or permanently expose persons to noise levels in excess of standards in the San Francisco General Plan and San Francisco Noise Ordinance.

Stationary Equipment

Assuming HVAC equipment operates 24 hours per day (worst-case), such noise levels would exceed ordinance noise limits if this equipment is placed near parcel boundaries, resulting in a significant impact.

Emergency generators would be required on at least 11 of the proposed parcels where building heights would exceed 70 feet under both the Maximum Residential and Maximum Commercial scenarios, as well as at the proposed pump station. The only exception would be Parcel E1, which would not require an emergency generator under the Maximum Commercial Scenario, because the building on this parcel would be 65 feet high under this scenario. The Project's residential receptors could be located as close as 50 feet from these buildings/parcels. At this distance, noise levels generated by operation of emergency generators would exceed noise limits specified in the City's Noise Ordinance and result in a significant impact.

A wastewater pump station (the 20th Street Pump Station) and electrical transformers are proposed to be located to the north of the 28-Acre Site between Building 108 and Building 6. Combined noise generated by these facilities would have a slight potential to increase ambient noise levels in this vicinity. Given the range of existing ambient noise levels in the pump station vicinity, addition of the proposed pump station is conservatively considered to have the potential to slightly exceed ordinance noise limits, and result in a significant impact.

Other Noise-Generating Uses

Development of commercial-office uses in proximity to existing residential uses would increase the potential for noise disturbance or conflicts. Sources of noise typically associated with such non-residential uses that can cause sleep disturbance include mechanical equipment, delivery trucks and associated loading areas, parking cars, and use of refuse bins. There would be a potential for sleep disturbance from these types of noise under both scenarios, because all future commercial-office or RALI buildings would be located adjacent to one or more residential buildings (as close as 23 to 38 feet in some instances), a potentially significant noise impact.

If deliveries and associated unloading/loading activities occur in proximity to future residential buildings and during the nighttime hours, future residents could be subject to sleep disturbance by noise from these activities.

Noise associated with parking cars includes engines starting and car doors slamming. Such noise can cause annoyance at adjacent residential uses if it is concentrated in one area (i.e., a surface parking lot is located adjacent to residences), and if it occurs during the evening or nighttime hours, it could cause sleep disturbance, a potentially significant impact.

Noise associated with trash or refuse facilities for both future residential and commercial-office uses could disturb or annoy any future nearby residents, a significant impact.

Mitigation Measures M-NO-4a: Stationary Equipment Noise Controls, M-NO-4b: Design of Future Noise-Generating Uses near Residential Uses and M-NO-6: Design of Future Noise-Sensitive Uses, as more fully described in the Final EIR, are hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measures M-NO-4a, M-NO-4b and M-NO-6 would reduce Impact NO-4 to a less-than-significant level.

Impact NO-6: The Project's occupants would be substantially affected by existing and future noise levels on the site.

The primary sources of future noise on the project site and its vicinity are from BAE Systems Ship Repair facility activities, earthmoving activities in the southwestern corner of the Illinois Parcel (PG&E Hoedown Yard), Existing Plus Project traffic noise on Illinois Street and other local streets, tonal noise from transformers at PG&E Potrero Substation, and loading dock activities along Illinois Street at the AIC Building. In addition to shipyard-related noise, there is continuous, distant background traffic noise from the I-280 freeway and other roadways. Passing Muni light rail and Caltrain rail operations also contribute to background noise.

Future noise levels at all Project parcels designated for residential use have existing noise levels that are considered Conditionally Acceptable according the City's Land Use Compatibility Chart for Community Noise ranging between 60 dBA and 70 dBA (Ldn), except residential units facing the future 21st Street on

Parcels PKN and PKS would be subject to noise levels of up to 72 dBA (Ldn), resulting in a significant impact.

The applicant would be required to demonstrate that the 45-dBA (Ldn or CNEL) interior noise standard specified by Title 24 would be met at all project residences, and additional noise attenuation measures are required to be incorporated into the project design as necessary to meet this interior standard, but also address potential sleep disturbance effects on affected parcels from adjacent or nearby industrial activities. It is noted that on-site noise levels could increase with proposed building demolition, but also decrease in the future with project implementation if existing heavy equipment operations at the Hoedown Yard cease and Project buildings are up to 90 feet tall in the northern portion of the 28-Acre Site. Such building heights could help partially shield the rest of the site from noise generated by the BAE Systems Ship Repair facility (i.e., BAE boilers and generators). Such future noise reductions, however, would ultimately depend on the final locations and heights of proposed buildings but could reduce the extent of noise attenuation required at some residential units. Compliance with Title 24's interior standard would reduce noise compatibility impacts to less-than-significant levels at all residential units except those subject to noise levels above 70 dBA (Ldn). Mitigation Measure M-NO-6 would require design elements for those units subject to noise levels of up to 72 dBA (Ldn) to meet Title 24's interior standard.

Future noise levels at all but three Project parcels designated for open space/park/playground uses are considered acceptable. However, park users could access quieter areas within these parks (away from adjacent streets), and noise levels would be considered generally acceptable at all proposed open space/park/playground areas.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-NO-6: Design of Future Noise-Sensitive Uses, referenced above, would reduce Impact NO-6 to a less-than-significant level.

Impact NO-7: The Project's special events would result in substantial periodic, temporary noise increases.

The proximity of future residential uses to open space uses would pose the potential for Project residents to be disturbed or annoyed by noise from outdoor active recreation/open space activities. Noise levels associated with the proposed café terrace, social lawn, beer garden, food/beverage operations, picnic areas and the playground would be typical of an urban, mixed-use residential area and would be less than significant in regards to compatibility with nearby sensitive receptors. The potential noise conflicts would be greatest where amplified sound systems would be used and/or events occur during the more noise-sensitive late evening/nighttime hours when sleep disturbance could occur.

Promoters of any proposed outdoor events on the site's outdoor plaza that would use amplified sound or music would be required to obtain a permit from the City prior to the event. This permit process requires a public hearing and includes a requirement for neighborhood outreach. Article 1, Section 47.2 of the Police Code, while generally focused on truck-mounted amplification equipment, regulates the use of any sound amplifying equipment, whether truck-mounted or otherwise. Hours of operation are restricted to between 9:00 a.m. and 10:00 p.m., unless permitted by the San Francisco Entertainment Commission.

Due to uncertainties as to the nature and extent of future outdoor events at the project site, the use of amplified sound equipment could still have the potential for significant noise impacts to nearby sensitive receptors in excess of standards established in the San Francisco General Plan or San Francisco Noise Ordinance.

Mitigation Measure M-NO-7: Noise Control Plan for Special Outdoor Amplified Sound, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-NO-7, and compliance with Sections 47.2, 1060.1 and 2909 of the Police Code, would reduce Impact NO-7 to less than significant.

D. Air Quality

Impact AQ-3: Construction and operation of the Project would generate toxic air contaminants, including DPM, which would expose sensitive receptors to substantial pollutant concentrations.

Site preparation activities, such as demolition, excavation, grading, foundation construction, and other ground-disturbing construction activity, in addition to the long-term emissions from the Project's mobile and stationary sources would affect localized air quality during the construction phases of the Project. Neither the proposed receptors nor the nearest off-site receptors are located within an area that currently meets the APEZ criteria. Therefore, a Health Risk Assessment (HRA) was conducted for the Project to determine whether the Project would, in combination with other existing sources in the area, result in a given off-site or on-site receptor meeting the APEZ criteria.

Excess Cancer Risk from Construction and Operation Emissions at Off-Site Receptors

The HRA showed that unmitigated emissions plus existing background emissions would not result in a total excess cancer risk of 100 in one million at the most impacted off-site receptor. This would be below the level for causing a new location to meet the APEZ excess cancer risk criteria, and thus would be a less-than-significant impact.

Excess Cancer Risk from Construction and Operation Emissions at On-Site Receptors

Both the Maximum Residential Scenario and the Maximum Commercial Scenario would include development of residential units, which is considered a sensitive land use for purposes of air quality evaluation.

The HRA showed that the project's emissions would combine with existing background concentrations and would exceed the APEZ excess cancer risk criteria of an excess cancer risk of 100 per one million persons exposed. Therefore, the impact with regard to increased cancer risk would be significant for on-site receptors for the Maximum Residential and Maximum Commercial Scenarios. The mitigated condition assumed in the HRA included emission reductions quantified for Mitigation Measures M-AQ-1a: Construction Emissions Minimization, M-AQ-1b: Diesel Backup Generator Specifications, M-AQ-1c: Use Low- and Super-Compliant VOC Architectural Coatings in Maintaining Buildings through

CC&Rs, and M-AQ-1f: Transportation Demand Management. Implementation of Mitigation Measure M-AQ-1a alone would be sufficient to reduce this impact to a less-than-significant level.

PM2.5 Concentrations from Construction and Operation Emissions at Off-Site Receptors

The HRA showed that unmitigated emissions in combination with background concentrations would result in PM2.5 concentrations of 8.5 $\mu\text{g}/\text{m}^3$ for both scenarios, which would be below the levels for causing a new location to meet the APEZ criteria of 10 $\mu\text{g}/\text{m}^3$. Therefore, this would be a less than significant impact.

PM2.5 Concentrations from Construction and Operation Emissions at On-Site Receptors

The HRA showed that unmitigated emissions in combination with background concentrations would result in PM2.5 concentrations of 8.6 $\mu\text{g}/\text{m}^3$ for both scenarios, which would be below the levels for causing a new location to meet the APEZ criteria of 10 $\mu\text{g}/\text{m}^3$. Therefore, this would be a less than significant impact.

Mitigation Measure M-AQ-1a: Construction Emissions Minimization, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-AQ-1a would reduce Impact AQ-3 to less than significant.

Impact AQ-4: The Maximum Residential or Maximum Commercial Scenarios would conflict with implementation of the Bay Area 2010 Clean Air Plan.

The most recently adopted air quality plan for the SFBAAB is the 2010 Clean Air Plan. The Clean Air Plan includes 55 control measures aimed at reducing air pollutants in the SFBAAB. Twenty-five of these measures are suited to implementation through local planning efforts or project approval actions. Without certain mitigation measures incorporated into the Project, the Project would not include applicable control measures from the 2010 Clean Air Plan and this impact would be significant. As such, mitigation described below requires incorporation of applicable measures, the Project would include the applicable control measures. Transportation control measures that are identified in the Clean Air Plan are implemented by the San Francisco General Plan and the Planning Code, for example, through the City's Transit First Policy, the bicycle parking requirements, and transit impact development fees. The Project will comply with these policies and regulations.

Mitigation Measures M-AQ-1f: Transportation Demand Management, M-AQ-1g: Additional Mobile Source Control Measures, and M-AQ-1h: Offset of Operational Emissions, as more fully described in the Final EIR, are hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that with implementing Mitigation Measures M-AQ-1a (referenced above), M-AQ-1f, AQ-1g, and M-AQ-1h, Impact AQ-4 would be less than significant.

Impact C-AQ-2: The Maximum Residential or Maximum Commercial Scenarios, in combination with past, present, and reasonably foreseeable future development in the project area, would contribute to cumulative health risk impacts on sensitive receptors.

The HRA takes into account the cumulative contribution of existing localized health risks to sensitive receptors from sources included in the Citywide modeling plus the Project's sources. There are, however, other future projects, whose emissions have not been incorporated into the existing citywide health risk modeling because analysis with respect to CEQA for these future project either has not yet been prepared or is pending.

There are 16 cumulative projects within the 1,000 foot zone of influence, two of which are already completed and/or occupied. Another one of these cumulative projects is for the renewal of the lease for BAE Systems whose operations were already considered in the HRA analysis. The remaining projects are either residential, most of which have a ground floor retail or commercial component, or the proposed development of Crane Cove Park.

Cumulative year 2040 conditions without the project show lower background risks than the existing baseline cancer risks and consequently, addition of the project's risks cancer risk to 2040 conditions would similarly not result in new locations meeting the APEZ criteria that otherwise would not without the project with mitigation. Therefore, the project plus cumulative development projects and background risks in 2040 would not result in significant health risk impacts and the analysis in Impact AQ-3 presents a worst-case cumulative health risk analysis.

The Project would be required to implement Mitigation Measure M-AQ-1a: Construction Emission Minimization, referenced above. Additionally, Mitigation Measure M-AQ-1b: Diesel Backup Generator Specifications, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measures M-AQ-1a and M-AQ-1b would reduce the Project's contribution to cumulative air quality impacts to a less-than-significant level.

E. Wind and Shadow

Impact WS-1: The phased development of the Project would temporarily alter wind in a manner that substantially affects public areas.

Although the Project at full build-out would generally slightly improve wind conditions on the project site, potentially significant interim wind impacts may occur prior to the completion of construction. Due to phased build-out, a particular building configuration resulting from partial completion of the Project could last for one or more years, creating the potential for interim wind impacts.

The potential for exceedances of the wind hazard criterion during the phased construction period would occur under the Maximum Residential Scenario and the Maximum Commercial Scenario. Additionally, the ultimate build-out of the Project might not maximize the development potential under either of these two scenarios. Such wind hazards would likely exist until buildings on adjacent parcels are completed and provide shelter from the unabated force of the wind. These hazards would be a significant impact.

Mitigation Measure M-WS-1: Identification and Mitigation of Interim Hazardous Wind Impacts, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-WS-1 would reduce Impact WS-1 to a less-than-significant level.

Impact WS-2: For public open space built on rooftops, the Project would alter wind in a manner that affects those public open spaces.

If Parcels C1 and C2 are developed with structured parking, public open space would be provided on the rooftops. Under the Maximum Residential Scenario and Maximum Commercial Scenario, the wind hazard criterion of Planning Code Section 148 would be exceeded on the rooftop of Building C1 at test point 143 for 1 hour per year. Under the Maximum Commercial Scenario - Pedestrian Passageway Option, test point 143 would have 2 hours of exceedance of the hazard criterion. In all three modeled instances, Building C1 was modeled at a maximum height of 90 feet. These exceedances represent a potentially significant impact.

Mitigation Measure M-WS-2: Wind Reduction for Rooftop Winds, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-WS-2 would reduce Impact WS-2 to a less-than-significant level.

F. Biological Resources

Impact BI-1: Construction and operation of the Project would have a substantial adverse effect either directly or through habitat modifications on migratory birds and/or on bird species identified as special status in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service.

Construction Impacts

Construction activities within both the 20th/Illinois Parcel and the 28-Acre Site, especially those that involve heavy machinery, may adversely affect nesting bird species within 0.25 mile of the project site during the nesting season (January 15–August 15).

Birds currently residing in both the terrestrial and marine study areas are accustomed to varying levels of ambient noise emanating from existing human activities in the area. Typical noise levels for some construction activities anticipated during project implementation would exceed ambient levels in the project vicinity. Construction activities that would substantially alter the noise environment could disrupt birds attempting to nest, disrupt parental foraging activity, or displace mated pairs with territories in the project vicinity. Given the long build-out period for the Project, the potential impacts of noise and visual disturbance to breeding birds are likely to occur over several nesting seasons, with the highest potential impacts associated with initial disturbance to idle parcels of the site.

As the project progresses and the level of disturbance to the site increases with parcel development, nesting birds are less likely to be attracted to the site and the potential for construction-related impacts to birds and their nests will decrease over time. The loss of an active nest attributable to project activities would be considered a significant impact under CEQA.

Disruption of nesting migratory or native birds is not permitted under the MBTA or California Fish and Game Code. Thus, the loss of any active nest by, for example, removing a tree, or shrub, or demolishing a building containing an active nest or causing visual or noise disturbance which leads to nest abandonment must be avoided under Federal and California law.

Mitigation Measures M-BI-1a: Worker Environmental Awareness Program Training and M-BI-1b: Nesting Bird Protection Measures, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measures M-BI-1a and M-BI-1b, in combination with compliance with the MBTA and California Fish and Game Code, would avoid or reduce Impact BI-1 to a less-than-significant level.

Operational Impacts

Direct effects on migratory as well as resident birds moving through the project site could include bird death or injury from collisions with lighted structures, and bird exhaustion and death due to light attraction, as well as bird collisions with glass during the daytime. Indirect effects to migratory birds could include delayed arrival at breeding or wintering grounds, and reduced energy stores necessary for migration, winter survival, or subsequent reproduction.

Due to the surrounding urban setting, the Project is not expected to appreciably increase the overall amount of lighting along the San Francisco waterfront as a whole, considering existing nighttime lighting conditions within the project site and adjacent development along the eastern shoreline from San Francisco Bay to AT&T Park; however, avian collisions with glass or reflective surfaces used in the proposed buildings could result in mortality, which would be a significant impact under CEQA.

The Project would comply with San Francisco's adopted Standards for Bird-Safe Buildings (Planning Code Section 139) and would incorporate specific design elements into the development to avoid or minimize avian collisions with buildings or other project features.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that Project compliance with the *Standards for Bird-Safe Buildings*, as administered by the San Francisco Planning Department, would avoid or minimize the adverse effects of avian collisions; therefore, no additional mitigation is necessary.

Impact BI-2: Construction of the Project would have a substantial adverse effect either directly or through habitat modifications on bats identified as special-status in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the United States Fish and Wildlife Service.

Common bats (Mexican free-tailed bat) and special-status bats (Pallid bat and Yuma myotis) have the potential to roost in existing vacant or underutilized buildings, other human-made structures, and trees within or near the 20th/Illinois Parcel and 28-Acre Site of the Project. Destruction of an occupied, non-breeding bat roost; resulting in the death of bats; disturbance that causes the loss of a maternity colony of bats (resulting in the death of young); or destruction of hibernacula are prohibited under the California Fish and Game Code and would be considered a significant impact. This may occur due to direct or indirect disturbances.

Demolition of Buildings 11, 15, 16, 19, 25, 32, and 66, and rehabilitation of Buildings 2, 12, and 21 could result in direct mortality of or indirect disturbance to roosting special-status bats, if present. Additionally, any bats roosting in eucalyptus trees in the project site could be disturbed by periphery construction activity. Direct mortality of special-status bats would be a significant impact.

Mitigation Measure M-BI-2: Avoidance and Minimization Measures for Bats, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-BI-2 would reduce Impact BI-2 to a less-than-significant level.

Impact BI-3: Construction of the Project would have a substantial adverse effect, either directly or through habitat modifications, on aquatic species identified as candidate, sensitive, or special-status species in local, regional, or Federal plans, policies, or regulations, or by California Department of Fish and Wildlife, United States Fish and Wildlife Service, or National Oceanic and Atmospheric Administration.

San Francisco Bay waters adjacent to the Project site are used by multiple special-status marine species known to be present in the project site, including longfin smelt, green sturgeon, Pacific herring, harbor seals, California sea lions, and native Olympia oysters. In addition to FESA-, CESA-, and MMPA-listed species, as well as species of special concern, San Francisco Bay waters adjacent to the project site are used by 16 fish species managed by one of three Fisheries Management Plans under the Magnuson-Stevens Act.

Accidental Discharge and Stormwater Run-Off Impacts

The potential accidental discharge of hydrocarbon-containing materials (fuel, lubricating oils, construction materials), construction debris, and packing materials from staged equipment, building materials, and demolition debris that might be located or staged close to or adjacent to San Francisco Bay waters could pose a short-term and temporary risk of exposing these taxa to toxic contaminants and non-edible forage. Normal BMPs implemented as part of City of San Francisco, BCDC, and State Water Quality Control Board permits are expected to make the impact of these potential sources of contamination and their impact on special-status marine species less than significant.

Demolition activities at the project site could also result in extensive ground disturbance and increased surface run-off through existing and future stormwater drains to San Francisco Bay, resulting in increased sedimentation and organic and inorganic contaminant loading to San Francisco Bay waters with low-level

exposure to protected species. Potential impacts on special-status fish and marine mammal species due to increased contaminant loading to San Francisco Bay waters from low-level contaminated sediments could be significant if uncontrolled. Implementation of normal construction and demolition BMPs required as part of City of San Francisco, regional (BCDC), and State (State Water Quality Control Board) permits would be expected to reduce these impacts to a less-than-significant level. In addition, specific requirements issued by the RWQCB for stormwater discharges within the City and County of San Francisco in accordance with the Statewide stormwater permit contain additional actions to prevent and/or reduce project site sediment from reaching Bay waters and causing any significant effect on resident offshore biological resources.

Sewer/Stormwater Options

The Project proposes to upgrade the sewer and stormwater collection and transport system according to one of three options: a combined sewer and stormwater system, a separated sewer and stormwater system, and a hybrid option where a combined sewer and stormwater system would be located only in the eastern portion of the project site, with the rest of the site having a separated sewer and stormwater system. All three options would include repaired or improved outfalls at 20th and 22nd streets; however, in a separated and hybrid system option, a potential new outfall at 21st Street would be constructed in San Francisco Bay. The repair and potential construction of these outfalls would be expected to result in short-term disturbance to existing subtidal soft and hard substrate habitat and associated biological communities. Although the potential disturbance and/or loss of these habitats and associated marine communities could have an effect on special-status fish and marine mammal foraging, the overall effect would be minor and less than significant because of the very small area being disturbed and the temporary nature of the disturbance. Once installed and repaired, these stormwater outfalls and any temporarily disturbed subtidal habitat associated with them would be expected to recover naturally and quickly to pre-disturbance conditions.

Additionally, planned upgrades to the project site stormwater and sanitary waste collection, transport, and treatment system would ultimately reduce the contaminant loading of organic, inorganic, and fecal bacteria into San Francisco Bay waters. Therefore, potential impacts to special-status species from the improved stormwater and sanitary wastewater system and discharges to San Francisco Bay would be less than significant.

Sheet Pile and Soldier Pile Impacts

The repair of the bulkhead would entail the installation of either a new sheet pile bulkhead or a soldier pile wall seaward of the existing bulkhead. The construction activities associated with either option would be expected to result in the temporary loss of the sessile marine invertebrate community currently present, loss of a small area of soft substrate intertidal habitat in Reach I and associated marine communities, and potential temporary disturbance to soft and hard substrate habitat and associated marine communities where personnel and equipment transit to work on the reconstructed bulkhead. Recovery of disturbed intertidal habitat to pre-disturbance conditions is expected to occur naturally within 6 to 18 months with no remediate actions required. Consequently, these disturbances are expected to be less than significant, and no mitigation is required.

The installation of either the sheet pile or soldier wall bulkhead (using precast H-piles) for improving Reach II, could result in the generation of potential underwater noise from either vibratory or impact pile-driving hammers used to install the pilings. This underwater noise could have a damaging effect on special-status fish species and marine mammals. Further, although the potential for acute barotrauma to occur is limited, behavioral changes in fish movement or activity can be expected.

The use of vibratory pile drivers rather than impact pile drivers, or the application of established industry BMPs to reduce underwater noise generation from either equipment type, would be expected to substantially reduce underwater pile-driving noise, so that the potential impact would be less than significant.

However, if the sheet piling or H-piling installation occurs when the tide is in, the potential exists to generate underwater noise levels that could result in significant impacts to special-status fish species, and multiple marine mammal species.

Mitigation Measure M-BI-3: Pile Driving Noise Reduction for Protection of Fish and Marine Mammals, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-BI-3 would reduce Impact BI-3 to a less-than-significant level.

Impact BI-4: The Project would have a substantial adverse effect on Federally-protected waters as defined by Section 404 of the Clean Water Act through direct removal, filling, hydrological interruption, or other means.

San Francisco Bay is considered a navigable water of the United States and is therefore considered jurisdictional waters of the U.S. regulated by the Corps under Section 404 of the CWA up to the high tide line, and under Section 10 of the Rivers and Harbors Act up to the mean high water mark. These waters also are regulated by the RWQCB as Waters of the State and by BCDC, which has jurisdiction over all areas of San Francisco Bay that are subject to tidal action, as well as a 100-foot shoreline band.

Project activities such as demolition, extensive ground disturbance, grading, and shoreline improvements could result in increased surface run-off through stormwater drains to San Francisco Bay, or erosion or siltation into San Francisco Bay. In the case of soil erosion or an accidental release of damaging materials during construction, the Project could indirectly impact water quality, a significant impact. However, because the project site exceeds 1 acre in size, the project sponsors or future developers would be required to apply for coverage under the Construction General Stormwater Permit to comply with Federal National Pollutant Discharge Elimination System (NPDES) regulations (NPDES permit), and would be required to develop and implement a Stormwater Pollution Prevention Plan (SWPPP) that identifies appropriate construction BMPs designed to prevent pollutants from coming into contact with stormwater, and to keep all products of erosion and stormwater pollutants from moving offsite into receiving waters. Implementation of the SWPPP would maintain the potential for degradation of water quality in wetlands and other jurisdictional waters at a less-than-significant level.

The Project includes shoreline improvements to the 28-Acre Site that would repair or replace existing shoreline protection and the existing bulkhead along Reach II with a new sheet piling or soldier wall adjacent to the east (seaward) of the existing concrete bulkhead. Additionally, planned upgrades to the project site's stormwater and sanitary waste collection, transport, and treatment system could include rebuilding the outfalls at 20th and 22nd streets or the installation of a new outfall at 21st Street under the separated system approach or the hybrid system approach and possible cleanup and rehabilitation of the intertidal areas in Reaches I and IV. Should this option be selected, these activities would result in both temporary impacts to jurisdictional waters during repair of the existing shoreline protection, bulkhead, or 20th and 22nd streets outfalls, or installation of the new 21st Street outfall, as well as potential permanent impacts through placement of fill material associated with a new bulkhead and/or a new 21st Street stormwater outfall, which would be considered a significant impact.

Project activities resulting in the discharge of Bay fill or other disturbance to jurisdictional waters (i.e., below the high tide line) require permit approval from the Corps, and a water quality certification and/or waste discharge requirements from the RWQCB. Those projects within San Francisco Bay or within the shoreline band require a permit from BCDC. Collectively, these regulatory agencies and the permits and authorizations they issue for the Project would require that placement of new fill in jurisdictional waters be avoided or minimized to the maximum extent practicable while still accomplishing the Project's purpose, and would specify an array of measures and performance standards as conditions of Project approval. In addition, permanent placement of new fill resulting in the loss of jurisdictional waters in excess of that necessary for normal maintenance may trigger a requirement for compensatory mitigation that will be aimed at restoring or enhancing similar ecological functions and services as those displaced. The types, amounts, and methods of compensatory measures required will differ between the permitting agencies depending on the specific resources they regulate and the policies and guidelines they implement.

Mitigation Measure M-BI-4: Compensation for Fill of Jurisdictional Waters, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-BI-4 would reduce Impact BI-4 to a less-than-significant level.

Impact BI-5: The Project would interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.

Terrestrial

Construction of the Project could affect birds attempting to nest within the project site directly through nest destruction or avian mortality, and indirectly through an increase in the ambient noise environment that might disrupt breeding behavior, discourage nesting, or cause nest abandonment. Compliance with the MBTA and California Fish and Game Code, and compliance with the San Francisco *Standards for Bird-Safe Buildings* are expected to reduce potential construction-related effects on birds nesting within the project site and surrounding vicinity and potential collision hazards for migrating birds to less-than-significant levels.

Marine

If impact hammers are used for pile driving, harbor seals and California sea lions could be subjected to underwater noise levels high enough to cause avoidance behavior while they migrate to or from haul-out or pupping locations or during normal foraging. Therefore, the potential impact from impact-hammer-generated noise on special-status marine mammal species, including harbor seals and California sea lions, migrating to or from haul-out and pupping sites or foraging could be significant.

There is a very low probability of any salmonids being present in the shallow waters adjacent to the project site where potential underwater noise levels would be high enough to result in any behavioral disturbance. As a consequence, any potential disturbance to migrating salmonids (steelhead and salmon) would be very minimal in the waters adjacent to the project site.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementation of Mitigation Measure M-BI-3: Pile Driving Noise Reduction for Protection of Fish and Marine Mammals, referenced above, would reduce Impact BI-5 to a less-than-significant level.

Impact C-BI-1: The Project, in combination with past, present, and reasonably foreseeable future projects in the site vicinity, would result in a cumulatively considerable contribution to significant biological resources impacts.

Terrestrial

The Project would have a limited effect on terrestrial biological resources that inhabit the Project site and surrounding vicinity primarily because the existing built-out environment of the study area offers marginal habitat value to resident species. Short-term construction impacts and long-term operational impacts to nesting birds and roosting bats, and the mitigation of the Project's impacts are discussed in this Section above under Impact BI-1 and BI-2, including Mitigation Measures M-BI-1a: Worker Environmental Awareness Program Training and M-BI-1b: Nesting Bird Protection Measures, and M-BI-2: Avoidance and Minimization Measures for Bats. These impacts would not be cumulatively considerable.

Development of the projects on San Francisco's eastern waterfront is likely to have limited effects on nesting birds and roosting bats, similar to those with the Project; however, given the limited extent of existing habitat and poor habitat quality in these planned development areas, project implementation would not result in a cumulatively considerable impact on terrestrial resources. Mitigation measures similar to those for the Project would reduce the incremental effect of the individual projects on such resources.

Landside redevelopment projects in the vicinity of the Project may result in similar temporary impacts to biological resources considered under the project analysis; however, given their existing conditions and location away from the eastern waterfront, these project sites likely offer even less habitat for terrestrial resources than the Project site.

None of the potential adverse effects identified for the Project would result in a cumulative effect with other approved or anticipated projects considered in this analysis.

Marine

The Project would have limited activities and potential effects on marine habitats and associated biological communities within the Central Bay basin waters and marine habitats adjacent to the Project site, primarily because limited project components would occur below the high tide mark. Potential effects on marine habitat and biological taxa, and the mitigation of the Project's impacts are discussed in this Section above under Impact BI-3, BI-4, and BI-5, including Mitigation Measure M-BI-3: Pile Driving Noise Reduction for Protection of Fish and Marine Mammals and M-BI-4: Compensation for Fill of Jurisdictional Waters.

All of these potential impacts are common to any project sited on the San Francisco Bay shoreline. Despite this commonality with other similar projects, none of these Project impacts are anticipated to result in a cumulatively considerable contribution to a significant cumulative impact with other approved or reasonably foreseeable projects.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementation of Mitigation Measures M-BI-1: Worker Environmental Awareness Program Training, M-BI-2: Avoidance and Minimization Measures for Bats, M-BI-3: Pile Driving Noise Reduction for Protection of Fish and Marine Mammals and M-BI-4: Compensation for Fill of Jurisdictional Waters, all referenced above, the Project, in combination with past, present, and reasonably foreseeable future projects in the site vicinity, would not result in a cumulatively considerable contribution to significant biological resources impacts.

G. Geology and Soils.

Impact GE-3: The Project site would not be located on a geologic unit or soil that is unstable, or that could become unstable as a result of the Project.

Settlement During Construction

The Project could induce ground settlement during construction as a result of excavation for construction of utilities as well as for the building foundations and basement levels, construction dewatering, and heave during pile installation.

Pile driving may cause the ground to heave up to several inches, and the heave could adversely affect structures adjacent to the pile driving work, such as existing utilities and streets as well as the 20th Street Historic Core, the existing historic buildings that would be retained on the project site (Buildings 2, 12, and 21), and buildings constructed as part of the Project during earlier development phases.

DBI or the Port would require a site-specific geotechnical report for the specific developments to be constructed under the Project in accordance with Section 1803 of the San Francisco and Port of San Francisco Building Codes. DBI or the Port would review the report to ensure that the potential settlement effects of excavation, construction-related dewatering, and pile driving are adequately addressed. With implementation of the recommendations provided in the site-specific geotechnical report, subject to review and approval by DBI or the Port as part of the building permit approval process, as well as monitoring by the project sponsor (if required), impacts related to the settlement and subsidence due to

construction on soil that is unstable, or that could become unstable as a result of excavation, dewatering, and pile driving, would be less than significant. No mitigation is necessary.

Settlement and Unstable Conditions During Operation

Once constructed, differential settlement within the Young Bay Mud could occur as a result of placement of up to 5 feet of soil to raise the site grade. In addition, cuts made into the bedrock of the remnant of Irish Hill for the construction of the new 21st Street could become unstable if not supported. Rock fall hazards also would be present near the remnant of Irish Hill and exposed bedrock cuts. The dilapidated pier extending from the project site into the Bay could also fail if it is used by site occupants and visitors.

Long-term dewatering would not be required because the below-grade walls and basement slabs would be waterproofed and designed to withstand the anticipated hydrostatic pressure in accordance with the recommendations of the preliminary geotechnical evaluations that have been completed for the Project. The design of these features would be further evaluated in the site-specific geotechnical report required under Section 1803 of the San Francisco and Port of San Francisco Building Codes.

The preliminary geotechnical evaluations for the Project estimate that the placement of fill throughout the site to raise site grades by up to 5 feet would generate large amounts of total and differential settlement in areas underlain by Young Bay Mud. These settlement effects would be restricted to those areas north and east of the historic 1869 shoreline that are underlain by artificial fill, marsh deposits, and Young Bay Mud. The proposed streets and non-building improvements also could experience settlement in areas underlain by Young Bay Mud where fill is placed. The magnitude of settlement would depend on several factors, including the thickness of fill, the thickness of Young Bay Mud, and the state of consolidation of the Young Bay Mud.

Specific intervention would be further refined in the site-specific geotechnical report and would be subject to review and approval by DBI or the Port as part of the building permit approval process. Therefore, impacts related to settlement following construction of the proposed buildings would be less than significant. No mitigation is necessary.

The existing near-vertical cuts in the serpentinite bedrock of the project site, including the remnant of Irish Hill, could be subject to rock fall hazards, as noted in the preliminary geotechnical evaluation for the Illinois Parcels. Any rock fall could potentially damage nearby structures, including buildings on Parcels PKS, C-1, and C-2, or injure site occupants, particularly visitors to the Irish Hill playground and pedestrians on 21st Street. Therefore, rock fall hazards would be significant.

A dilapidated pier extends from the project site into the Bay immediately northeast of the slipways. Although the pier is not a geologic unit, its use by future site occupants and visitors could cause it to fail due to the increased loads, which would be a significant impact.

Mitigation Measure M-GE-3a: Reduction of Rock Fall Hazards and M-GE-3b: Signage and Restricted Access to Pier 70, as more fully described in the Final EIR, are hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-GE-3a and M-GE-3b would reduce Impact GE-3 to a less-than-significant level.

Impact GE-6: The Project would directly or indirectly destroy a unique paleontological resource or site.

Given that sedimentary rocks of the Franciscan Complex have produced significant fossils important for understanding the age, depositional environments, and tectonic history the San Francisco area, paleontological resources could exist in the sedimentary rocks of the Franciscan Complex that underlie the project site. Project construction activities, including excavation for the planned basement levels and anticipated pile-driving activities, could disturb significant paleontological resources if such resources are present within the project site. Unless mitigated, implementation of the Project could impair the significance of unknown paleontological resources on the project site; this would be considered a significant impact.

In addition to Mitigation Measures M-CR-1a: Archaeological Testing, Monitoring, Data Recovery and Reporting, and M-CR-1b: Interpretation, referenced above, Mitigation Measure M-GE-6: Paleontological Resources Monitoring and Mitigation Program, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measures M-CR-1a, M-CR-1b and M-GE-6 would reduce Impact GE-6 to a less-than-significant level.

H. Hydrology and Water Quality.

Impact HY-2: The Project could violate a water quality standard or waste discharge requirement or otherwise substantially degrade water quality, but runoff from the Project could exceed the capacity of a storm drain system or provide a substantial source of stormwater pollutants.

The Project includes three options for stormwater and wastewater management: Option 1, Combined Sewer System; Option 2, Separate Wastewater and Stormwater Systems; and Option 3, Hybrid System.

Water Quality Effects Related to Exceedance of Water Quality Criteria and Waste Discharge Requirements

Discharges to the Combined Sewer System

Option 1, Combined Sewer System, and Option 3, Hybrid System, would both involve discharges of wastewater and stormwater to the City's combined sewer system, and Option 2, Separate Wastewater and Stormwater Systems, would involve discharges of wastewater to the combined sewer system. However, these discharges would not violate water quality standards or otherwise degrade water quality because

all discharges would be in accordance with City regulatory requirements that have been developed to ensure compliance with the Bayside NPDES permit.

Wastewater discharges from future development projects would be subject to the permit requirements of Article 4.1 of the San Francisco Public Works Code and supplemented by SFPW Order No. 158170. Accordingly, future commercial users of the site would be required to develop and implement a pollution prevention program and comply with the pretreatment standards and discharge limitations specified in Article 4.1. These dischargers would also be required to monitor the discharge quality for compliance with permit limitations.

Additionally, Stormwater discharges to the combined sewer system under Options 1 and 3 would be subject to Article 4.2 of the San Francisco Public Works Code, Section 147 and the San Francisco Stormwater Management Requirements and Design Guidelines that apply to future development projects that create and/or replace 5,000 square feet or more of impervious surfaces.

All wastewater and stormwater discharges to the combined sewer system would be treated at the SEWPCP and Bayside wet-weather facilities in compliance with the Bayside NPDES permit for discharges from the SEWPCP, North Point Wet Weather Facility, and all of the Bayside wet-weather facilities. Therefore, project-related discharges to the combined sewer system during operation under all three options would not cause a violation of water quality standards or WDRs and would not otherwise substantially degrade water quality. This impact would be less than significant for discharges to the combined sewer system, and no mitigation is necessary.

Discharges to a Separate Stormwater System

Under Option 2, Separate Wastewater and Stormwater Systems, and Option 3, Hybrid System, future development projects would discharge stormwater to new separate stormwater systems constructed under the Project. These discharges would not violate water quality standards or otherwise degrade water quality because all discharges would be in accordance with City regulatory requirements that have been developed to ensure compliance with the Small MS4 General Stormwater Permit.

Stormwater runoff from the project site to the separate stormwater system would be managed in accordance with Article 4.2 of the San Francisco Public Works Code, Section 147, and the Stormwater Management Requirements and Design Guidelines.

Article 4.2 of the San Francisco Public Works Code, Section 147, and the Stormwater Management Requirements and Design Guidelines implement the stormwater treatment requirements of the Small MS4 General Stormwater Permit. Therefore, project-related stormwater discharges to the separate stormwater system that would be constructed under Options 2 and 3 would not cause a violation of water quality standards or WDRs and would not otherwise substantially degrade water quality. This impact would be less than significant for discharges to the separate stormwater system, and no mitigation is necessary.

Water Quality Effects Related to Exceeding the Capacity of the Stormwater System

None of the three stormwater management options would result in stormwater runoff that would exceed the capacity of the stormwater conveyance system because the new stormwater systems would be

constructed in accordance with the City Subdivision Regulations. Accordingly, the new separate stormwater system and components of the combined sewer system would be sized to accommodate the 5-year storm, and flows for the 100-year storm would be directed to San Francisco Bay via streets and other approved corridors that would be designed to accommodate 100-year flood flows in excess of the 5-year storm in accordance with the subdivision regulations. Therefore, water quality effects related to exceeding the capacity of the stormwater system would be less than significant, and no mitigation is necessary.

Water Quality Effects Related to Additional Sources of Polluted Runoff

Option 1, Combined Sewer System, and Option 3, Hybrid System, would both involve discharges of stormwater to the City's combined sewer system. Option 2, Separate Wastewater and Stormwater Systems, and Option 3 would both involve discharges of stormwater to the separate stormwater system that would be built for the Project. However, these discharges would not provide an additional source of stormwater pollutants, because all discharges would be in accordance with Article 4.2, Section 147 of the San Francisco Public Works Code and Stormwater Management Requirements and Design Guidelines that have been developed to ensure compliance with the Bayside NPDES permit and the Small MS4 General Stormwater Permit. With implementation of the source control and treatment BMPs in accordance with Article 4.2 of the San Francisco Public Works Code, Part 147, the Project would not provide an additional source of stormwater pollutants, and this impact would be less than significant. No mitigation is necessary.

Water Quality Effects Related to Changes in Combined Sewer Discharges

The project site is located within the 20th Street sub-basin of the City's combined sewer system. The Bayside NPDES permit requires that the wet-weather facilities within this sub-basin be designed for a long-term average of no more than 10 CSD events per year. The permit allows for this annual average to be exceeded in any particular year as long as the long-term average is maintained at the appropriate level. However, a permanent increase in wastewater flows could affect the ability to maintain the long-term average of no more than 10 CSD events, potentially resulting in a violation of the NPDES permit, a significant water quality impact.

Option 1: Combined Sewer System

Under Option 1, Combined Sewer System, both wastewater and stormwater from the project site would be conveyed to the new 20th Street Pump Station for ultimate conveyance to the SEWPCP via the City's combined sewer system. Without sufficient pumping capacity, the new pump station could cause the frequency of CSDs from the 20th Street sub-basin and/or downstream basins to increase beyond the long-term average of 10 CSD events per year, in violation of the Bayside NPDES permit. This would constitute a significant impact.

Option 2: Separate Wastewater and Stormwater Systems

Under Option 2, Separate Wastewater and Stormwater Systems, wastewater from the project site would continue to be conveyed to the City's combined sewer system for treatment at the SEWPCP. A new separate stormwater system would also be constructed to convey stormwater flows to a new outfall located near the foot of the realigned 21st Street. This option would eliminate all stormwater flows from

the project site to the combined sewer system, although stormwater flows from the 20th Street Historic Core site and BAE Systems Ship Repair facility to the north of 20th Street would continue to discharge to the combined sewer system.

Under this option, wet-weather discharges to the new pump station would consist of wastewater from the entire sub-basin, and stormwater from the 20th Street Historic Core and BAE Systems site. Because of the elimination of stormwater discharges from the project site and the addition of wastewater discharges from the project site to the new 20th Street Pump Station, future combined sewer discharges would consist of a much larger portion of sanitary sewage and industrial wastewater relative to existing conditions. The Bayside NPDES permit includes collection system management requirements that require the combined sewer system to be operated in a manner that does not result in a release of untreated or partially treated wastewater. Therefore, this option could result in a violation of the Bayside NPDES permit without appropriate design of the proposed pump station. This would constitute a significant impact.

Option 3: Hybrid System

Under Option 3, Hybrid System, wastewater from the entire project site and stormwater from the areas of the project site to the west of the proposed Maryland Street would be conveyed to the new pump station for ultimate conveyance to the SEWPCP via the City's combined sewer system. Only the small area to the east of the proposed Maryland Street would be served by a new separate stormwater system that would discharge stormwater to the Central Basin of Lower San Francisco Bay. The required capacity of the new pump station would be less than required under Option 1, because the total flows to the new pump station would be less under this option. However, without sufficient pumping capacity, the new pump station could cause the frequency of CSDs to increase beyond the long-term average of 10 CSD events per year specified in the Bayside NPDES Permit, a significant impact.

Mitigation Measure M-HY-2a: Design and Construction of Proposed Pump Station for Options 1 and 3 and Mitigation Measure M-HY-2b: Design and Construction of Proposed Pump Station for Option 2, as more fully described in the Final EIR, are hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that compliance with applicable regulations and implementing Mitigation Measures M-HY-2a and M-HY-2b Impact HY-2 would be less than significant.

Water Quality Effects Related to Use of Alternate Water Supply

In accordance with San Francisco's Non-potable Water Ordinance, the Project would use alternate water sources for non-potable applications such as toilet and urinal flushing as well as irrigation. Compliance with water quality criteria would be ensured through the permitting process. This process requires the project sponsors submit a water budget application to the SFPUC and an engineering report to the DPH. With compliance with these requirements, the quality of the alternate water supply would not exceed water quality criteria, and water quality effects related to use of an alternate water supply would be less than significant. No mitigation is necessary.

Water Quality Effects Related to Littering

The proposed use of the project site for commercial, residential, RALI, and public open space uses could increase the potential for litter, and the adjacent Lower San Francisco Bay is listed as impaired for trash. In accordance with Article 6 of the San Francisco Health Code, Garbage and Refuse, the project sponsors would be required to place containers in appropriate locations for the collection of refuse and ensure refuse containers must be constructed with tight fitting lids or sealed enclosures. The Project would also be required to comply with several City ordinances, which would decrease the amount of non-degradable trash generated under the Project.

Further, under Option 2, Separate Wastewater and Stormwater Systems, and Option 3, Hybrid System, the Project would be required to comply with the Trash Amendment of the Water Quality Control Plan for Inland Surface Waters, Enclosed Bays, and Estuaries of California. This amendment would require the Project to implement specific measures to prevent the transport of trash to San Francisco Bay.

Compliance with Article 6 of the San Francisco Health Code, the City ordinances, and the Trash Amendment for wastewater and stormwater, Options 2 and 3 would reduce the amount of non-recyclable and non-compostable wastes produced at the project site, would ensure that adequate containers and refuse service are provided, and would ensure that offshore San Francisco Bay water is kept free of trash as a result of littering at the Project site. This would reduce the potential for transport of litter to the combined or separate stormwater systems and directly to San Francisco Bay via wind or stormwater runoff. Therefore, water quality impacts related to littering would be less than significant, and no mitigation is necessary.

I. Hazards and Hazardous Materials.

Impact HZ-2: Demolition and renovation of buildings under the Project would not expose workers and the public to hazardous building materials including asbestos-containing materials, lead-based paint, bis (2-ethylhexyl) phthalate (DEHP), and mercury, or result in a release of these materials into the environment during construction. However, workers and the public would be exposed to PCBs as a result of the removal of electrical transformers.

Construction

Building 21 was constructed in approximately 1900. All of the other existing buildings at the project site were constructed between 1937 and 1945. Previous surveys for hazardous building materials have identified asbestos-containing materials and lead-based paint in Building 11 which would be demolished under the Project. Based on their age, these hazardous building materials are likely present in Buildings 15, 16, 19, 25, 32, and 66 which also would be demolished under the Project. Similarly, previous surveys for hazardous building materials have identified asbestos-containing materials and lead-based paint in Buildings 2, 12, and 21, all of which would be renovated under the Project. The Phase I ESA for the Project also noted PCB-containing light ballasts and mercury switches and thermostats in most buildings in 2011 as well as PCB-containing transformers in several locations. In addition, the Phase I ESA noted that pipes associated with the historic distribution of steam are likely to include transite materials. Other existing utility systems could include asbestos in their coatings, gaskets, or other features.

Workers and the public could be exposed to hazardous building materials if they were not removed or abated prior to demolition or renovation of the existing buildings and utility systems. There is a well-

established regulatory process that must be followed for ensuring adequate abatement of these materials prior to building demolition or renovation.

Asbestos-Containing Materials

In accordance with BAAQMD Rule 11, Regulation 2, the project sponsors would be required to retain a qualified contractor to conduct a survey to identify asbestos-containing materials in any building planned for demolition or renovation and in any utility systems that would be demolished. During removal activities, the contractor would implement controls to ensure that there are no visible asbestos emissions to the outside air. The removal activities would be conducted in accordance with the State regulations contained in Title 8 of the California Code of Regulations, Section 1529, and Title 8 of the California Code of Regulations, Sections 341.6 through 341.17. Pursuant to California law, the Port would not issue the building demolition or renovation permit until the project sponsors have complied with the notice and abatement requirements.

Section 3425 of the Port of San Francisco Building Code also addresses work practices for asbestos-containing materials. In accordance with this section, the project sponsors would be required to include an asbestos survey report with the building permit application for any subsequent development.

Compliance with the regulatory requirements and implementation of the required procedures prior to building demolition or renovation would ensure that potential impacts due to demolition or renovation of structures with asbestos-containing materials would be less than significant. No mitigation measures are necessary.

Lead-Based Paint

Because all of the buildings that would be demolished or renovated were constructed prior to 1979, and could contain lead-based paint, the project sponsors would be required to implement the requirements of Section 3426 of the Port of San Francisco Building Code, Work Practices for Lead-Based Paint on Pre-1979 Buildings and Steel Structures. Accordingly, the project sponsors would retain a qualified contractor to abate the lead-based paint prior to demolition or renovation of any buildings. At the completion of abatement activities, the contract would demonstrate compliance with the clean-up standards of Section 3426 that require removal of visible work debris, including the use of a HEPA vacuum following interior work. Pursuant to Section 3426, the Port would not issue the building demolition or renovation permit until the project sponsors have complied with the requirements.

Demolition of other structures that include lead-containing materials and renovation of the interiors of Buildings 2, 12, and 21 could also result in exposure of workers and the public to lead. However, these activities would be subject to the CalOSHA Lead in Construction Standard (Title 8 of the California Code of Regulations, Section 1532.1).

Any lead-based paint during abatement activities would be consolidated, and disposed of at a permitted facility in accordance with applicable law. Implementation of procedures required by Section 3426 of the Port of San Francisco Building Code and the Lead in Construction Standard, along with legal disposal of the lead-based paint by the project sponsors would ensure that potential impacts of demolition or renovation of structures with lead-based paint would be less than significant. No mitigation measures are necessary.

Electrical Transformers

Electrical transformers are present in at least two locations of the 28-Acre Site, including Building 21 which houses an operating electrical substation and Building 12 where a PCB-containing transformer was observed in a utility room during the 2011 Phase I ESA conducted for the 28-Acre Site in support of the Project. However, a complete survey of electrical transformers present at the site, and their PCB content, has not been conducted. If a PCB transformer is present in a building that would be demolished, a release of PCBs could occur, potentially exposing workers and the public to PCBs, or resulting in a release of PCBs to the environment. If a release of PCB-containing dielectric fluid has occurred, future occupants of the building could be exposed to residual PCBs in the building or in the soil if a release has affected soil. Therefore, impacts related to the potential release of PCBs from existing transformers at the site would be significant, if not mitigated.

Mitigation Measure M-HZ-2a: Conduct Transformer Survey and Remove PCB Transformers, Mitigation Measure M-HZ-2b: Conduct Sampling and Cleanup if Stained Building Materials Are Observed, and Mitigation Measure M-HZ-2c: Conduct Soil Sampling if Stained Soil is Observed, as more fully described in the Final EIR, are hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measures M-HZ-2a, M-HZ-2b and M-HZ-2c would reduce Impact HZ-2 to less than significant.

Other Hazardous Building Materials

Other hazardous building materials that are likely present within the buildings to be demolished or renovated include fluorescent light ballasts that could contain PCBs or DEHP, fluorescent lamps that contain mercury vapors, and electrical switches and thermostats that also contain mercury. Disruption or disturbance of these materials could pose health threats for construction workers if not properly disposed of. However, prior to demolition or renovation, the project sponsors, through their contractor, would remove these items and dispose of them in accordance with the established State Regulatory Framework. Therefore, through compliance with regulatory requirements, impacts related to exposure to PCBs, DEHP, and mercury in these materials would be less than significant. No mitigation measures are necessary.

Operation

Buildings 2, 12, and 21 would be renovated and reused under the Project. These buildings are known to include asbestos-containing materials and lead-based paint as well as other hazardous building materials such as fluorescent lamps, PCB-containing light ballasts, and mercury switches and thermostats. However, these materials would be abated and/or removed during the construction phase of the Project, prior to reuse of the buildings, as discussed above. Although electrical transformers are also present in Buildings 12 and 21, and release of PCB-containing oil from these transformers could have potentially contaminated building surfaces, the transformers would be removed and the surfaces would be cleaned during the construction phase of the Project in accordance with Mitigation Measures M-HZ-2a and M-HZ-2b. Soil containing PCBs would be managed in accordance with the Pier 70 RMP as specified in

Mitigation Measure M-HZ-2c. Therefore, site occupants and the public would not be exposed to hazardous building materials during operation of the Project, and this impact would be less than significant.

Impact HZ-3: Project development within the 28-Acre Site and 20th/Illinois Parcel would be conducted on a site included on a government list of hazardous materials sites and could encounter hazardous materials in the soil and groundwater, creating a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

The Pier 70 Preferred Master Plan area (including the 20th/Illinois Parcel, the 28-Acre Site, and Sims Metals and Auto Return which are two businesses formerly operated within the 28-Acre Site) is identified on several lists of hazardous materials sites compiled pursuant to Government Code Section 65962.5. Numerous site investigations have been completed for both the 28-Acre Site and the 20th/Illinois Parcel, located within the Pier 70 Preferred Master Plan area, and these investigations have identified chemicals in the soil and groundwater. Groundwater monitoring wells also could be located within the Pier 70 Preferred Master Plan area, or new wells could be constructed in the future as part of remedial activities at the project site or other project activities. These wells could be damaged during construction.

Exposure to Chemicals in Soil and Groundwater during Construction

During development, including excavation for new structures, utilities, and shoreline improvements, construction workers could be exposed to chemicals in the soil, including naturally occurring asbestos, and groundwater through skin contact with the soil or groundwater, ingestion of the soil, or inhalation of airborne dust or vapors. The public, including students and staff at nearby schools as well as occupants of off-site residences and developments on adjacent parcels that have previously been developed, could be exposed to these chemicals through inhalation of airborne dust, contact with accumulated dust, and contaminated runoff. Therefore, impacts related to exposure to chemicals in the soil and groundwater during construction would be significant if not mitigated.

Mitigation Measure M-HZ-3a: Implement Construction and Maintenance-Related Measures of the Pier 70 Risk Management Plan, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Pier 70 RMP risk management procedures in accordance with Mitigation Measure M-HZ-3a would reduce this impact to a less-than-significant level. The deed restriction prepared and enforced by the RWQCB for the Pier 70 Preferred Master Plan area also incorporates these requirements of the Pier 70 RMP.

Damage of Groundwater Monitoring Wells

If groundwater monitoring wells are damaged during construction, they could potentially create a conduit for downward migration of chemicals in the overlying soil, potentially degrading groundwater quality. This would be a significant impact.

Mitigation Measure M-HZ-3b: Implement Well Protection Requirements of the Pier 70 Risk Management Plan, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-HZ-3b would reduce this impact to a less-than-significant level. The deed restriction prepared and enforced by the RWQCB for Pier 70 also incorporates these requirements of the Pier 70 RMP.

Impact HZ-4: Project development within the Hoedown Yard would be conducted on a site included on a government list of hazardous materials sites and could encounter hazardous materials in the soil and groundwater, creating a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

The Hoedown Yard is included in the Voluntary Cleanup Program database as part of the Potrero Power Plant. Several environmental investigations have identified chemicals in the soil and groundwater at the Hoedown Yard which is within the Illinois Parcels. During project construction, including excavation for new structures and utilities, construction workers could be exposed to chemicals in the soil and groundwater through skin contact with the soil or groundwater, ingestion of the soil, or inhalation of airborne dust. The public, including students and staff at nearby schools and occupants of adjacent parcels that have been previously developed, could be exposed to these chemicals through inhalation of airborne dust, contact with accumulated dust, and contaminated runoff. Therefore, impacts related to exposure to chemicals in the soil and groundwater during construction at the Hoedown Yard would be significant, if not mitigated.

This property is owned by PG&E, and a separate SMP has been prepared and approved by the RWQCB for development of this site. The Hoedown Yard SMP specifies measures that must be implemented during development activities to ensure the protection of construction workers and the public, and to ensure that contaminated materials are appropriately disposed of.

Mitigation Measure M-HZ-4: Implement Construction-Related Measures of the Hoedown Yard Site Management Plan, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Hoedown Yard SMP measures in accordance with Mitigation Measure M-HZ-4 would reduce this impact to a less-than-significant level. Implementation of the Hoedown Yard SMP requirements is enforced by the RWQCB through the deed restriction recorded on the property in 2012.

Impact HZ-5: Operation of the Project within the "PG&E Responsibility Area" would expose residents, site workers, and site visitors to hazardous materials in the soil, creating a significant hazard to the public or the environment.

Site investigations conducted by the Port and PG&E identified two localized areas in the southeast portion of the 28-Acre Site where the accumulated DNAPL ranges in thickness from 1 to 4 feet in areas

where discontinuous DNAPL have accumulated. As the responsible party for the contamination, PG&E will be conducting site remediation with regulatory oversight by the RWQCB that involves excavating the continuous DNAPL areas at the southernmost slipway to a depth of about 25 feet and backfilling the excavations with clean fill. PG&E anticipates completing these remediation activities by 2018, well before construction would commence in Parcels H1, H2, and H3. However, implementation of the remediation activities in the PG&E Responsibility Area is outside of the project sponsors' control. In the unlikely event that PG&E's remediation activities are delayed, construction of the proposed development on Parcels H1, H2, and E3 could preclude implementation of the planned remediation and future construction workers and site occupants could be exposed to health risks if the existing pavement were removed from this area and development commenced prior to implementation of PG&E's remediation, a significant impact.

Mitigation Measure M-HZ-5: Delay Development on Proposed Parcels H1, H2, and E3 Until Remediation of the "PG&E Responsibility Area" is Complete, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-HZ-5 would reduce this impact to less than significant.

Impact HZ-6: Operation of the Project within the 28-Acre Site and the 20th/Illinois Parcel would expose residents, site workers, and site visitors to hazardous materials in the soil or soil vapors, creating a significant hazard to the public or the environment.

Exposure to Hazardous Materials in Soil

Previous sampling within the 28-Acre Site and 20th/Illinois Parcel which are part of the Pier 70 Preferred Master Plan area has found that chemical concentrations throughout the sites contain PAHs, metals, and/or TPH at concentrations exceeding residential, commercial, and/or recreational cleanup levels. To avoid unacceptable health risks associated with exposure to the soil by residents, site workers, and visitors, the Pier 70 RMP requires placement of a durable cover over the any soil with chemical concentrations greater than the cleanup level for the planned land use. However, maintenance workers would occasionally need to breach the durable cover to conduct repairs of utilities and other systems. This could result in exposure to chemicals in the soil beneath the durable cover, a significant impact.

Residential Exposure to Soil Vapors

In areas where groundwater and soil vapor concentrations exceed residential Environmental Screening Levels, building occupants in residential developments could be exposed to chemicals present in the soil vapors and groundwater as a result of vapor intrusion into the subsurface features of the building. However, the concentrations of chemicals detected in the soil vapor or groundwater exceeded residential cleanup levels in the groundwater or soil vapor at several locations. If residential development is constructed at or near any of these locations, residents could be subjected to health risks, a significant impact unless mitigated.

Mitigation Measure M-HZ-6: Additional Risk Evaluations and Vapor Control Measures for Residential Land Uses, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined implementing Mitigation Measure M-HZ-3a: Implement Construction and Maintenance-Related Measures of the Pier 70 Risk Management Plan and M-HZ-6 this impact would be reduced to less than significant.

Impact HZ-7: Operation of the Project within the Hoedown Yard would expose residents, site workers, and site visitors to hazardous materials in the soil, creating a significant hazard to the public or the environment.

Previous sampling within the Hoedown Yard has found that, based on future use of the Hoedown Yard for commercial or industrial purposes, arsenic is the primary chemical of concern identified in the soil. Naturally occurring asbestos was also identified in the fill materials. Although the Hoedown Yard SMP addresses risk management measures necessary to manage site risks based on industrial use of the site by PG&E, the plan does not provide measures for redevelopment of the site, and does not address risks related to potential residential uses. Without additional evaluation and implementation of additional risk management measures, future site occupants and visitors of the residential and commercial land uses under the Project could be subjected to potential health risks as a result of contact with the site soil, a significant impact unless mitigated.

Mitigation Measure M-HZ-7: Modify Hoedown Yard Site Mitigation Plan, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein.

Based on the Final EIR and the entire administrative record, it is hereby found and determined that implementing Mitigation Measure M-HZ-7 would reduce this impact to less than significant.

Impact HZ-8: Operation of the Irish Hill Playground would expose site visitors to naturally occurring asbestos and naturally occurring metals, creating a significant hazard to the public or the environment.

The Irish Hill remnant is composed of serpentinite bedrock of the Franciscan Complex. Serpentinite commonly contains naturally occurring chrysotile and amphibole asbestos, fibrous minerals that can be hazardous to human health if they become airborne, as well as naturally occurring metals (i.e., arsenic, cadmium, copper, chromium, nickel, vanadium, and zinc).

If visitors to the playground play on exposed bedrock or fill materials derived from the bedrock, they could cause naturally occurring asbestos and naturally occurring metals to become airborne. As a result, playground users, including young children, could be exposed to airborne asbestos fibers and/or potentially hazardous concentrations of naturally occurring metals, a significant impact unless mitigated.

Similarly, visitors to the Irish Hill Playground could be exposed to airborne naturally occurring asbestos and naturally occurring metals if they use the playground during ground-disturbing activities for construction on adjacent parcels or during the construction of the new 21st Street which would remove a

portion of the northern spur of the Irish Hill remnant. This would also be a significant impact unless mitigated.

Mitigation Measures M-HZ-8a: Prevent Contact with Serpentine Bedrock and Fill Materials in Irish Hill Playground and M-HZ-8b: Restrictions on the Use of Irish Hill Playground, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR, and the attached MMRP, and will be implemented as provided therein. Based on the Final EIR and the entire administrative record, it is hereby found and determined implementing Mitigation Measures M-HZ-8a and M-HZ-8b would reduce these impacts to less than significant.

V. SIGNIFICANT IMPACTS THAT CANNOT BE AVOIDED OR MITIGATED TO A LESS-THAN-SIGNIFICANT LEVEL

Based on substantial evidence in the whole record of these proceedings, the Planning Commission finds that, where feasible, changes or alterations have been required, or incorporated into, the Project to reduce the significant environmental impacts as identified in the Final EIR. The Commission finds that certain mitigation measures in the Final EIR, as described in this Section V, or changes, have been required in, or incorporated into, the Project, pursuant to Public Resources Code Section 21002 and CEQA Guidelines Section 15091, that may lessen, but do not avoid (i.e., reduce to less-than-significant levels), the potentially significant environmental effects associated with implementation of the Project that are described below. Although all of the mitigation measures set forth in the Final EIR and the Mitigation Monitoring and Reporting Plan (MMRP), attached as Attachment B, are hereby adopted, for some of the impacts listed below, despite the implementation of feasible mitigation measures, the effects remain significant and unavoidable.

The Commission further finds, as described in this Section V below, based on the analysis contained within the Final EIR, other considerations in the record, and the significance criteria identified in the Final EIR, that because some aspects of the Project could cause potentially significant impacts for which feasible mitigation measures are not available to reduce the impact to a less-than-significant level, those impacts remain significant and unavoidable. The Commission also finds that although mitigation measures are identified in the Final EIR that would reduce some significant impacts, certain measures, as described in this Section V below, are uncertain or infeasible for reasons set forth below, and therefore those impacts remain significant and unavoidable or potentially significant and unavoidable.

Thus, the following significant impacts on the environment, as reflected in the Final EIR, are unavoidable. As more fully explained in Section VII, below, under Public Resources Code Section 21081(a)(3) and (b), and CEQA Guidelines 15091(a)(3), 15092(b)(2)(B), and 15093, it is found and determined that legal, environmental, economic, social, technological and other benefits of the Project override any remaining significant adverse impacts of the Project for each of the significant and unavoidable impacts described below. This finding is supported by substantial evidence in the record of this proceeding.

A. Transportation and Circulation.

Impact TR-5: The Project would cause one individual Muni route to exceed 85 percent capacity utilization in the a.m. and p.m. peak hours in both the inbound and outbound directions.

The T Third light rail line (renamed from the KT Third/Ingleside route following completion of the Central Subway) as well as the 22 Fillmore and the 48 Quintara/24th Street bus routes under Baseline Conditions operate within the capacity utilization standard of 85 percent in the a.m. and p.m. peak period. With ridership generated by the Maximum Residential Scenario and Maximum Commercial Scenario, the T Third light rail line and 22 Fillmore bus route would continue to operate below 85 percent capacity utilization. However, the 48 Quintara/24th Street routes would exceed 85 percent capacity utilization inbound and outbound with project implementation. This would occur in the a.m. and p.m. peak hours. The increase in capacity utilization of the 48 Quintara/24th Street routes would be a significant impact on this Muni route under either scenario of the Project.

Mitigation Measure M-TR-5: Monitor and increase capacity on the 48 Quintara/24th Street bus routes as needed, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Implementing any of the components of Mitigation Measure M-TR-5 would allow Muni to maintain transit headways, and would reduce the Project's impact to less-than-significant levels. However, implementation of features of the mitigation measure above that would require discretionary approval actions by the SFMTA or other public agencies (including allocation of funds to operate increased frequencies) is considered uncertain because public agencies subject to CEQA cannot commit to implementing any part of a proposed project, including proposed mitigation measures, until environmental review is complete. Thus, while the SFMTA has reviewed the feasibility of the options listed above, implementation of these measures cannot be assured until after certification of this EIR. Because it is unknown whether M-TR-5 would be implemented, project-related impacts on the 48 Quintara/24th Street would be significant and unavoidable if M-TR-5 is not implemented.

Impact TR-12: The Project's loading demand during the peak loading hour would not be adequately accommodated by proposed on-site/off-street loading supply or in proposed on-street loading zones, which may create hazardous conditions or significant delays for transit, bicycles or pedestrians.

To minimize conflicts with pedestrians and bicyclists, a maximum of one loading access point would be permitted for each building. This requirement would minimize curb cuts and prioritize pedestrian movement where a sidewalk is present. Exterior loading docks, where loading and unloading occurs outside of a building, would not be permitted fronting major public open spaces and the project's central waterfront area, and commercial loading entries would be required to be at least 60 feet from the corner of an intersection. Waste collection facilities would be provided separately for each building and would be visually screened from the public right-of-way, minimizing conflicts with travelways.

The Project includes a shared street treatment on Maryland Street and 20th Street that would allow limited or no vehicular access at some times, either for special events or at designated times of day. However, for all buildings fronting Maryland Street service entrances would be provided on 21st, Louisiana, and 22nd streets (although on-street loading could still occur from Maryland Street and 20th

Street during periods when the shared street was open to vehicular access). Thus, limiting or prohibiting delivery vehicles from accessing Maryland Street from time to time would not result in a significant impact because building service access would be retained.

Despite the fact that the Project would minimize loading conflicts with bicycles and pedestrians and would not result in significant loading impacts on the shared street, there would be a loading supply shortfall that would result in significant impacts:

Mitigation Measures M-TR-12A: Coordinate Deliveries and M-TR-12B: Monitor loading activity and convert general purpose on-street parking spaces to commercial loading spaces as needed, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

While the project sponsor may reduce the severity of the impact with implementation of Mitigation Measures M-TR-12A and M-TR-12B, these measures may not fully resolve the loading shortfall, as the project's Transportation Coordinator may not be able to shift on-site delivery times. Additionally, there may not be an adequate supply of on-street general purpose parking spaces to convert to commercial loading spaces such that the loading shortfall can be accommodated on-street. Thus, even with implementation of Mitigation Measures M-TR-12A and M-TR-12B, the Project's loading impacts would remain significant and unavoidable.

Impact C-TR-4: The Project would contribute considerably to significant cumulative transit impacts on the 48 Quintara/24th Street and 22 Fillmore bus routes.

In combination with reasonably foreseeable development expected to occur under Cumulative Conditions, the Project would cause the 48 Quintara/24th Street bus route to exceed 85 percent utilization in both the Maximum Residential Scenario and the Maximum Commercial Scenario during the a.m. and p.m. peak hours. This would be a considerable contribution to a significant cumulative impact on individual transit routes.

Mitigation Measure M-TR-5: Monitor and increase capacity on the 48 Quintara/24th Street bus routes as needed, to increase capacity on the 48 Quintara/24th Street bus route, as referenced above under Impact TR-5, could reduce the Project's contribution to this significant cumulative impact. Under the Maximum Commercial Scenario, Mitigation Measure M-TR-5 would be adequate to reduce the Project's contribution to the significant cumulative impact to not considerable. Under the Maximum Residential Scenario, the Project's contribution would remain considerable even with the implementation of Mitigation Measure M-TR-5. Therefore, additional mitigation would be necessary for the Maximum Residential Scenario to reduce the considerable contribution to the significant cumulative impact on Muni service on this route.

Mitigation Measure M-C-TR-4A: Increase capacity on the 48 Quintara/24th bus route under the Maximum Residential Scenario, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

The Project would also cause the 22 Fillmore bus route to exceed 85 percent utilization in the Maximum Commercial Scenario during the a.m. and p.m. peak hours. This would be a considerable contribution to a significant cumulative impact on individual transit routes. Therefore, additional mitigation would be

necessary for the Maximum Commercial Scenario to reduce the considerable contribution to the significant cumulative impact on Muni service on this route.

Mitigation Measure M-C-TR-4B: Increase capacity on the 22 Fillmore bus route under the Maximum Commercial Scenario, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Because SFMTA cannot commit funding to operate additional buses on these routes, to expand bus zones, or to increase transit vehicle travel speeds until environmental review of the selected elements is complete, the implementation of Mitigation Measures M-C-TR-4A and M-C-TR-4B is uncertain, and the Project's contribution to the significant cumulative impact would remain significant and unavoidable under both project scenarios if Mitigation Measures M-C-TR-4A and M-C-TR-4B are not implemented.

B. Noise

Impact NO-2: Construction of the Project would cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project.

On-Site Construction Activities

Demolition and construction activities would require the use of heavy trucks, material loaders, cranes, concrete saws, and other mobile and stationary construction equipment. Piles would be driven with the use of impact or vibratory pile drivers. Controlled rock fragmentation (CRF) would occur for a cumulative total of approximately 30 days per phase. During controlled rock fragmentation activities, up to five CRF events would occur daily with one drilling event lasting up to one hour before each CRF event. General building construction would be less noise intrusive, involving cranes, forklifts, saws, and nail guns. Project construction would also result in temporary increases in truck traffic noise along haul routes for off-hauling excavated materials and materials deliveries.

Because the project would be constructed in phases over an 11-year period, multiple construction activities could be occurring on different parcels within the project site at any given time (i.e., demolition could occur on one parcel while pile driving occurs on another) so that some of the noisier construction activities, such as pile driving, on one project parcel could overlap with other noisier construction phases, such as demolition or CRF and rock crushing, on other parcels. This could expose nearby sensitive receptors to temporary increases in noise levels substantially in excess of ambient levels.

If pile drivers operated on one parcel while a mounted impact hammer or concrete saw (for demolition) occurred on another parcel at the same time (worst-case condition), the combined noise level from these two noisiest pieces of equipment would not exceed these thresholds because it is expected that both types of equipment would not operate simultaneously closer than 50 feet to any existing residential or commercial uses.

Noise Impacts on Off-Site Receptors

The closest existing off-site sensitive receptors are located 140 to 200 feet from the closest site boundary (northwest corner of Parcel PKN). The maximum combined noise levels at the three closest off-site receptors would exceed these thresholds, a significant noise impact.

For all but these three receptor locations (residences at 820 Illinois Street and 628 20th Street (second floor), and Dogpatch Alt School at 616 20th Street), there are intervening buildings that would block and reduce Project-related construction noise at nearby existing receptors. If phasing occurs as proposed, it would result in the construction of residential buildings on the western portion of the Project site (Illinois Parcels) first. These buildings would also help block and reduce project-related construction noise (including noise from pile-driving activities to the east on the 28-Acre Site) at all existing off-site receptors (including the closest existing receptors).

Mitigation Measure M-NO-2: Noise Control Measures During Pile Driving, as more fully described in the Final EIR, is hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

With implementation of noise controls during all construction phases (specified in Mitigation Measure M-NO-1: Construction Noise Control Plan, referenced above) as well as implementation of noise controls during pile driving (specified in Mitigation Measure M-NO-2), the potential for noise disturbance of existing off-site receptors (assumed to be present during the 11-year construction period) located approximately 140 to 200 feet to the northwest would be reduced. However, even with implementation of these noise controls, the feasibility of quieter, alternative pile driving methods in all areas cannot be determined at this time and also the potential would still exist that combined noise levels from simultaneous operation of the noisiest types of construction equipment could still exceed the threshold. Given this uncertainty and the potential 11-year duration of this activity, this impact is conservatively considered to remain significant and unavoidable with mitigation, even with implementation of Mitigation Measures M-NO-1 and M-NO-2.

Noise Impacts on On-Site Receptors

While early construction of Project residential uses on the Illinois Parcels would help reduce construction-related noise levels at existing receptors, it would also expose future residents living in these new residential buildings to construction noise generated during subsequent phases of project construction. Construction activities in this area would occur in phases over an 11-year period.

As a result of this possible phasing under either scenario, future residents in the project site area that face an adjacent or nearby construction project could be subject to demolition and construction noise for as long as 6 to 9 years. Depending on the order of construction within each phase and overall phasing, some Project buildings that have already been constructed could interrupt the direct line-of-sight between construction sources and noise-sensitive receptors, and reduce the number of receptors directly exposed to construction noise with no intervening buffering structure.

The average thresholds at on-site receptors, and the maximum combined noise level would, at times, exceed thresholds at the closest future on-site residential receptors (those occupying residential units built in earlier phases). The degree of disturbance would vary with proximity of the demolition and construction activities to sensitive receptors, but is considered significant and unavoidable because the "Ambient +10 dBA" threshold could be exceeded.

Construction noise impacts associated with the street network, new infrastructure, and open space would be similar to, but somewhat less substantial than, those for development projects in the project site area.

except that pile driving would not be necessary for the street network changes, utility lines (including those associated with all three sewer options), or open space improvements. Building demolition, road construction, and building construction would all occur concurrently within each phase. Simultaneous operation of the noisiest pieces of equipment associated with demolition (mounted impact hammer or concrete saw) and other construction activities (excavator) would result in combined noise levels that would exceed the average thresholds at on-site receptors located at this proximity. Therefore, construction-related noise increases during other phases of construction, such as construction for road and infrastructure improvements, could adversely affect future on-site residents, a significant noise impact.

With implementation of noise controls during all construction phases (specified in Mitigation Measure M-NO-1: Construction Noise Control Plan, referenced above) as well as implementation of noise controls during pile driving (specified in Mitigation Measure M-NO-2: Noise Control Measures During Pile Driving, referenced above), the potential for noise disturbance of future on-site residents would be reduced. However, even with implementation of these noise controls, the potential would still exist that combined noise levels from simultaneous operation of the noisiest types of construction equipment could still exceed the Ambient+10 dBA threshold, and therefore, construction-related noise impacts on future on-site residential receptors is conservatively considered to be significant and unavoidable with mitigation.

Off-Site Haul Truck Traffic

The net export total of about 340,000 cubic yards of soil and an import of about 20,000 cubic yards of clean fill would generate a total of about 45,000 truck trips, which would be phased over the duration of the planned construction activities (averaging 17 truck trips per day). Given the minimal increase in traffic on local roadways that would be attributable to project-related haul trucks, temporary increases in traffic noise resulting from haul trucks would be less than significant. Use of truck routes that avoid residential uses as required by the Construction Traffic Control Plan (Improvement Measure I-TR-A: Construction Management Plan) would further reduce less-than-significant construction-related truck noise impacts.

Impact NO-5: Operation of the Project would cause substantial permanent increases in ambient noise levels along some roadway segments in the project site vicinity.

Operational Traffic Noise

Project implementation (under both the Maximum Residential and Maximum Commercial scenarios) would result in traffic noise increases ranging from 0 to 14.3 dBA on local roadways providing access to the site.

The Project would include a shuttle service, operated and maintained by the Pier 70 TMA, to connect the Pier 70 Mixed-Use District to regional transit hubs. The two preliminary routes assumed for the DEIR analysis are:

- 22nd Street, Mississippi Street, and 16th Street to access the 22nd Street Caltrain Station and the 16th Street / Mission BART station; and

- Third Street, 16th Street, and King Street to access the Fourth and King Caltrain Station (with some trips extending to the Transbay Transit Center)).

An increase in shuttle bus volumes along these routes would incrementally increase traffic noise levels along these streets. However, the degree of impact would depend on bus sizes, frequency of buses on an hourly basis, and hours of operation. The future shuttle bus schedule is not known at this time, but it is anticipated that any shuttle trips would be relatively minor and adequately accounted for in the modeled traffic noise analysis above.

Operation of the Project would result in permanent increases in ambient noise levels, primarily through project-related increases in traffic. Noise modeling was completed to estimate existing (baseline) and future traffic noise levels along 79 road segments in the Pier 70 Mixed-Use District project area based on traffic volumes presented in the project's Traffic Impact Study. Of the 79 road segments examined, traffic noise increases on all analyzed street segments would not exceed the applicable thresholds except for the following, which would exceed traffic noise thresholds, resulting in significant impacts:

- 20th Street (east of Third Street to east of Illinois Street)
- 22nd Street (east of Tennessee Street to east of Illinois Street)
- Illinois Street (20th Street to south of 22nd Street).

There is one street segment, 22nd Street between Tennessee Street and Third Street where there are residential uses and the resulting noise level is estimated to slightly exceed 60 dBA (Ldn or CNEL) and the incremental increase attributable to the project would be 3.2 dB, 0.2 dB above the threshold.

Reduction of project-related one-way traffic by 20 percent through transportation demand management measures required in Air Quality Mitigation Measure M-AQ-1f: **Transportation Demand Management** (referenced above), could reduce noise levels by up to 1.0 dB and would reduce the above significant impacts related to noise increases to less than significant with mitigation at all of the above street segments except for three road segments:

- 22nd Street from Third Street to Illinois Street;
- 22nd Street east of Illinois Street (on the project site); and
- Illinois Street from the future 21st Street and 22nd Street (adjacent to the project site).

Project residences located adjacent to the section of 22nd Street east of Illinois Street and the section of Illinois Street between the proposed 21st and 22nd streets would not be adversely affected by future noise levels because noise attenuation measures would be incorporated into these units as necessary to ensure that interior noise levels are maintained at acceptable levels even with future traffic noise level increases, as required by Mitigation Measure M-NO-6: **Design of Future Noise-Sensitive Uses** (referenced above). While this mitigation measure would reduce the effects of project-related traffic noise increases on the interior environment of future uses, the Project's traffic would still result in noise levels that would cause a substantial permanent increase in ambient noise levels. Therefore, this impact would remain significant and unavoidable with mitigation.

Impact C-NO-2: Operation of the Project, in combination with other cumulative development would cause a substantial permanent increase in ambient noise levels in the project vicinity.

When traffic noise increases related to the Project (under both the Maximum Residential and Maximum Commercial scenarios) are added to future traffic noise increases resulting from cumulative development, the Project would add 0 to 8.0 dBA (Ldn) to estimated cumulative noise increases under both scenarios. Of the 79 road segments examined, the Project would contribute considerably to cumulative traffic noise increases along the following street segments because cumulative noise increases would exceed significance thresholds for traffic noise increases:

- 22nd Street (east of Third Street to east of Illinois Street)
- Illinois Street (Mariposa Street to 22nd Street)

These street segments either directly adjoin the project site or are within two blocks of the project site and provide direct access to the site. Residential development is located adjacent to the segment of Illinois Street between Mariposa Street and 20th Street. Based on the significance thresholds for traffic noise increases, these cumulative traffic noise increases would be a cumulatively significant impact because traffic noise would result in a substantial permanent increase in ambient noise levels, and the project's contribution to these cumulative increases would be cumulatively considerable.

Additionally, when 2040 cumulative (with Project) noise levels are compared to 2020 baseline noise levels, 2020 noise levels would increase by 0 to 15 dBA under both scenarios with increases exceeding the significance thresholds for traffic noise increases on the following roadway segments:

- Third Street (Channel to south of Mission Rock and 20th to 23rd Streets)
- 20th Street (east of Third Street to east of Illinois Street)
- 22nd Street (west of Third Street to east of Illinois Street)
- 23rd Street (Third Street to Illinois Street)
- 25th Street (west of Third Street to Illinois Street)
- Cesar Chavez (East of Third Street)
- Illinois Street (Mariposa Street to south of 22nd Street)
- Indiana Street (north of 25th Street)

These street segments either directly adjoin the project site or are within approximately eight blocks of the project site and several provide direct access to the site. There is a school and residential development located adjacent to 20th Street between Third Street and Illinois Street. Residential development is also located adjacent to Third Street (Channel to 25th), Illinois Street (Mariposa Street to 20th Street), and on 22nd Street (west of Third Street). Based on the significance thresholds for traffic noise increases, these cumulative traffic noise increases would also be a cumulatively significant impact because traffic noise

would result in a substantial permanent increase in baseline noise levels. The Project's contribution to these increases would range from 22 to 95 percent of these increases and therefore, the Project contribution to these cumulative traffic noise increases would be cumulatively considerable.

Implementation of Transportation Demand Management measures required in Mitigation Measure M-AQ-1f: Transportation Demand Management, referenced above, could result in reductions of one-way traffic by up to 20 percent, and such reductions could provide noise level reductions. Such reductions would reduce the above significant noise increases to less than significant along Illinois Street (between Mariposa Street and the proposed 23rd Street) and 22nd Street (west of Third Street) but would not be sufficient to reduce cumulative noise increases on any of the other above-listed street segments to less-than-significant levels (i.e., below threshold levels). Cumulative traffic noise increases would still exceed the significance thresholds for traffic noise increases on some of the above-listed street segments when compared to future baseline noise levels (2040) and existing baseline noise levels (2020). Therefore, the Project would result in a considerable contribution to this cumulative impact, which is significant and unavoidable with mitigation.

C. Air Quality

Impact AQ-1: During construction, the Project would generate fugitive dust and criteria air pollutants, which would violate an air quality standard, contribute substantially to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.

Construction activities would result in emissions of ozone precursors and PM in the form of dust (fugitive dust) and exhaust (e.g., vehicle tailpipe emissions). Emissions of ozone precursors and PM are primarily a result of the combustion of fuel from on-road and off-road vehicles. However, ROG's are also emitted from activities that involve painting, other types of architectural coatings, or asphalt paving.

Fugitive Dust

Project-related demolition, excavation, grading, drilling, rock crushing and potentially blasting, and other construction activities may cause wind-blown dust that could contribute PM into the local atmosphere. The City's Dust Control Ordinance would be applicable for the portion of the project site that is outside Port jurisdiction (Hoe Down Yard). For portions of the project site under the jurisdiction of the Port (20th/Illinois Parcel and 28-Acre Site), Section 1247 of Article 22B of the Public Health Code requires that all city agencies that authorize construction or other improvements on City property adopt rules and regulations to ensure that the dust control requirements of Article 22B are followed. DBI will not issue a building permit without written notification from the Director of Public Health that the applicant has a site-specific dust control plan, unless the Director waives the requirement.

Implementation of dust control measures in compliance with the regulations and procedures set forth by the San Francisco Dust Control Ordinance would ensure that potential dust-related construction air quality impacts of the Project would be less than significant.

Criteria Air Pollutants

Maximum Residential Scenario

Construction of the Maximum Residential Scenario would result in emissions of ROG, NO_x, PM₁₀, and PM_{2.5} that would be below the thresholds of significance when considered alone. However, future

construction phases (Phases 3, 4, and 5) would occur when operational emissions would also be generated by the earlier phases. Construction-related emissions during concurrent construction of Phases 1 and 2 which includes development of the entirety of the Illinois Parcels would be less than significant. Additionally, after completion and occupancy of Phase 1 and the continuation of Phase 2 construction, the combined construction-related and operational emissions would be less than significant. However, construction of Phase 3, when considered with occupancy and operation of Phases 1 and 2, would result in emissions of ROG and NOx that would exceed significance thresholds, while emissions of PM10 and PM2.5 would be below their respective thresholds. Construction of Phase 4 and Phase 5 when considered with occupancy and operation of earlier phases would also result in emissions of ROG and NOx that would exceed significance thresholds, while emissions of PM10 would be meet the threshold with Phase 5 construction and PM2.5 emissions would be below thresholds. Therefore, unmitigated criteria pollutant emissions from the Maximum Residential Scenario during simultaneous construction and operation would be a significant air quality impact.

Maximum Commercial Scenario

The Maximum Commercial Scenario's construction-related emissions during concurrent construction of Phases 1 and 2 which include development of the entirety of the Illinois Parcels would be less than significant, as would the continued construction of Phase 2 with completion and occupancy of Phase 1. However, construction of Phase 3 when considered with occupancy and operation of Phases 1 and 2 would result in emissions of ROG and NOx that would exceed significance thresholds, while emissions of PM10 and PM2.5 would be below their respective thresholds. Construction of Phase 4 when considered with occupancy and operation of earlier phases would result in emissions of ROG and NOx that would exceed significance thresholds, while emissions of PM10 and PM2.5 would be below the applicable thresholds. Construction of Phase 5 when considered with occupancy and operation of earlier phases would result in emissions of ROG, NOx, and PM10 that would exceed significance thresholds, while emissions of PM2.5 would be below the applicable threshold. Therefore, criteria pollutant emissions during simultaneous construction and operation of the Maximum Commercial Scenario would be significant.

Generally the Maximum Commercial Scenario results in a marginal 1 to 6 percent greater emissions than the Maximum Residential Scenario, depending on the year analyzed and whether average pounds per day or maximum tons per year are considered. Regardless, under the Maximum Commercial Scenario emissions of ROG, NOx, and PM10 would exceed significance thresholds, while emissions of PM2.5 would be below the applicable threshold.

Health Implications of Significant Impacts Related to Emissions of Ozone Precursors and PM10

It is difficult to predict the magnitude of health effects from the project's exceedance of significance criteria for regional ROG, NOx, and PM10 emissions. The increase in emissions associated with the Project represents a fraction of total SFBAAB regional ROG emissions. However, the Project's ROG, NOx, and PM10 increases could contribute to new or exacerbated air quality violations in the SFBAAB region by contributing to more days of ozone or PM10 exceedance or result in AQI values that are unhealthy for sensitive groups and other populations. Therefore, criteria pollutant emissions during simultaneous construction and operation of the Maximum Commercial Scenario would be significant.

To address ROG, NOx, and PM10 emissions that would occur during construction of the Project under both the Maximum Residential and Maximum Commercial Scenarios, Mitigation Measure M-AQ-1a: Construction Emissions Minimization, referenced above, has been identified and would apply during

construction of Phases 3, 4, and 5, or after build-out of 1.3 million gross square feet of development, whichever comes first.

Residual Impacts with Implementation of Mitigation Measure M-AQ-1a

Mitigation Measure M-AQ-1a would result in a reduction of construction-related ROG emissions ranging from 8 to 10 percent, depending on the construction phase. Emissions of construction-related NO_x would be reduced by 54 to 64 percent and emissions of construction-related PM₁₀ would be reduced between 72 and 83 percent. While construction emissions alone would be less than significance thresholds, emissions of simultaneous operational and construction emissions would still exceed thresholds but would be substantially reduced by this measure. Additionally, particulate emission reductions from this measure are necessary to reduce potential health risk impacts to on-site receptors to less than significant levels. Implementation of this mitigation measure would not result in any adverse environmental effects.

To address emissions that would occur during operation of the Project, M-AQ-1f: Transportation Demand Management, referenced above; M-AQ-1g: Additional Mobile Source Control Measures, referenced above; and M-AQ-1h: Offset Operational Emissions, referenced above would be applied to the Project.

Additionally, Mitigation Measures M-AQ-1b: Diesel Backup Generator Specifications, M-AQ-1c: Use Low and Super-compliant VOC Architectural Coatings in Maintaining Buildings through Covenants Conditions and Restrictions (CC&Rs) and Ground Lease, M-AQ-1d: Promote use of Green Consumer Products, and M-AQ-1e: Electrification of Loading Docks, as more fully described in the Final EIR, are hereby adopted in the form set forth in the Final EIR and the MMRP and will be implemented as provided therein.

Residual Impact with Implementation of Mitigation Measure M-AQ-1b

Mitigation Measure M-AQ-1b would result in an 86 percent reduction of ROG emissions from generators. Emissions of NO_x emissions from generators would be reduced by 89 percent and emissions of PM₁₀ would be reduced by 98 percent. Operational emissions would still exceed thresholds as the overall contribution of generator emissions to total project emissions is very small. However, as discussed later in Impact AQ-3, particulate emission reductions from this measure are necessary to reduce potential health risk impacts to on-site receptors to less than significant levels. Implementation of this mitigation measure would not result in any adverse environmental effects.

Residual Impact with Implementation of Mitigation Measure M-AQ-1c

Mitigation Measure M-AQ-1c would reduce ROG emissions associated with maintenance application of paint and other architectural coatings by 31 percent. Operational emissions would still exceed thresholds as the overall contribution of architectural coating emissions to total project emissions is comparatively small. Should the applicant commit to requiring use of no-VOC interior paints, ROG emissions from maintenance application of paint and other architectural coatings could be further reduced by up to 90 percent. Implementation of this mitigation measure would not result in any adverse environmental effects.

Residual Impact with Implementation of Mitigation Measure M-AQ-1d

Mitigation Measure M-AQ-1d would reduce ROG emissions associated with use of consumer products. Given that the project applicant does not have authority to require use of certain products, no reduction in ROG emissions can be estimated from this measure. Implementation of this mitigation measure would not result in any adverse environmental effects.

Residual Impact with Implementation of Mitigation Measure M-AQ-1e

Mitigation Measure M-AQ-1e would reduce emissions of ROG, NOx, and PM10. Given that the specific land uses are not determined, no reduction in emissions can be reliably estimated from this measure at this time. Implementation of this mitigation measure would not result in any adverse environmental effects.

Residual Impact with Implementation of Mitigation Measure M-AQ-1f

Mitigation Measure M-AQ-1f would reduce mobile source emissions of ROG, NOx, and PM10. Quantification of emission reduction from this measure is based on a 20 percent reduction target for vehicle trips. Although emission reductions would be substantial, operational emissions would still exceed thresholds. Implementation of this mitigation measure would not cause any significant effects in addition to those that would result from implementation of the Project.

Residual Impact with Implementation of Mitigation Measure M-AQ-1g

Mitigation Measure M-AQ-1g would marginally reduce mobile source emissions of ROG, NOx, and PM10. No additional emissions reductions were quantified from implementation of this mitigation measure. Implementation of this mitigation measure would not result in any adverse environmental effects.

Residual Impact with Implementation of Mitigation Measure M-AQ-1h

Mitigation Measure M-AQ-1h would offset emissions of ROG, NOx, and PM10 that would exceed the respective thresholds of significance for these pollutants. Implementation of the emissions reduction project could be conducted by the BAAQMD and is outside the jurisdiction and control of the City and not fully within the control of the project sponsor. M-AQ-1h also allows the project sponsor to directly fund or implement an offset project; however, no such project has yet been identified. Therefore, the residual impact of project emissions during construction is conservatively considered significant and unavoidable with mitigation, acknowledging the assumption that the project sponsor would implement Mitigation Measures M-AQ-a through M-AQ-1h (Emission Offsets). Although the specific offset projects are not known, it is anticipated that implementation of this mitigation measure would not result in any adverse environmental effects.

Residual Impact with Implementation of All Identified Mitigation Measures

Implementation of Mitigation Measure M-AQ-1a would substantially reduce construction-related emissions of ROG, NOx, and PM10. The measure would require use of off-road equipment to meet the most stringent emission standards available and would reduce construction-related emissions of ROG,

NO_x and PM₁₀. However, criteria air pollutant emissions would remain significant during construction of Phases 3, 4, and 5 when operational emissions are also considered.

Mitigation Measures M-AQ-1b through M-AQ-1g would reduce operational emissions associated with both the Maximum Residential Scenario and the Maximum Commercial Scenario. However, emissions of ROG and NO_x during construction of Phases 3, 4, and 5 with consideration of concurrent operational emissions would remain significant even with implementation of Mitigation Measures M-AQ-1a through M-AQ-1g. Consequently, Mitigation Measure M-AQ-1h (Emissions Offsets) is identified to further reduce the residual pollutant emissions. Mitigation Measure M-AQ-1h would require the project sponsor to offset remaining emissions to below significance thresholds by funding the implementation of an offsite emissions reduction project in an amount sufficient to mitigate residual criteria pollutant emissions.

As specified in Mitigation Measure M-AQ-1h, offsetting of the project's emissions would follow completion of construction activities for Phases 1 and 2. If construction emissions were considered alone, without operational emissions, construction emissions would be less than significant. Consequently, emissions offsets would represent the necessary amount of offset required to also address operational emissions. Therefore, emissions reduction projects funded through Mitigation Measure M-AQ-1h would offset the regional criteria pollutant emissions generated by operation of the Project that would remain in excess of the applicable thresholds after implementation of the project-specific emission reductions required under Mitigation Measures M-AQ-1a through M-AQ-1g. If Mitigation Measure M-AQ-1h is implemented via a directly funded or implemented offset project, it could have the potential to reduce the impact to a less than significant level but only if the timing of the offsets could be documented prior to the occupancy of Phase 3 and ensured for the life of the project. Therefore, the residual impact of project emissions during construction is conservatively considered significant and unavoidable with mitigation, acknowledging the assumption that the project sponsor would implement Mitigation Measures M-AQ-1a through M-AQ-1h.

Impact AQ-2: At project build-out, the Project would result in emissions of criteria air pollutants at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.

Maximum Residential Scenario

Project-related emissions under the Maximum Residential Scenario would exceed BAAQMD thresholds of significance for ROG, NO_x, and PM₁₀. Therefore, the Project would have a significant impact on regional emissions related to operational emissions of ozone precursors and PM₁₀. Significant emissions of ozone precursors (ROG and NO_x) and PM₁₀ from operation would have the same potential health effects as discussed in Impact AQ-1 above.

Maximum Commercial Scenario

Project-related emissions under the Maximum Commercial Scenario would exceed BAAQMD thresholds of significance for ROG, NO_x, and PM₁₀. Therefore, the Project would also have a significant impact on regional emissions related to ozone precursors and PM₁₀ under this scenario. Significant emissions of ozone precursors (ROG and NO_x) and PM₁₀ from operation would have the same potential health effects as discussed in Impact AQ-1 above.

Mitigation Measures M-AQ-1b: Diesel Backup Generator Specifications, M-AQ-1c: Use Low and Super-compliant VOC Architectural Coatings in Maintaining Buildings through Covenants Conditions and Restrictions (CC&Rs) and Ground Lease, M-AQ-1d: Promote use of Green Consumer Products, M-AQ-1e: Electrification of Loading Docks, M-AQ-1f: Transportation Demand Management, and M-AQ-1g: Additional Mobile Source Control Measures would reduce operational emissions associated with both the Maximum Residential and Maximum Commercial Scenarios. However, even with implementation of Mitigation Measures M-AQ-1b through M-AQ-1g, criteria pollutant emissions from operation of the Maximum Residential Scenario or the Maximum Commercial Scenario would remain significant. Consequently, implementation of Mitigation Measure M-AQ-1h: Offsets of Operational Emissions would be required to reduce emission to the extent feasible. As discussed in Impact AQ-1 (above), if Mitigation Measure M-AQ-1h is implemented via a directly funded or implemented offset project, it could have the potential to reduce the impact to a less than significant level but only if the timing of the offsets could be documented prior to the occupancy of Phase 3 and ensured for the life of the project. Therefore, the residual impact of project emissions during operation at build out is conservatively considered significant and unavoidable with mitigation, acknowledging the assumption that the project sponsor would implement Mitigation Measures M-AQ-1a through M-AQ-1h.

Impact C-AQ-1: The Maximum Residential or Maximum Commercial Scenarios, in combination with past, present, and reasonably foreseeable future development in the project area, would contribute to cumulative regional air quality impacts.

The contribution of a project's individual air emissions to regional air quality impacts is, by its nature, a cumulative effect. Emissions from past, present, and future projects in the region also have or will contribute to adverse regional air quality impacts on a cumulative basis. No single project by itself would be sufficient in size to result in non-attainment of ambient air quality standards. Instead, a project's individual emissions contribute to existing cumulative air quality conditions. The project-level thresholds for criteria air pollutants are based on levels by which new sources are not anticipated to contribute to an air quality violation or result in a considerable net increase in criteria air pollutants. Therefore, because the Project's emissions exceed the project-level thresholds, the project would result in a considerable contribution to cumulative regional air quality impacts. As discussed above, implementation of Mitigation Measures M-AQ-1a through M-AQ-1h would reduce this impact, however, not to a less-than-significant level. Therefore, this impact would be significant and unavoidable with mitigation.

VI. EVALUATION OF PROJECT ALTERNATIVES

This Section describes the reasons for approving the Project and the reasons for rejecting the alternatives as infeasible. CEQA requires that an EIR evaluate a reasonable range of alternatives to the proposed project or the project location that substantially reduce or avoid significant impacts of the proposed project. CEQA requires that every EIR also evaluate a "No Project" alternative. Alternatives provide the decision maker with a basis of comparison to the proposed Project in terms of their significant impacts and their ability to meet project objectives. This comparative analysis is used to consider reasonable, potentially feasible options for minimizing environmental consequences of the Project.

A. Alternatives Selected for Detailed Analysis

The Alternatives set forth in the Final EIR and listed below are hereby rejected as infeasible based upon substantial evidence in the record, including evidence of economic, legal, social, technological, and other

considerations described in this Section, in addition to those described in Section VII below, which are hereby incorporated by reference, that make these alternatives infeasible. These determinations are made with the awareness that CEQA defines "feasibility" to mean "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors." (CEQA Guidelines § 15364.) Under CEQA case law, the concept of "feasibility" encompasses (i) the question of whether a particular alternative promotes the underlying goals and objectives of a project; and (ii) the question of whether an alternative is "desirable" from a policy standpoint to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, legal, and technological factors.

1. No Project Alternative.

Under the No Project Alternative, existing conditions at the Pier 70 project site would not change. Under this alternative, there would be no exchange of land under the Public Trust Exchange Agreement. The 35-acre project site that contains approximately 351,800 gsf of mostly vacant buildings and facilities, most of which are unoccupied, would be retained in its current condition with the current level of maintenance. Current uses on the site, all of which are on short-term leases or temporary, would continue. The Port would continue to renew the existing short-term leases on the project site; no tenant relocation plan would be proposed. While it is likely that the Port and/or developers could develop portions or all the 28 Acre Site and Illinois Parcels over a period of time, such development is speculative and therefore not analyzed under the No Project Alternative.

Under the No Project Alternative, there would be no amendment to the Planning Code, no rezoning of the entire 35-acre project site, and no adoption of a SUD enabling development controls. None of the approximately 3,422,265 gsf or 801,400 gsf of new buildings and improvements to existing structures on the 28-Acre Site and the Illinois Parcels, respectively, proposed as part of the Project would be constructed or improved. No new proposed residential, commercial, RAIL, or open space uses would be constructed on the project site under this alternative. No affordable residential units complying with the City's Affordable Inclusionary Housing Ordinance would be built. There would be no demolition or rehabilitation of contributing historic architectural resources in the Union Iron Works (UIW) Historic District on the project site under the No Project Alternative; no traffic or street and circulation improvements; no infrastructure or utilities improvements; no new 20th Street pump station; no grading or stabilization improvements; and no shoreline protection or sea level rise adaptation strategies on the project site.

If the No Project Alternative were implemented, none of the impacts associated with the Project would occur. The No Project Alternative would not preclude future development of the project site with a range of land uses that are principally permitted at the project site. Development and growth would continue within the vicinity of the project site as nearby projects are approved, constructed, and occupied. These projects would contribute to significant cumulative impacts in the vicinity, but under the No Project Alternative, the existing land use activity on the project site would continue and would therefore not contribute to these cumulative impacts beyond existing levels.

The No Project Alternative is hereby rejected as infeasible because, although it would eliminate the Project's significant and unavoidable impacts, it would fail to meet any of the basic objectives of the project and, therefore, is not a feasible alternative.

2. Code Compliant Alternative.

Under the Code Compliant Alternative, there would be no establishment of an SUD; the project site would remain in M-2 and P Zoning Districts. The Code Compliant Alternative would include approximately 1,881,360 gsf of development, about 45 percent less than under the Project overall. This alternative would include 590 residential units totaling 519,950 gsf, 1,162,260 gsf of commercial (office) use, 156,780 gsf of retail use, and 42,370 gsf of arts/light-industrial uses. The Code Compliant Alternative would provide 150 on-street vehicle parking spaces and 985 off-street spaces located on several surface parking lots on the site. Under this alternative, 5.76 acres of public open space would be constructed, including promenade and terrace areas along the waterfront, an Irish Hill playground area, and a plaza and market square around Building 12. Unlike the Project, this alternative does not include the Maximum Residential Scenario and the Maximum Commercial Scenario as optional development scenarios.

Under this alternative, the project site would remain within the existing Height and Bulk Districts of 65-X and 40-X. No voter approval would have been required pursuant to Proposition B under the Code Compliant Alternative because no changes to the height districts would be proposed.

Under the Code Compliant Alternative, 227,866 gsf located in Buildings 2, 12, and 21 on the project site would be retained and rehabilitated in accordance with Secretary of the Interior's Standards. As with the Project, the northern spur of the Irish Hill remnant would be removed to allow for the construction of 21st Street. Also, as under the Project, Building 21 would be relocated about 75 feet to the southeast. The remaining seven structures on the project site (Buildings 11, 15, 16, 19, 25, 32, and 66), containing 92,945 gsf, would be demolished.

Similar to the Project, the Code Compliant Alternative includes construction of transportation and circulation improvements. Under this alternative, the following transportation and circulation improvements would be implemented: construction of new 21st Street, reconstruction of 20th and 22nd streets, and construction of new Louisiana and Maryland streets. All new and reconstructed streets would be built with sidewalks. As under the Project, the Code Compliant Alternative would include the same bicycle circulation improvements (Bay Trail extension, Class II and Class III facilities on internal streets, and a bikeshare location). The Code Compliant Alternative would include same Transportation Demand Management (TDM) program as the Project, with exception of those items that pertain only to residential tenants. A TDM program would include the following: establishment of a Transportation Management Agency (TMA) that employs an on-site transit coordinator, operation of a shuttle system, maintenance of a TMA website with real-time transit information, distribution of educational documents, coordination of ride-matching services, enrollment in Emergency Ride Home program, employment of a structured parking strategy, unbundled residential and commercial parking, provision of car-share parking spaces, metering of on-street parking, and parking wayfinding signage across the site.

Under this alternative, new and upgraded utilities and infrastructure would be constructed, including a new 20th Street pump station. A combined sewer and stormwater system would be built, similar to Option 1 under the Project, but it would have slightly different alignments due to different building and roadway siting and locations. Unlike the Project, this alternative does not include variants. The Code Compliant Alternative would further some of the project sponsors' objectives.

The Code Compliant Alternative includes about 47,962 cubic yards of off-haul of excavated materials and about 8,900 cubic yards of clean fill import. This alternative includes construction of an engineered berm along the eastern property boundary with an approximately 3:1 slope and a maximum height of approximately 4 feet to address projected sea level rise flooding risks. Shoreline protection improvements, including placing rip-rap along the water's edge, under this alternative would be similar to those under the Project. Like the Project, implementation of this alternative would take place over a period of 11 years, similar to the Project, and in several phases (up to five for the Project, up to four for this alternative).

Under this alternative, an exchange of land under the Public Trust Exchange Agreement would occur under in order to clarify the Public Trust status of portions of Pier 70 that would free some portions of the project site from the Public Trust while committing others to the Public Trust.

The Draft EIR identified the Code Compliant as the environmentally superior alternative. Due to the substantially lower number of residential units and the decrease in the amount of commercial and RALI space to be constructed and occupied under the Code Compliant Alternative, that Alternative would lessen (but not avoid) the significant adverse impacts identified for the Project related to the topics of transportation, noise, and air quality. The Code Compliant Alternative would also lessen impacts of the Project that were found to be less than significant, or less than significant with mitigation, related to the topics of Land Use, Population and Housing, Cultural Resources (Archeological and Historic Architectural), Greenhouse Gas Emissions, Wind, Shadow, Recreation, Utilities and Service Systems, Public Services, Geology and Soils, Hazards and Hazardous Materials, and Mineral and Energy Resources.

The Code Compliant Alternative would partially meet the objectives of the Project. Like the Project, it would retain, rehabilitate, and reuse a former industrial complex that would continue to be a part of an historic district. It would provide public open spaces and waterfront access, commercial and retail space, and would contribute market-rate and affordable units toward meeting San Francisco's regional housing needs. However, it would provide substantially less public open space, market-rate and affordable residential units, and commercial and retail space than the Project. This alternative would not elevate building parcels, nor would it include a financing strategy to enable the project to adapt to future, increased levels of sea level rise. This alternative would not construct a high-quality, public-private development project that could attract sources of public investment, equity, and debt financing to fund site and infrastructure costs, and ongoing maintenance, and produce a market rate return investment that allows the Port to further its Public Trust mandate and mission.

The Project's transit impacts would be reduced but would still be significant and unavoidable with mitigation under the Code Compliant Alternative. As with the Project, loading impacts would remain significant and unavoidable even with implementation of identified mitigation. Similarly, the Code Compliant Alternative would reduce significant and unavoidable noise impacts related to increases in ambient noise (both temporary/periodic and permanent) associated with the Project, but these impacts would still be significant and unavoidable with mitigation. Compared to the Project, the Code Compliant Alternative would, however, reduce cumulative impacts related to increase in permanent ambient noise levels. Like the Project, the Code Compliant Alternative would result in air quality impacts that are significant and unavoidable with mitigation, although these impacts would be reduced compared to the Project.

The Code Compliant Alternative is rejected as infeasible because, although it would eliminate impacts associated with increase in ambient noise levels identified as significant and unavoidable with mitigation for the Project, it would not reduce to a less-than-significant level any of the other impacts identified as significant and unavoidable with mitigation for the Project. Additionally, the Code Compliant Alternative would not meet many of the project objectives. The Code Compliant Alternative would retain and reuse a former industrial complex that would continue to be a part of an historic district. However, the alternative would have significantly fewer waterfront open spaces, amenities, and services. Overall density of residential and commercial office uses would also be substantially reduced, as well as reduced housing affordability levels. As such, the Code Compliant Alternative would contribute fewer market-rate and affordable units toward meeting San Francisco's fair share of the regional housing needs. The catalytic effect of the Code Compliant Alternative on the larger Pier 70 area would be significantly diminished, as would revenue generation to fund other Pier 70 improvements, due to greatly reduced density. At the given density, taking into account the level of infrastructure necessary to facilitate development, development under the alternative would not be able to attract sources of equity and debt financing sufficient to fund the project's site and infrastructure costs, would not be able to fund ongoing maintenance and operation costs, and would not produce a market rate return on investment that meets the requirements of AB 418. While the alternative would comply with the *Pier 70 Risk Management Plan*, it would not include sustainability features over and above those currently required by the Planning and Building codes. The alternative would include construction of an engineered berm to protect the shoreline against projected levels of sea level rise. However, the alternative would not elevate building parcels, nor would it include a financing strategy to enable the project to adapt to future, increased levels of sea level rise.

3. 2010 Pier 70 Master Plan Alternative.

The 2010 Pier 70 Master Plan Alternative would conform to the Port of San Francisco's 2010 Pier 70 Preferred Master Plan. The 2010 Pier 70 Master Plan Alternative includes approximately 31.4 acres, and would not include development on the 3.6-acre Hoedown Yard (which would continue to be owned and operated by PG&E as a storage and maintenance yard). Under the 2010 Pier 70 Master Plan Alternative, the General Plan and Planning Code would be amended, adding a new Pier 70 SUD, which would establish land use and zoning controls for the 31.4-acre site. The existing Zoning Map would be amended to show changes from the current Zoning District (M-2 and P) to the proposed SUD zoning. Under this alternative, as under the Project, the existing Height and Bulk Districts of 65-X and 40-X would be increased to 90-X, except for a 100-foot-wide portion adjacent to the shoreline that would remain at 40 feet, but would become public open space under this alternative.

The 2010 Pier 70 Master Plan Alternative would include approximately 2,153,330 gsf of development, about 50 percent less square footage than under the Project. This alternative would include 195 residential units totaling 160,440 gsf, 1,698,780 gsf of commercial (office) use, 188,610 gsf of retail use, and 105,500 gsf of arts/light-industrial uses. The 2010 Pier 70 Master Plan Alternative would provide 405 on-street vehicle parking spaces and 2,120 off-street spaces located on several surface parking lots on the site. Under this alternative, 8.07 acres of open space would be constructed, including promenade and terrace areas along the waterfront, a plaza and market square around Buildings 2 and 12, an open space block along the northern portion of the 28-Acre Site, and a plaza on 20th Street around Building 3A. Unlike the Project, this alternative does not include the Maximum Residential Scenario and the Maximum Commercial Scenario as optional development scenarios.

Like the Project, this alternative would include a Design for Development document comparable to that of the Project, but would apply specifically to the height districts, use program, and site plan for streets, configuration of parcels, and open spaces under this alternative. As with the Project, the Design for Development under this alternative would establish standards and guidelines for the rehabilitation of historic buildings, buildable zones for infill construction, and would contain project-wide as well as location-specific massing and architecture requirements that would govern the design of infill construction within the project site to ensure architectural compatibility with historic buildings within the UIW Historic District.

Under the 2010 Pier 70 Master Plan Alternative, a total of 293,228 gsf of existing buildings would be retained and rehabilitated in accordance with the Secretary of the Interior's Standards. Buildings 2, 12, and 19 on the project site would be retained and rehabilitated in their current location, and Building 21 would be relocated just to the south of the Historic Core boundary, at the intersection of Louisiana and 21st streets within the project site. The remaining six structures on the project site (Buildings 11, 15, 16, 25, 32, and 66), containing about 86,793 gsf, would be demolished. As with the Project, the northern spur of the Irish Hill remnant would be removed to allow for the construction of 21st Street. The less-than-significant impacts associated with the demolition of contributing Building 19, specifically, under the Project, would be reduced to a level of no impact under this alternative, because this building would be retained.

Similar to the Project, the 2010 Pier 70 Master Plan Alternative includes construction of transportation and circulation improvements. Under this alternative, the following transportation and circulation improvements would be implemented: construction of new 21st Street, reconstruction of 20th and 22nd streets, and construction of new Louisiana and Maryland streets. All new and reconstructed streets would be built with sidewalks. The 2010 Pier 70 Master Plan Alternative would include the same bicycle circulation improvements (Bay Trail extension, Class II and Class III facilities on internal streets, and a bikeshare location) as the Project. The 2010 Pier 70 Master Plan Alternative would include the same TDM program as the Project, with exception of those items that pertain only to residential tenants. The TDM program would include establishment of a TMA that employs an on-site transit coordinator, operation of a shuttle system, maintenance of a TMA website with real-time transit information, distribution of educational documents, coordination of ride-matching services, enrollment in Emergency Ride Home program, employment of a district parking strategy, unbundled residential and commercial parking, provision of car-share parking spaces, metering of on-street parking, and parking wayfinding signage across the site.

Under this alternative, new and upgraded utilities and infrastructure, and a new 20th Street pump station, would be constructed. A combined sewer and stormwater system would be built, similar to Option 1 under the Project, but with slightly different alignments due to different building and roadway siting and locations. Unlike the Project, this alternative does not include variants. The 2010 Pier 70 Master Plan Alternative would further some of the project sponsors' objectives.

The 2010 Pier 70 Master Plan Alternative includes about 47,962 cubic yards of off-haul of excavated materials and about 8,900 cubic yards of clean fill import. It also includes construction of an engineered berm along the eastern property boundary with an approximately 3:1 slope and a maximum height of approximately 4 feet to address projected sea level rise flooding risks. Shoreline protection improvements under this alternative, including placement of new rip-rap along the water's edge, would be similar to

those under the Project. Like the Project, implementation of this alternative would take place over a period of 11 years and in several phases (up to five for the Project, up to four for this alternative). Similar to the Project, an exchange of land under the Public Trust Exchange Agreement would occur under the 2010 Pier 70 Master Plan Alternative in order to clarify the Public Trust status portions of Pier 70, which would free some portions of the project site from the Public Trust while committing others to the Public Trust.

The Project's transit impacts would be reduced but would still be significant and unavoidable with mitigation under the 2010 Pier 70 Master Plan Alternative. As with the Project, loading impacts would remain significant and unavoidable even with implementation of identified mitigation. The 2010 Pier 70 Master Plan Alternative would avoid the significant cumulative noise increases that would occur under either scenario of the Project. This alternative would substantially reduce the number of roadway segments subject to significant noise increases. With implementation of Mitigation Measure M-AQ-1f, Transportation Demand Management, these increases could be reduced by up to 1.0 dB, and all but two of these significant cumulative noise increases would be reduced to less than significant. Although there would still be a significant and unavoidable cumulative impact under this alternative for two roadway segments (20th Street east of Illinois Street and 25th Street east of Third Street), the degree of impact on both of these segments would be less than the Project. The 2010 Pier 70 Master Plan Alternative's contribution to this cumulative impact would still be cumulatively considerable, but substantially less than the Project. Like the Project, the 2010 Pier 70 Master Plan Alternative would result in air quality impacts that remain significant and unavoidable with mitigation, although these impacts would be reduced compared to the Project.

The 2010 Pier 70 Master Plan Alternative is rejected as infeasible because, although it would reduce to less-than-significant impacts associated with increase in ambient noise levels identified as significant and unavoidable with mitigation for the Project, it would not reduce to a less-than-significant level any of the other impacts identified as significant and unavoidable with mitigation for the Project. Additionally, the 2010 Pier 70 Master Plan Alternative would not meet many of the project objectives. The alternative would retain and reuse a former industrial complex that would continue to be a part of an historic district. However, the alternative would have fewer amenities and services and overall density of residential uses would be substantially reduced, eliminating the mixed-use nature of the project. The alternative would provide only one parcel for housing, with the standard level of affordable housing units. The alternative would have a reduced amount of open space. While the alternative would likely include development able to fund ongoing maintenance and operation costs, it may not be able to produce a market rate return on investment that meets the requirements of AB 418 and therefore would not attract cost-efficient sources of equity and debt financing sufficient to fund the project's site and infrastructure construction costs. Finally, the 2010 Pier 70 Master Plan Alternative does not include future development at the Hoedown Yard.

B. Alternatives Considered and Rejected

1. Maritime Use Alternative

The Maritime Use Alternative would contain only maritime; industrial; production, distribution and repair (PDR); and parking uses throughout the entirety of the project site, consistent with existing zoning and height limits. This alternative would be more consistent with the current and past uses at the site. The

resulting project would have a significantly lower intensity, which would reduce project trips and associated noise and air quality impacts. It would also eliminate residential uses at both the 28-Acre Site and Illinois Parcels, which would address potential transportation, noise and vibration, and air quality impacts. However, the maritime or industrial uses could themselves produce greater noise and/or air quality impacts as compared to the Project.

This alternative was ultimately not selected as it does not achieve a variety of the project sponsors' basic objectives. The Maritime Use Alternative would significantly modify the Project to allow only maritime, industrial, PDR, and parking uses. The overall intensity would be significantly less than the Project. The Maritime Use Alternative would not fully meet the project objectives of providing a new, activated waterfront open space and providing access to San Francisco Bay where it has historically been precluded, by opening the eastern shore of the site to the public with a significant new waterfront park, and creating a pedestrian- and bicycle-friendly environment. This alternative would result in no new affordable housing. Additionally, the alternative would not attract sources of equity and debt financing sufficient to fund the alternative's site and infrastructure construction costs or fund ongoing maintenance and operation costs, and would not achieve a market-rate return on investment that meets the requirements of Assembly Bill No. 418 (2011).

2. No Hoedown Yard Alternative.

The No Hoedown Yard Alternative would modify the Project to eliminate all future development at or improvement of the approximately 3.6-acre Hoedown Yard parcel. This condition would occur if PG&E were unable to find a suitable area to relocate the utilities operations that currently occur at the Hoedown Yard. This alternative would result in a total open space area of 6.7 acres at the project site, a 2.3 acre reduction from the Project. The No Hoedown Yard Alternative would also result in a reduced intensity of development. The No Hoedown Yard Alternative would result in reduced excavation at the Hoedown Yard parcel. Except for these modifications, the No Hoedown Yard Alternative would include components similar to the Project.

The No Hoedown Yard Alternative would not require the approval of the California Public Utilities Commission of PG&E's sale of Hoedown Yard parcel. Otherwise, all of the same approval actions as those listed for the Project in Section 2.C of this EIR.

This alternative would meet most, but not all, of the Project Sponsors' objectives. However, this EIR analyzes as an alternative the 2010 Pier 70 Master Plan Alternative, which includes approximately 32 acres, and excludes all land associated with the Hoedown Yard. Accordingly, the No Hoedown Yard Alternative was ultimately not selected for further consideration because the 2010 Pier 70 Master Plan Alternative similarly excluded the Hoedown Yard, and therefore analysis of this alternative would be redundant. Additionally, this alternative would not substantially reduce environmental impacts as compared to the Project.

3. Noise Compatibility Alternative.

The Noise Compatibility Alternative would be similar to the Project but would allow only commercial-office and RALI uses on the Illinois Parcels, in order to prevent exposure of future sensitive receptors (that would locate on Illinois Street within the project site) to significant noise impacts. This alternative

was also intended to address comments submitted on behalf of the American Industrial Center during the Notice of Preparation public comment period. Except for the modification in allowable uses, the Noise Compatibility Alternative would include components similar to the Project and would meet most of the project sponsor's objectives. Mitigation Measure M-NO-6: Design of Future Noise-Sensitive Uses would require that a noise study be conducted by a qualified acoustician who shall determine the need to incorporate noise attenuation measures into the building design. Under the Project, Mitigation Measure M-NO-6 would reduce the potentially significant noise impact on proposed residential sensitive receptors in the Illinois Parcels to a less-than-significant level. Because no significant and unavoidable impact on proposed residential sensitive receptors would result under the Project, the identification and evaluation of a Noise Compatibility Alternative is not required under CEQA.

VII. STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to Public Resources Section 21081 and CEQA Guidelines Section 15093, it is hereby found, after consideration of the Final EIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the Project as set forth below independently and collectively outweighs the significant and unavoidable impacts and is an overriding consideration warranting approval of the Project. Any one of the reasons for approval cited below is sufficient to justify approval of the Project. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, this determination is that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the Final EIR and the preceding findings, which are incorporated by reference into this Section, and in the documents found in the administrative record, as described in Section I.

On the basis of the above findings and the substantial evidence in the whole record of this proceeding, it is specifically found that there are significant benefits of the Project in spite of the unavoidable significant impacts. It is further found that, as part of the process of obtaining Project approval, all significant effects on the environment from implementation of the Project have been eliminated or substantially lessened where feasible. Any remaining significant effects on the environment found to be unavoidable are found to be acceptable due to the following specific overriding economic, technical, legal, social and other considerations:

- The Project would implement the open space, housing, affordability, historic rehabilitation, artist community preservation, commercial, waterfront height limit and urban design policies endorsed by the voters in Proposition F for the 28-Acre Site (November 2014).
- The Project would serve, along with the Historic Core Project (also referred to as the Orton Project) and Crane Cove Park, as a catalyst project for Pier 70 to support the Port's site-wide goals established in the *Pier 70 Preferred Master Plan*, including new infrastructure, streets and utilities, and new revenue to fund other Pier 70 improvements.

- The Project would invest over \$390 million in improvements in transportation and other infrastructure critical to serving the Project Site, the Union Iron Works Historic District, the historic ship repair operations and the surrounding neighborhood.
- The Project would create a unique San Francisco neighborhood within an industrial historic district that includes new, activated waterfront open spaces with the amenities and services necessary to support a diverse, thriving community of residents and workers, while addressing potential land use conflicts with ongoing ship repair at Pier 70.
- The Project would provide a model of 21st century sustainable urban development by implementing the *Pier 70 Risk Management Plan* approved by the San Francisco Bay Regional Water Quality Control Board; encouraging energy and water conservation systems; and reducing vehicle usage, emissions, and vehicle miles traveled to reduce the carbon footprint impacts of new development, consistent with the Port's *Climate Action Plan*.
- Development of the 28-Acre Site will include sustainability measures required under the Design for Development, Infrastructure Plan, TDM Plan, and MMRP, seeking to enhance livability, health and wellness, mobility and connectivity, ecosystem stewardship, climate protection, and resource efficiency of the 28-Acre Site.
- The Project's Transportation Plan, which includes a TDM plan, would provide a full suite of measures to reduce vehicles on the road and would result in a minimum of a 20% vehicle trip reduction.
- The Project would provide dense, mixed-income housing that includes both ownership and rental opportunities, to attract a diversity of household types in order to help San Francisco meet its fair share of regional housing needs.
- The Project would create between approximately 300 and 600 new affordable homes, comprising 30% of all new homes at the 28-Acre Site. The Project would also include a priority housing program for residents of District 10, to the extent allowable under applicable law.
- The Project would generate approximately \$15-20 million in revenue to support the rebuild of public housing facilities, such as the nearby Potrero Annex and Potrero Terrace public housing communities, in accordance with Board Resolution No. 54-14.
- The Project would provide long overdue improvements and revitalize the former industrial site that is currently asphalt lots and deteriorating buildings behind chain link fences, which prohibit public access to the waterfront.
- The Project would provide access to San Francisco Bay where it has been historically precluded, by opening the eastern shore of the site to the public with a major new waterfront park, extending the Bay Trail, and establishing the Blue Greenway, all of which will create a pedestrian- and bicycle-friendly environment.

- The Project would incorporate cutting edge streetscape design that prioritizes pedestrian access, such as providing a raised street design at Maryland and 20th Street at the waterfront and over 50% of the Project site as open space or pedestrian only paths.
- The Project's design would provide an innovative approach to complement the Union Iron Works Historic District, with the Pier 70 SUD Design for Development document establishing standards and guidelines for rehabilitation of historic buildings, as well as maximum building heights and buildable zones for infill construction and project-side and location-specific massing and architecture requirements. Key design features of the Design for Development intended to enhance compatibility of new infill construction with adjacent historical resources in the UIW Historic District include: (1) buffer zones; (2) facades and materiality; (3) adjacency to historical resources.
- The Project would establish nine acres of parks, playgrounds and recreational facilities on and adjacent to the Project Site, more than tripling the amount of parks in the Dogpatch neighborhood. Potential rooftop areas adjacent to Irish Hill would provide active recreation opportunities, such as playing fields and courts.
- Private development will bear the cost for long-term maintenance and management of parks and open spaces within the Project, as well as future sea level rise improvements.
- The Project would include dedicated on-site childcare for at least 100 children to serve area residents and workers, to be operated by a qualified non-profit operator.
- The Project would rehabilitate three contributors to the Union Iron Works Historic District to accommodate new uses consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties, and design and build new infrastructure, public realm areas, parks and buildings consistent with the Infill Development Design Criteria within the Port's *Pier 70 Preferred Master Plan* and support the continued integrity of the Union Iron Works Historic District.
- The Project would create business and employment opportunities, including an estimated 10,000 permanent jobs and 11,000 temporary construction jobs, for local workers and businesses during the design, construction, and operation phases of the Project. The Project sponsors have committed to hiring local employees for 30% of the infrastructure and building construction jobs, and implementing a small diversity business program and a workforce training program that partners with local organizations.
- The Project would provide substantial new and renovated space for arts, cultural, non-profits, small-scale manufacturing, local retail and neighborhood services, including a new arts facility up to 90,000 square feet and 50,000 square feet of production, distribution and repair (PDR) uses.
- The Project would preserve the artist community currently located in the Noonan Building in new state-of-the-art, on-site space that is affordable, functional and aesthetic.

- The Project would elevate and reinforce site infrastructure and building parcels to allow the new Pier 70 neighborhood to be resilient to projected levels of sea level rise and any major seismic event, as well as incorporate financing strategies and generate funding streams that enable the project and the Port's Bay shoreline to adapt to future, increased levels of sea level rise.
- The Project would construct a high-quality, public-private development project that can attract sources of public investment, equity, and debt financing sufficient to fund the Project's site and infrastructure costs, fund ongoing maintenance and operation costs, and produce a market rate return investment that meets the requirement of Assembly Bill (AB) 418 (2011) and allows the Port to further its Public Trust mandate and mission.
- The project will provide training and hiring opportunities for hiring San Francisco residents and formerly homeless and economically disadvantaged individuals for temporary construction and permanent jobs, including local hire mandatory participation at 30% per trade, opportunities for local business enterprise participation and first source hiring.

Having considered the above, the Planning Commission finds that the benefits of the Project outweigh the unavoidable adverse environmental effects identified in the Final EIR, and that those adverse environmental effects are therefore acceptable.

Motion No. 19977
August 24, 2017

CASE NO 2014-001272ENV
Pier 70 Mixed-Use Project

Attachment B

Mitigation Monitoring and Reporting Program for Pier 70 Mixed-Use Project

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Implementation Responsibility | Mitigation Schedule | Monitoring/ Reporting Responsibility | Monitoring Schedule | Monitoring Agency ¹ |
| MITIGATION MEASURES FOR THE PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
| <i>Cultural Resources (Archaeological Resources) Mitigation Measures</i> | | | | | |
| M-CR-1a: Archeological Testing, Monitoring, Data Recovery and Reporting Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the Proposed Project on buried or submerged historical resources. The project sponsors shall retain the services of an archeological consultant from rotational Department Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist. The project sponsors shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the | Project sponsors ² to retain qualified professional archaeologist from the pool of archaeological consultants maintained by the Planning Department. The archaeological consultant shall undertake an archaeological testing program as specified herein. Project sponsors, | Prior to the issuance of site permits, submittal of all plans and reports for approval by the ERO. | Archaeological consultant's work shall be conducted in accordance with this measure at the direction of the ERO. | Considered complete when project sponsor retains a qualified professional archaeological consultant and archeological consultant has approved scope by the ERO for the archeological testing program | Planning Department |

¹ Both the City and the Port have jurisdiction over portions of the Project Site. This column identifies the agency or agencies with monitoring responsibility for each mitigation and improvement measure. The 28-Acre Site and 20th Illinois Parcels are located within the Port's building permit jurisdiction. The Hoedown Yard parcel is located within the San Francisco Department of Building Inspection (DBI).

² Note: For purposes of this MMRP, unless otherwise indicated, the term "project sponsor" shall mean the party (*i.e.*, the Developer under the DDA, a Vertical Developer (as defined in the DDA) or Port, as applicable, and their respective contractors and agents) that is responsible under the Project documents for construction of the improvements to which the Mitigation Measure applies, or otherwise assuming responsibility for implementation of the mitigation measure.

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Implementation Responsibility | Mitigation Schedule | Monitoring/ Reporting Responsibility | Monitoring Schedule | Monitoring Agency ¹ |
| <p>suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in State CEQA Guidelines Section 15064.5 (a) and (c).</p> <p><u>Consultation with Descendant Communities</u></p> <p>On discovery of an archeological site associated with descendant Native Americans, the Overseas Chinese, or other potentially interested descendant group, an appropriate representative of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archeological Resources Report shall be provided to the representative of the descendant group.</p> | <p>archaeological consultant shall contact the ERO and descendant group representative upon discovery of an archaeological site associated with descendant Native Americans or the Overseas Chinese. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations on the site and consult with the ERO regarding appropriate archaeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archaeological site.</p> | <p>For the duration of soil-disturbing activities.</p> | <p>Archaeological Consultant shall prepare a Final Archaeological Resources Report in consultation with the ERO (per below). A copy of this report shall be provided to the ERO and the representative of the descendant group.</p> | <p>Considered complete upon submittal of Final Archaeological Resources Report.</p> | |
| <u>Archeological Testing Program</u> | <u>Development of</u> | Prior to any | Archaeological | Considered | Planning |

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| <p>The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the Proposed Project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.</p> <p>At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the Proposed Project, at the discretion of the project sponsors either:</p> <p>A) The Proposed Project shall be redesigned so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p> | <p><u>ATP:</u> Project sponsors and archaeological consultant in consultation with the ERO.</p> <p><u>Archeological Testing Report:</u> Project sponsors and archaeological consultant in consultation with the ERO.</p> | <p>excavation, site preparation or construction, and prior to testing, an ATP for a defined geographic area and/or specified construction activities is to be submitted to and approved by the ERO. A single ATP or multiple ATPs may be produced to address project phasing.</p> <p>At the completion of each archaeological testing program.</p> | <p>consultant to undertake ATP in consultation with ERO.</p> <p>Archaeological consultant to submit results of testing, and in consultation with ERO, determine whether additional measures are warranted. If significant archaeological</p> | <p>complete with approval of the ATP by the ERO and on finding by the ERO that the ATP is implemented.</p> <p>Considered complete on submittal to ERO of report(s) on ATP findings.</p> | <p>Department</p> |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| | | | resources are present and may be adversely affected, project sponsors, at its discretion, may elect to redesign a project, or implement data recovery program, unless ERO determines the archaeological resource is of greater interpretive than research significance and that interpretive use is feasible. | | |
| <u>Archeological Monitoring Program</u> <p>If the ERO in consultation with the archeological consultant determines that an archeological monitoring program (AMP) shall be implemented, the AMP would minimally include the following provisions:</p> <ul style="list-style-type: none"> The archeological consultant, project sponsors, and ERO shall meet and consult on the scope of the AMP prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. A single AMP or multiple AMPs may be produced to address project phasing. In most cases, any soils-disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring | Project sponsors and archaeological consultant at the direction of the ERO. | The archaeological consultant, project sponsors, and ERO shall meet prior to the commencement of soil-disturbing activities for a defined geographic area and/or specified construction | If required, archaeological consultant to prepare the AMP in consultation with the ERO. | Considered complete on approval of AMP(s) by ERO; submittal of report regarding findings of AMP(s); and finding by ERO that AMP(s) is implemented. | Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>because of the risk these activities pose to potential archeological resources and to their depositional context. The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;</p> <ul style="list-style-type: none"> The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits; The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis; <p>If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, pile driving activity that may affect the archeological resource shall be suspended until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the Proposed Project, at the</p> | | <p>activities. The ERO in consultation with the archaeological consultant shall determine what archaeological monitoring is necessary. A single AMP or multiple AMPs may be produced to address project phasing.</p> | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>discretion of the project sponsors either:</p> <p>A) The Proposed Project shall be redesigned so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p> <p>Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p> | | | | | |
| <p><u>Archeological Data Recovery Program</u></p> <p>If the ERO, in consultation with the archeological consultant, determines that an archeological data recovery programs shall be implemented based on the presence of a significant resource, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. The archeological consultant, project sponsors, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, shall be limited to the portions of the historical property that could be adversely affected by the Proposed Project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> | Project sponsors and archaeological consultant at the direction of the ERO. | Upon determination by the ERO that an ADRP is required. A single ADRP or multiple ADRPs may be produced to address project phasing. | If required, archaeological consultant to prepare an ADRP(s) in consultation with the ERO. | Considered complete on submittal of ADRP(s) to ERO. | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> • <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. • <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. • <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. • <i>Interpretive Program.</i> Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. • <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. • <i>Final Report.</i> Description of proposed report format and distribution of results. • <i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. | | | | | |
| <p><u>Human Remains and Associated or Unassociated Funerary Objects</u></p> <p>The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the coroner of the City and County of San Francisco and in the event of the coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project</p> | Project sponsors and archaeological consultant, in consultation with the San Francisco Coroner, NAHC, ERO, and MLD. | In the event human remains and/or funerary objects are encountered. | Archaeological consultant/archaeological monitor/project sponsors or contractor to contact San Francisco County Coroner and ERO. | Ongoing during soils disturbing activity. Considered complete on notification of the San Francisco County Coroner | Planning Department |

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| sponsors, ERO, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (State CEQA Guidelines Section 15064.5(d)). The agreement shall take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such an agreement has been made or, otherwise, as determined by the archeological consultant and the ERO. | | | Implement regulatory requirements, if applicable, regarding discovery of Native American human remains and associated/unassociated funerary objects. Contact archaeological consultant and ERO. | and NAHC, if necessary. | |
| <p><u>Final Archeological Resources Report</u></p> <p>The archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report. The FARR may be submitted at the conclusion of all construction activities associated with the Proposed Project or on a parcel-by-parcel basis.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high</p> | <p>Project sponsors and archaeological consultant at the direction of the ERO.</p> <p>The ERO shall provide to the archaeological consultant(s) preparing the FARR reports and relevant data obtained through implementation of this Mitigation Measure M-CR-1a.</p> | <p>For Horizontal Developer-prior to determination of substantial completion of infrastructure at each sub-phase</p> <p>For Vertical Developer-prior to issuance of Certificate of Temporary or Final Occupancy, whichever occurs first</p> | <p>If applicable, archaeological consultant to submit a Draft and final FARR to ERO based on reports and relevant data provided by the ERO</p> <p>Archaeological consultant to distribute FARR.</p> | <p>Considered complete on submittal of FARR and approval by ERO.</p> <p>Considered complete when archaeological consultant provides written certification to the ERO that the required FARR</p> | Planning Department |

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| public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above. | | If applicable, upon approval of the FARR by the ERO. | | distribution has been completed. | |
| <p>M-CR-1b: Interpretation</p> <p>Based on a reasonable presumption that archeological resources may be present within the project site, and to the extent that the potential significance of some such resources is premised on CRHR Criteria 1 (Events), 2 (Persons), and/or 3 (Design/Construction), the following measure shall be undertaken to avoid any potentially significant adverse effect from the Proposed Project on buried or submerged historical resources if significant archeological resources are discovered.</p> <p>The project sponsors shall implement an approved program for interpretation of significant archeological resources. The interpretive program may be combined with the program required under Mitigation Measure M-CR-4b: Public Interpretation. The project sponsors shall retain the services of a qualified archeological consultant from the rotational Department Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist having expertise in California urban historical and marine archeology. The archeological consultant shall develop a feasible, resource-specific program for post-recovery interpretation of resources. The particular program for interpretation of artifacts that are encountered within the project site will depend upon the results of the data recovery program and will be the subject of continued discussion between the ERO, consulting archeologist, and the project sponsors. Such a program may include, but is not limited to, any of the following (as outlined in the ARDTP): surface commemoration of the original location of resources; display of resources and associated artifacts (which may offer an underground view to the public); display of interpretive materials such as graphics, photographs, video, models, and public art; and academic and popular publication of the results of the data recovery. The interpretive program shall include an on-site</p> | Project sponsors and archaeological consultant at the direction of the ERO. | Prior to issuance of final certificate of occupancy | Archaeological consultant shall develop a feasible, resource-specific program for post-recovery interpretation of resources. All plans and recommendations for interpretation by the archaeological consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until deemed final by the ERO. The ERO to approve final interpretation program. Project sponsors to implement an approved | Considered complete upon installation of approved interpretation program, if required. | Planning Department |

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| <p>component.</p> <p>The archeological consultant's work shall be conducted at the direction of the ERO, and in consultation with the project sponsors. All plans and recommendations for interpretation by the consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO.</p> | | | interpretation program. | | |
| <p>Mitigation Measure M-CR-5: Preparation of Historic Resource Evaluation Reports, Review, and Performance Criteria.</p> <p>Prior to Port issuance of building permits associated with Buildings 2, 12 and 21, Port of San Francisco Preservation staff shall review and approve future rehabilitation design proposals for Buildings 2, 12, and 21. Submitted rehabilitation design proposals for Buildings 2 and 12 shall include, in addition to proposed building design, detail on the proposed landscaping treatment within a 20-foot-wide perimeter of each building. The Port's review and analysis would be informed by Historic Resource Evaluation(s) provided by the project sponsors. The Historic Resource Evaluation(s) shall be prepared by a qualified consultant who meets or exceeds the Secretary of the Interior's Professional Qualification Standards in historic architecture or architectural history. The scope of the Historic Resource Evaluation(s) shall be reviewed and approved by Port Preservation staff prior to the start of work. Following review of the completed Historic Resource Evaluation(s), Port preservation staff would prepare one or more Historic Resource Evaluation Response(s) that would contain a determination as to the effects, if any, on historical resources of the proposed renovation. The Port shall not issue buildings permits associated with Buildings 2, 12, and 21 until Port preservation staff conclude that the design (1) conforms with the Secretary of the Interior's Standards for Rehabilitation; (2) is compatible with the UICW Historic District; and (3) preserves the building's historic materials and character-defining features, and repairs instead of replaces deteriorated features, where feasible. Should alternative materials be proposed for replacement of historic materials, they shall be in keeping with the size, scale, color, texture, and general appearance. The performance criteria shall ensure</p> | Project sponsors and qualified preservation architect, historic preservation expert, or other qualified individual. | Prior to the issuance of building permits associated with Buildings 2, 12 and 21. | Qualified historian to prepare historic resource evaluation documentation and present to Port staff to determine conformance to the Secretary's Standards. | Considered complete upon approval by the Port staff. | Port |

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| <p>retention of the following character-defining features of each historic building:</p> <ul style="list-style-type: none"> Building 2: (1) board-formed concrete construction; (2) six-story height; (3) flat roof; (4) rectangular plan and north-south orientation; (5) regular pattern of window openings on east and west elevations; (6) steel, multi-pane, fixed sash windows (floors 1-5); (7) wood sash windows (floor 6); (8) elevator/stair tower that rises above roofline and projects slightly from west façade. Building 12: (1) steel and wood construction; (2) corrugated steel cladding (except the as-built south elevation which was always open to Building 15); (3) 60-foot height; (4) Aiken roof configuration with five raised, glazed monitors; (5) clerestory multi-lite steel sash awning windows along the north and south sides of the monitors; (6) multi-lite, steel sash awning widows, arranged in three bands (with a double-height bottom band) on the north and west elevations, and in four bands on the east elevation; (7) 12-bay configuration of east and west elevations; (8) north-south roof ridge from which roof slopes gently (1/4 inch per foot) to the east and west Building 21: (1) steel frame construction; (2) corrugated metal cladding; (3) double-gable roof clad in corrugated metal, with wide roof monitor at each gable; (4) multi-lite, double hung wood or horizontal steel sash windows; and (5) two pairs of steel freight loading doors on the north elevation, glazed with 12 lites per door. <p>Port staff shall not approve any proposal for rehabilitation of Buildings 2, 12, and 21 unless they find that such a scheme conforms to the Secretary's Standards as specified for each building.</p> | | | | | |
| <p>Mitigation Measure M-CR-11: Performance Criteria and Review Process for New Construction</p> <p>In addition to the standards and guidelines established as part of the Pier 70</p> | Project sponsors | Prior to issuance of a building permit for new | San Francisco Preservation Planning staff, in consultation with | Considered complete when Planning and Port Preservation | Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>SUD and <i>Design for Development</i>, new construction and site development within the Pier 70 SUD shall be compatible with the character of the UIW Historic District and shall maintain and support the District's character-defining features through the following performance criteria (terminology used has definition as provided in the <i>Design for Development</i>):</p> <ol style="list-style-type: none"> 1. New construction shall comply with the Secretary of the Interior's Rehabilitation Standard No. 9: "New Addition, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the integrity of the property and its environment." 2. New construction shall comply with the Infill Development Design Criteria in the Port of San Francisco's <i>Pier 70 Preferred Master Plan</i> (2010) as found in Chapter 8, pp 57-69 (a policy document endorsed by the Port Commission to guide staff planning at Pier 70). 3. New construction shall be purpose-built structures of varying heights and massing located within close proximity to one another. 4. New construction shall not mimic historic features or architectural details of contributing buildings within the District. New construction may reference, but shall not replicate, historic architectural features or details. 5. New construction shall be contextually appropriate in terms of massing, size, scale, and architectural features, not only with the remaining historic buildings, but with one another. 6. New construction shall reinforce variety through the use of materials, architectural styles, rooflines, building heights, and window types and through a contemporary palette of materials as well as those found within the District. | | construction. | <p>the San Francisco Port Preservation staff, shall use the Final Pier 70 SUD <i>Design for Development</i> Standards, including Secretary Standard No. 9, to evaluate all future development proposals within the project site for proposed new construction within the UIW Historic District. As part of this effort, project sponsors shall also submit a written memorandum for review and approval to San Francisco Preservation Planning and Port staff that confirms compliance of all proposed new construction with these guiding plans and policies. San Francisco</p> | <p>staff note compliance with the Pier 70 SUD <i>Design for Development</i> Standards, including Secretary Standard No. 9, outlined in the written memorandum.</p> | |

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| <p>7. Parcel development shall be limited to the new construction zones identified in <i>Design for Development</i> Figure 6.3.1: Allowable New Construction Zones.</p> <p>8. The maximum height of new construction shall be consistent with the parcel heights identified in <i>Design for Development</i> Figure 6.4.2: Building Height Maximum.</p> <p>9. The use of street trees and landscape materials shall be limited and used judiciously within the Pier 70 SUD. Greater use of trees and landscape materials shall be allowed in designated areas consistent with <i>Design for Development</i> Figure 4.8.1: Street Trees and Plantings Plan.</p> <p>10. New construction shall be permitted adjacent to contributing buildings as identified in <i>Design for Development</i> Figure 6.3.2: New Construction Buffers.</p> <p>11. No substantive exterior additions shall be permitted to contributing Buildings 2, 12, or 21. Building 12 did not historically have a south-facing façade; therefore, rehabilitation will by necessity construct a new south elevation wall. Building 21 shall be relocated approximately 75 feet east of its present placement, to maintain the general historic context of the resource in spatial relationship to other resources. Building 21's orientation shall be maintained.</p> <p><u>Building Specific Standards</u></p> <p>Each development parcel within the Pier 70 SUD has a different physical proximity and visual relationship to the contributing buildings within the UIW Historic District. For those façades immediately adjacent to or facing contributing buildings, building design shall be responsive to identified character-defining features in the manner described in the <i>Design for Development</i> Buildings chapter. All other façades shall have greater freedom in the expression of scale, color, use of material, and overall appearance, and shall be permitted if consistent with Secretary Standard No. 9 and the <i>Design</i></p> | | | <p>Preservation Planning staff must make determination in compliance with the timelines outlined in the Pier 70 Special Use District section of the Planning Code for review of vertical design.</p> | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <p><i>for Development.</i></p> <p>Table M.CR.1: Building-Specific Responsiveness, indicates resources that are located adjacent to, and have the greatest influence on the design of, the noted development parcel façade.</p> <p>Table M.CR.1: Building-Specific Responsiveness</p> <table><tr><th>Façade/Parcel Name-Number</th><th>Contributing Building (Building No.)</th></tr><tr><td>North and West; A</td><td>113</td></tr><tr><td>North and Northeast; B</td><td>113, 6</td></tr><tr><td>North; C1</td><td>116</td></tr><tr><td>East and South; C2</td><td>12</td></tr><tr><td>South and West; D</td><td>2, 12</td></tr><tr><td>East and South; E1</td><td>21</td></tr><tr><td>West; E2</td><td>12</td></tr><tr><td>West; E4</td><td>21</td></tr><tr><td>North; F/G</td><td>12</td></tr><tr><td>East; PKN</td><td>113-116</td></tr></table> <p><i>Source:</i> ESA 2015.</p> <p><u>Palette of Materials</u></p> <p>In addition to the standards and guidelines pertaining to application of</p> | Façade/Parcel Name-Number | Contributing Building (Building No.) | North and West; A | 113 | North and Northeast; B | 113, 6 | North; C1 | 116 | East and South; C2 | 12 | South and West; D | 2, 12 | East and South; E1 | 21 | West; E2 | 12 | West; E4 | 21 | North; F/G | 12 | East; PKN | 113-116 | | | | | |
| Façade/Parcel Name-Number | Contributing Building (Building No.) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| North and West; A | 113 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| North and Northeast; B | 113, 6 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| North; C1 | 116 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| East and South; C2 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| South and West; D | 2, 12 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| East and South; E1 | 21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| West; E2 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| West; E4 | 21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| North; F/G | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| East; PKN | 113-116 | | | | | | | | | | | | | | | | | | | | | | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>materials in the <i>Design for Development</i>, the following material performance standards would apply to the building design on the development parcels (terminology used has definition as provided in the <i>Design for Development</i>):</p> <ul style="list-style-type: none"> Masonry panels that replicate traditional nineteenth or twentieth century brick masonry patterns shall not be allowed on the east façade of Parcel PKN, north and west façades of Parcel A or on the north façade of Parcel C1. Smooth, flat, minimally detailed glass curtain walls shall not be allowed on the façades listed above. Glass with expressed articulation and visual depth or that expresses underlying structure is an allowable material throughout the entirety of the Pier 70 SUD. Coarse-sand finished stucco shall not be allowed as a primary material within the entirety of the UIW Historic District. Bamboo wood siding shall not be allowed on façades listed above or as a primary façade material. Laminated timber panels shall not be allowed on façades listed above. When considering material selection immediately adjacent to contributing buildings (e.g., 20th Street Historic Core; Buildings 2, 12, and 21; and Buildings 103, 106, 107, and 108 located within or immediately adjacent to the BAE Systems site), characteristics of compatibility and differentiation shall both be taken into account. Material selection shall not duplicate adjacent building primary materials and treatments, nor shall they establish a false sense of historic development. Avoid conflict of new materials that appear similar or attempt to replicate historic materials. For example, Building 12 has character-defining corrugated steel cladding. As such, the eastern | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>façade of Parcel C2, the northern façade of Parcels F and G, and the southern façade of Parcel D1 shall not use corrugated steel cladding as a primary material. As another example, Building 113 has character-defining brick-masonry construction. As such, the northern and western façades of Parcel A and the eastern façade of Parcel K North shall not use brick masonry as a primary material.</p> <ul style="list-style-type: none"> Use of contemporary materials shall reflect the scale and proportions of historic materials used within the UIW Historic District. Modern materials shall be designed and detailed in a manner to reflect but not replicate the scale, pattern, and rhythm of adjacent contributing buildings' exterior materials. <p><u>Review Process</u></p> <p>Prior to Port issuance of building permits associated with new construction, San Francisco Preservation Planning staff, in consultation with the San Francisco Port Preservation staff, shall use the Final Pier 70 SUD <i>Design for Development</i> Standards, including Secretary Standard No. 9, to evaluate all future development proposals within the project site for proposed new construction within the UIW Historic District. As part of this effort, project sponsors shall also submit a written memorandum for review and approval to San Francisco Preservation Planning staff that confirms compliance of all proposed new construction with these guiding plans and policies.</p> | | | | | |
| <i>Transportation and Circulation Mitigation Measures</i> | | | | | |
| <p>Mitigation Measure M-TR-5: Monitor and increase capacity on the 48 Quintara/24th Street bus routes as needed.</p> <p>Prior to approval of the Proposed Project's phase applications, project sponsors shall demonstrate that the capacity of the 48 Quintara/24th Street bus route has not exceeded 85 percent capacity utilization, and that future demand associated with build-out and occupancy of the phase will not cause</p> | <p>Developer, TMA, and SFMTA.</p> <p>Documentation of capacity of the 48 Quintara/24th Street</p> | <p><u>Demonstration of capacity:</u></p> <p>Prior to approval of the project's phase applications.</p> | <p>Project sponsors to demonstrate to the SFMTA that each building for which temporary certificates of occupancy are</p> | <p>Considered complete upon approval of the project's phase application.</p> | <p>Planning Department, SFMTA</p> |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>the route to exceed its utilization. Forecasts of travel behavior of future phases could be based on trip generation rates forecast in the EIR or based on subsequent surveys of occupants of the project, possibly including surveys conducted as part of ongoing TDM monitoring efforts required as part of Air Quality Mitigation Measure M-AQ-1f: Transportation Demand Management.</p> <p>If trip generation calculations or monitoring surveys demonstrate that a specific phase of the Proposed Project will cause capacity on the 48 Quintara/24th Street route to exceed 85 percent, the project sponsors shall provide capital costs for increased capacity on the route in a manner deemed acceptable by SFMTA through the following means:</p> <ul style="list-style-type: none"> At SFMTA's request, the project sponsors shall pay the capital costs for additional buses (up to a maximum of four in the Maximum Residential Scenario and six in the Maximum Commercial Scenario). If the SFMTA requests the project sponsor to pay the capital costs of the buses, the SFMTA would need to find funding to pay for the added operating cost associated with operating increased service made possible by the increased vehicle fleet. The source of that funding has not been established. <p>Alternatively, if SFMTA determines that other measures to increase capacity along the route would be more desirable than adding buses, the project sponsors shall pay an amount equivalent to the cost of the required number of buses toward completion of one or more of the following, as determined by SFMTA:</p> <ul style="list-style-type: none"> Convert to using higher-capacity vehicles on the 48 Quintara/24th Street route. In this case, the project sponsors shall pay a portion of the capital costs to convert the route to articulated buses. Some bus stops along the route may not currently be configured to accommodate the longer articulated buses. Some bus zones could likely be extended by removing one or more parking spaces; in some locations, appropriate space may not be available. The | <p>bus route shall be prepared by a consultant from the Planning Department's Transportation Consultant Pool, using a methodology approved by SFMTA and Planning. If documentation of capacity is based on monitoring surveys, the transportation consultant shall submit raw data from such surveys concurrently to SFMTA, the Planning Department, and project sponsors.</p> | <p>If project sponsors demonstrate to the SFMTA that the phase would not generate a number of transit trips on the 48 Quintara/24th Street bus route that would exceed the significance thresholds outlined in the EIR, further monitoring is not required during that phase.</p> <p><u>Capital Costs:</u> Payment required after SFMTA affirms via letter to the project sponsors that mitigation funds will be</p> | <p>requested would not generate a number of transit trips on the 48 Quintara/24th Street bus route that would exceed the significance thresholds outlined in the EIR.</p> <p>If the project demonstrates (using trip generation rates forecasted in the EIR or through surveys of existing travel behavior at the site) that a specific building would cause capacity to exceed 85 percent based on the Baseline scenario in the EIR or would contribute more than 5 percent of capacity on the line if it was already projected to exceed 85 percent capacity utilization in the Baseline</p> | | |

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| <p>project sponsors' contribution may not be adequate to facilitate the full conversion of the route to articulated buses; therefore, a source of funding would need to be established to complete the remainder, including improvements to bus stop capacity at all of the bus stops along the route that do not currently accommodate articulated buses.</p> <ul style="list-style-type: none"> SFMTA may determine that instead of adding more buses to a congested route, it would be more desirable to increase travel speeds along the route. In this case, the project sponsors' contribution would be used to fund a study to identify appropriate and feasible improvements and/or implement a portion of the improvements that would increase travel speeds sufficiently to increase capacity along the bus route such that the project's impacts along the route would be determined to be less than significant. Increased speeds could be accomplished by funding a portion of the planned bus rapid transit system along 16th Street for the 22 Fillmore between Church and Third streets. Adding signals on Pennsylvania Street and 22nd Street may serve to provide increased travel speeds on this relatively short segment of the bus routes. The project sponsors' contribution may not be adequate to fully achieve the capacity increases needed to reduce the project's impacts and SFMTA may need to secure additional sources of funding. <p>Another option to increase capacity along the corridor is to add new a Muni service route in this area. If this option is selected, project sponsors shall fund purchase of the same number of new vehicles outlined in the first option (four for the Maximum Residential Alternative and six for the Maximum Commercial Alternative) to be operated along the new route. By providing an additional service route, a percentage of the current transit riders on the 48 Quintara/24th Street would likely shift to the new route, lowering the capacity utilization below the 85 percent utilization threshold. As for the first option, funding would need to be secured to pay for operating the new route.</p> | | <p>spent on implementation of M-TR-5 through purchase of additional buses or alternative measure in accordance with M-TR-5. Capital costs for more than four buses, up to a maximum of six buses, shall only be required if the total gsf of commercial use exceeds the Maximum Residential Scenario total gsf of commercial use, identified in Table 2.3 of the EIR, and if project sponsors demonstrate that the</p> | <p>scenario without the Proposed Project, and the SFMTA has committed to implement M-TR-5, the project sponsors shall provide capital costs for increased capacity on the route in a manner deemed acceptable by SFMTA.</p> | | |

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| | | building would cause capacity to exceed 85 percent or would contribute more than 5 percent of capacity on the line if it was already projected to exceed 85 percent capacity utilization in the Baseline scenario without the Proposed Project. | | | |
| <p>Mitigation Measure M-TR-10: Improve pedestrian facilities on Illinois Street adjacent to and leading to the project site.</p> <p>As part of construction of the Proposed Project roadway network, the project sponsors shall implement the following improvements:</p> <ul style="list-style-type: none"> • Install ADA curb ramps on all corners at the intersection of 22nd Street and Illinois Street • Signalize the intersections of Illinois Street with 20th and 22nd Street. • Modify the sidewalk on the east side of Illinois Street between 22nd and 20th streets to a minimum of 10 feet. Relocate | Project sponsors shall implement the improvements. | During construction of street improvements adjacent to pedestrian facilities on Illinois Street identified in Mitigation Measure M-TR-10. | SFMTA reviews signal and site plans and maps for improvements identified in Mitigation Measure M-TR-10. | Considered complete when street improvements have been built. | SFMTA, Port. |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| obstructions, such as fire hydrants and power poles, as feasible, to ensure an accessible path of travel is provided to and from the Proposed Project. | | | | | |
| <p>Mitigation Measure M-TR-12A: Coordinate Deliveries</p> <p>The Project's Transportation Coordinator shall coordinate with building tenants and delivery services to minimize deliveries during a.m. and p.m. peak periods.</p> <p>Although many deliveries cannot be limited to specific hours, the Transportation Coordinator shall work with tenants to find opportunities to consolidate deliveries and reduce the need for peak period deliveries, where possible.</p> | Transportation Management Agency Transportation Coordinator. | On-going. | Transportation Management Agency Transportation Coordinator to coordinate with building tenants and delivery services to consolidate deliveries and reduce the need for peak period deliveries, where possible. | On-going during project operations. | Port |
| <p>Mitigation Measure M-TR-12B: Monitor loading activity and convert general purpose on-street parking spaces to commercial loading spaces, as needed.</p> <p>After completion of the first phase of the Proposed Project, and prior to approval of each subsequent phase, the project sponsors shall conduct a study of utilization of on- and off-street commercial loading spaces. Prior to completion, the methodology for the study shall be reviewed and approved by either: (a) Port Staff in consultation with SFMTA Staff for areas within Port jurisdiction; or (b) SFMTA Staff in consultation with Port Staff for areas within SFMTA jurisdiction. If the result of the study indicates that fewer than 15 percent of the commercial loading spaces are available during the peak loading period, the project sponsors shall incorporate measures to convert existing or proposed general purpose on-street parking spaces to commercial parking spaces in addition to the required off-street spaces.</p> | Developer, TMA or Port. | Prior to approval of the project's phase applications after completion of the first phase. | Project sponsors or TMA to conduct a commercial loading study for the Port. | Considered complete after the Port Staff reviews and approves the study and the project sponsors, Port or TMA incorporates any additional measures necessary for commercial loading. | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>Mitigation Measure M-C-TR-4A: Increase capacity on the 48 Quintara/24th bus route under the Maximum Residential Scenario.</p> <p>The project sponsors shall contribute funds for one additional vehicle (in addition to and separate from the four prescribed under Mitigation Measure M-TR-5 for the Maximum Residential Scenario) to reduce the Proposed Project's contribution to the significant cumulative impact to not cumulatively considerable. This shall be considered the Proposed Project's fair share toward mitigating this significant cumulative impact. If SFMTA adopts a strategy to increase capacity along this route that does not involve purchasing and operating additional vehicles, the Proposed Project's fair share contribution shall remain the same, and may be used for one of those other strategies deemed desirable by SFMTA.</p> | <p>Developer, TMA and SFMTA</p> <p>Documentation of capacity shall be prepared by a consultant from the Planning Department's Transportation Consultant Pool, using the methodology approved by SFMTA and Planning pursuant to Mitigation Measure M-TR-5.</p> | <p><u>Demonstration of Capacity:</u> If necessary, prior to approval of the project's phase applications.</p> <p><u>Capital Costs:</u> Payment confirmed prior to issuance of building permit for building that would result in exceedance of 85 percent capacity utilization. Capital costs for more than four buses, up to a maximum of six buses, shall be paid if the total gsf of commercial use exceeds the Maximum Residential Scenario total gsf of commercial</p> | <p>If the Maximum Residential Scenario is implemented, the project sponsors shall contribute funds for one additional vehicle or a fair share contribution to the SFMTA.</p> | <p>If necessary, considered complete when SFMTA receives funds from the project sponsors</p> | <p>SFMTA</p> |

**MITIGATION MONITORING AND REPORTING PROGRAM FOR
PIER 70 MIXED-USE DISTRICT PROJECT**

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| | | use, identified in Table 2.3 of the EIR. | | | |
| <p>Mitigation Measure M-C-TR-4B: Increase capacity on the 22 Fillmore bus route under the Maximum Commercial Scenario.</p> <p>The project sponsors shall contribute funds for two additional vehicles to reduce the Proposed Project's contribution to the significant cumulative impact to not considerable. This shall be considered the Proposed Project's fair share toward mitigating this cumulative impact. If SFMTA adopts an alternate strategy to increase capacity along this route that does not involve purchasing and operating additional vehicles, the Proposed Project's fair share contribution shall remain the same, and may be used for one of those other strategies deemed desirable by SFMTA.</p> | <p>Developer, TMA, and SFMTA.</p> <p>Documentation of capacity shall be prepared by a consultant from the Planning Department's Transportation Consultant Pool, using the methodology approved by SFMTA and Planning pursuant to Mitigation Measure M-TR-5.</p> | <p>If necessary, prior to approval of the project's final phase application.</p> <p><u>Funds shall be contributed if the total gsf of commercial use for the Project in the final phase application exceeds the Maximum Residential Scenario total gsf of commercial use, identified in Table 2.3 of the EIR.</u></p> | <p>If the Maximum Commercial Scenario is implemented, the project sponsors shall contribute funds for one additional vehicle or a fair share contribution to the SFMTA.</p> | <p>If necessary, considered complete when SFMTA receives funds from the project sponsors.</p> | SFMTA |
| Noise and Vibration Mitigation Measures | | | | | |
| <p>Mitigation Measure M-NO-1: Construction Noise Control Plan.</p> <p>Over the project's approximately 11-year construction duration, project</p> | Project sponsors. | Prior to the start of construction activities; | Project sponsors to submit the Construction Noise | Considered complete upon submittal of the | Port or DBI |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>contractors for all construction projects on the Illinois Parcels and 28-Acre Site will be subject to construction-related time-of-day and noise limits specified in Section 2907(a) of the Police Code, as outlined above. Therefore, prior to construction, a Construction Noise Control Plan shall be prepared by the project sponsors and submitted to the Port. The construction noise control plan shall demonstrate compliance with the Noise Ordinance limits. Noise reduction strategies that could be incorporated into this plan to ensure compliance with ordinance limits may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> Require the general contractor to ensure that equipment and trucks used for project construction utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically-attenuating shields or shrouds). Require the general contractor to locate stationary noise sources (such as the rock/concrete crusher or compressors) as far from adjacent or nearby sensitive receptors as possible, to muffle such noise sources, and to construct barriers around such sources and/or the construction site, which could reduce construction noise by as much as 5 dBA. To further reduce noise, the contractor shall locate stationary equipment in pit areas or excavated areas, to the maximum extent practicable. Require the general contractor to use impact tools (e.g., jack hammers, pavement breakers, and rock drills) that are hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used, along with external noise jackets on the tools, which would reduce noise levels by as much as 10 dBA. | | implementation ongoing during construction. | Control Plan to the Port. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing. | Construction Noise Control Plan to the Port. | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <ul style="list-style-type: none"> Include noise control requirements for construction equipment and tools, including concrete saws, in specifications provided to construction contractors to the maximum extent practicable. Such requirements could include, but are not limited to, erecting temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; utilizing noise control blankets on a building structure as the building is erected to reduce noise levels emanating from the construction site; the use of blasting mats during controlled blasting periods to reduce noise and dust; performing all work in a manner that minimizes noise; using equipment with effective mufflers; undertaking the most noisy activities during times of least disturbance to surrounding residents and occupants; and selecting haul routes that avoid residential uses. Prior to the issuance of each building permit, along with the submission of construction documents, submit to the Port, as appropriate, a plan to track and respond to complaints pertaining to construction noise. The plan shall include the following measures: (1) a procedure and phone numbers for notifying the Port, the Department of Public Health, and the Police Department (during regular construction hours and off-hours); (2) a sign posted on-site describing permitted construction days and hours, noise complaint procedures, and a complaint hotline number that shall be answered at all times during construction; (3) designation of an on-site construction complaint and enforcement manager for the project; and (4) notification of neighboring residents and non-residential building managers within 300 feet of the project construction area and the American Industrial Center (AIC) at least 30 days in advance of extreme noise-generating activities (such as pile driving) about the estimated duration of the activity. | Project sponsors | Prior to the issuance of each building permit for duration of the project. | Project sponsors to submit a plan to track and respond to complaints pertaining to construction noise. A single plan or multiple plans may be produced to address project phasing. | Considered complete upon review and approval of the plan by the Port. | |
| Mitigation Measure M-NO-2: Noise Control Measures During Pile | Project sponsors and construction | Prior to receiving a | Project sponsors to submit to the Port | Considered complete upon | Port or DBI |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>Driving.</p> <p>The Construction Noise Control Plan (required under Mitigation Measure M-NO-1) shall also outline a set of site-specific noise and vibration attenuation measures for each construction phase when pile driving is proposed to occur. These attenuation measures shall be included wherever impact equipment is proposed to be used on the Illinois Parcels and/or 28-Acre Site. As many of the following control strategies shall be included in the Noise Control Plan, as feasible:</p> <ul style="list-style-type: none"> Implement "quiet" pile-driving technology such as pre-drilling piles where feasible to reduce construction-related noise and vibration. Use pile-driving equipment with state-of-the-art noise shielding and muffling devices. Use pre-drilled or sonic or vibratory drivers, rather than impact drivers, wherever feasible (including slipways) and where vibration-induced liquefaction would not occur. Schedule pile-driving activity for times of the day that minimize disturbance to residents as well as commercial uses located on-site and nearby. Erect temporary plywood or similar solid noise barriers along the boundaries of each Proposed Project parcel as necessary to shield affected sensitive receptors. Other equivalent technologies that emerge over time. If CRF (including rock drills) were to occur at the same time as pile driving activities in the same area and in proximity to noise-sensitive receptors, pile drivers shall be set back at least 100 feet while rock drills shall be set back at least 50 feet (or vice versa) | contractor(s). | building permit, incorporate feasible practices identified in M-NO-1 into the construction contract agreement documents. Control practices should be implemented throughout the pile driving duration. | documentation of compliance of implemented control practices that show construction contractor agreement with specified practices. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing. | submittal of documentation incorporating identified practices. | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| from any given sensitive receptor. | | | | | |
| <p>Mitigation Measure M-NO-3: Vibration Control Measures During Construction.</p> <p>As part of the Construction Noise Control Plan required under Mitigation Measure M-NO-1, appropriate vibration controls (including pre-drilling pile holes and using smaller vibratory equipment) shall be specified to ensure that the vibration limit of 0.5 in/sec PPV can be met at adjacent or nearby existing structures and Proposed Project buildings located on the Illinois Parcels and/or 28-Acre Site, except as noted below:</p> <ul style="list-style-type: none"> Where pile driving, CRF, and other construction activities involving the use of heavy equipment would occur in proximity to any contributing building to the Union Iron Works Historic District, the project sponsors shall undertake a monitoring program to minimize damage to such adjacent historic buildings and to ensure that any such damage is documented and repaired. The monitoring program, which shall apply within 160 feet where pile driving would be used, 50 feet of where CRF would be required, and within 25 feet of other heavy equipment operation, shall include the following components: <ul style="list-style-type: none"> Prior to the start of any ground-disturbing activity, the project sponsors shall engage a historic architect or qualified historic preservation professional to undertake a pre-construction survey of historical resource(s) identified by the Port within 160 feet of planned construction to document and photograph the buildings' existing conditions. Based on the construction and condition of the resource(s), a structural engineer or other qualified entity shall establish a maximum vibration level that shall not be exceeded at each building, based on existing conditions, character-defining features, soils conditions and anticipated construction practices in use at the time (a common standard is 0.2 inch per | Project sponsors and construction contractor(s). | Prior to receiving a building permit, incorporate feasible practices identified in M-NO-1 into the construction contract agreement documents. Control practices should be implemented throughout the pile driving duration. | Project sponsors to submit to Port documentation of compliance of implemented control practices that show construction contractor agreement with specified practices. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing. | Considered complete upon submittal of documentation incorporating identified practices. | Port or Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>second, peak particle velocity).</p> <ul style="list-style-type: none"> To ensure that vibration levels do not exceed the established standard, a qualified acoustical/vibration consultant shall monitor vibration levels at each structure within 160 feet of planned construction and shall prohibit vibratory construction activities that generate vibration levels in excess of the standard. Should vibration levels be observed in excess of the standard, construction shall be halted and alternative construction techniques put in practice. (For example, pre-drilled piles could be substituted for driven piles, if soil conditions allow; smaller, lighter equipment could possibly also be used in some cases.) The consultant shall conduct regular periodic inspections of each building within 160 feet of planned construction during ground-disturbing activity on the project site. Should damage to a building occur as a result of ground-disturbing activity on the site, the building(s) shall be remediated to its pre-construction condition at the conclusion of ground-disturbing activity on the site. In areas with a "very high" or "high" susceptibility for vibration-induced liquefaction or differential settlement risks, the project's geotechnical engineer shall specify an appropriate vibration limit based on proposed construction activities and proximity to liquefaction susceptibility zones and modify construction practices to ensure that construction-related vibration does not cause liquefaction hazards at these homes. | | | | | |
| <p>Mitigation Measure M-NO-4a: Stationary Equipment Noise Controls.</p> <p>Noise attenuation measures shall be incorporated into all stationary equipment (including HVAC equipment and emergency generators) installed on buildings constructed on the Illinois Parcels and 28-Acre Site as well as into the below-grade or enclosed wastewater pump station as necessary to meet noise limits specified in Section 2909 of the Police Code.* Interior</p> | Project sponsors and construction contractor(s). | Prior to the issuance of a building permit for each building located on the Illinois Parcels | Port to review construction plans. | Considered complete after submittal and approval of plans by the Port | Port or Planning Department/DBI |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>noise limits shall be met under both existing and future noise conditions, accounting for foreseeable changes in noise conditions in the future (i.e., changes in on-site building configurations). Noise attenuation measures could include provision of sound enclosures/barriers, addition of roof parapets to block noise, increasing setback distances from sensitive receptors, provision of louvered vent openings, location of vent openings away from adjacent commercial uses, and restriction of generator testing to the daytime hours.</p> <p>* Under Section 2909 of the Police Code, stationary sources are not permitted to result in noise levels that exceed the existing ambient (L90) noise level by more than 5 dBA on residential property, 8 dBA on commercial and industrial property, and 10 dBA on public property. Section 2909(d) states that no fixed noise source may cause the noise level measured inside any sleeping or living room in a dwelling unit on residential property to exceed 45 dBA between 10:00 p.m. and 7:00 a.m. or 55 dBA between 7:00 a.m. and 10:00 p.m. with windows open, except where building ventilation is achieved through mechanical systems that allow windows to remain closed.</p> | | <p>or the 28-Acre Site, along with the submission of construction documents, the project sponsors shall submit to the Port and the DBI plans for noise attenuation measures on all stationary equipment.</p> | | | |
| <p>Mitigation Measure M-NO-4b: Design of Future Noise-Generating Uses near Residential Uses.</p> <p>Future commercial/office and RALI uses shall be designed to minimize the potential for sleep disturbance at any future adjacent residential uses. Design approaches such as the following could be incorporated into future development plans to minimize the potential for noise conflicts of future uses on the project site:</p> <ul style="list-style-type: none"> <u>Design of Future Noise-Generating Commercial/Office and RALI Uses.</u> To reduce potential conflicts between sensitive receptors and new noise-generating commercial or RALI uses located adjacent to these receptors, exterior facilities such as loading areas/docks, trash enclosures, and surface parking lots shall be located on the sides of buildings facing away from existing or planned sensitive receptors (residences or passive open space). If | <p>Project sponsors and construction contractor(s).</p> | <p>Prior to the issuance of a building permit for commercial, RALI, and parking uses, along with the submission of construction documents, the project sponsors shall submit to the and DBI plans to minimize</p> | <p>Port to review construction plans.</p> | <p>Considered complete after submittal and approval of plans by the Port.</p> | <p>Port or Planning Department/DBI</p> |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>this is not feasible, these types of facilities shall be enclosed or equipped with appropriate noise shielding.</p> <ul style="list-style-type: none"> • <u>Design of Future Above-Ground Parking Structure.</u> If parking structures are constructed on Parcels C1 or C2, the sides of the parking structures facing adjacent or nearby existing or planned residential uses shall be designed to shield residential receptors from noise associated with parking cars. | | noise conflicts with sensitive receivers, | | | |
| <p>Mitigation Measure M-NO-6: Design of Future Noise-Sensitive Uses</p> <p>Prior to issuance of a building permit for vertical construction of specific residential building design on each parcel, a noise study shall be conducted by a qualified acoustician, who shall determine the need to incorporate noise attenuation measures into the building design in order to meet Title 24's interior noise limit for residential uses as well as the City's (Article 29, Section 2909(d)) 45-dBA (Ldn) interior noise limit for residential uses. This evaluation shall account for noise shielding by buildings existing at the time of the proposal, potential increases in ambient noise levels resulting from the removal of buildings that are planned to be demolished, all planned commercial or open space uses in adjacent areas, any known variations in project build-out that have or will occur (building heights, location, and phasing), any changes in activities adjacent to or near the Illinois Parcels or 28-Acre Site (given the Proposed Project's long build-out period), any new shielding benefits provided by surrounding buildings that exist at the time of development, future cumulative traffic noise increases on adjacent roadways, existing and planned stationary sources (i.e., emergency generators, HVAC, etc.), and future noise increases from all known cumulative projects located with direct line-of-sight to the project building.</p> <p>To minimize the potential for sleep disturbance effects from tonal noise or nighttime noise events associated with nearby industrial uses, predicted noise levels at each project building shall account for 24/7 operation of the BAE Systems Ship Repair facility, 24/7 transformer noise at Potrero Substation (if it remains an open air facility), and industrial activities at the AIC, to the</p> | Project sponsors and qualified acoustician. | Prior to the issuance of the building permit for vertical construction of any residential building on each parcel, a noise study shall be prepared by a qualified acoustician. | Port Staff to review the noise study. A single noise study or multiple noise studies may be produced to address project phasing. | Considered complete after submittal and approval of the noise study by the Port. | Port or Planning Department/DBI |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>extent such use(s) are in operation at the time the analysis is conducted.</p> <p>Noise reduction strategies such as the following could be incorporated into the project design as necessary to meet Title 24 interior limit and minimize the potential for sleep disturbance from adjacent industrial uses:</p> <ul style="list-style-type: none"> • Orient bedrooms away from major noise sources (i.e., major streets, open space/recreation areas where special events would occur, and existing adjacent industrial uses, including but not limited to the AIC, PG&E Hoedown Yard (if it is still operating at that time), Potrero Substation, and the BAE site) and/or provide additional enhanced noise insulation features (higher STC ratings) or mechanical ventilation to minimize the effects of maximum instantaneous noise levels generated by these uses even though there is no code requirement to reduce L_{max} noise levels. Such measures shall be implemented on Parcels D and E1 (both scenarios), Building 2 (Maximum Residential Scenario only), Parcels PKN (both scenarios), PKS (both scenarios), and HDY (Maximum Residential Scenario only); • Utilize enhanced exterior wall and roof-ceiling assemblies (with higher STC ratings), including increased insulation; • Utilize windows with higher STC / Outdoor/Indoor Transmission Class (OITC) ratings; • Employ architectural sound barriers as part of courtyards or building open space to maximize building shielding effects, and locate living spaces/bedrooms toward courtyards wherever possible; and <p>Locate interior hallways (accessing residential units) adjacent to noisy streets or existing/planned industrial or commercial development.</p> | | | | | |
| Mitigation Measure M-NO-7: Noise Control Plan for Special Event | Developer, Port, parks management | Prior to operation of a | Developer, Port, parks management | Considered complete upon | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| Outdoor Amplified Sound. The project sponsors shall develop and implement a Noise Control Plan for operations at the proposed entertainment venues to reduce the potential for noise impacts from public address and/or amplified music. This Noise Control Plan shall contain the following elements: <ul style="list-style-type: none"> The project sponsors shall comply with noise controls and restrictions in applicable entertainment permit requirements for outdoor concerts. Speaker systems shall be directed away from the nearest sensitive receptors to the degree feasible. Outdoor speaker systems shall be operated consistent with the restrictions of Section 2909 of the San Francisco Police Code, and conform to a performance standard of 8 dBA and dBC over existing ambient L90 noise levels at the nearest residential use. | entity, and/or parks programming entity. | special outdoor amplified sound, the project sponsors, parks management entity, and/or parks programming entity to develop a Noise Control Plan prior to issuance of event permit. | entity, and/or parks programming entity shall submit the Noise Control Plan to the Port. | submission and approval of the NCP by the Port. | |
| Air Quality Mitigation Measures | | | | | |
| Mitigation Measure M-AQ-1a: Construction Emissions Minimization The following mitigation measure is required during construction of Phases 3, 4, and 5, or after build-out of 1.3 million gross square feet of development, whichever comes first: <p>A. <i>Construction Emissions Minimization Plan.</i> Prior to issuance of a site permit, the project sponsors shall submit a Construction Emissions Minimization Plan (Plan) to the Port or Planning Department. The Plan shall detail project compliance with the following requirements:</p> <ol style="list-style-type: none"> Where access to alternative sources of power is available, portable diesel generators used during construction shall be prohibited. Where portable diesel engines are required because alternative sources of power are not available, the | Project sponsors and construction contractor(s). | Prior to issuance of a site permit, the project sponsors must submit Construction Emissions Minimization Plan Prior to the commencement of construction activities | Project sponsors or contractor to submit a Construction Emissions Minimization Plan. Quarterly reports shall be submitted to Port Staff or Planning Department indicating the construction phase and off-road equipment | Considered complete upon Port or Planning Staff review and approval of Construction Emissions Minimization Plan or alternative measures that achieve the same emissions reduction. | Port or Planning Department |

MITIGATION MONITORING AND REPORTING PROGRAM FOR
PIER 70 MIXED-USE DISTRICT PROJECT

| MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Implementation Responsibility | Mitigation Schedule | Monitoring/ Reporting Responsibility | Monitoring Schedule | Monitoring Agency ¹ | | | | | | | | | |
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| <p>diesel engine shall meet the EPA or CARB Tier 4 off-road emission standards and be fueled with renewable diesel (at least 99 percent renewable diesel or R99), if commercially available, as defined below.</p> <p>2. All off-road equipment greater than 25 horsepower that operates for more than 20 total hours over the entire duration of construction activities shall have engines that meet the EPA or CARB Tier 4 off-road emission standards and be fueled with renewable diesel (at least 99 percent renewable diesel or R99), if commercially available. If engines that comply with Tier 4 off-road emission standards are not commercially available, then the project sponsors shall provide the next cleanest piece of off-road equipment as provided by the step-down schedules in Table M-AQ-1-1.</p> | | <p>during Phase 3, 4, and 5, or prior to construction following build-out of 1.3 million gross square feet of development, the project sponsors must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p> <p>The Plan shall be kept on site and available for review. A sign shall be posted at the perimeter of the construction site indicating the basic</p> | <p>information used during each phase. For off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> <p>Within six months of the completion of construction activities, the project sponsors shall submit to Port Staff a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> | | | | | | | | | | | |
| <p>Table M-AQ-1-1: Off-Road Equipment Compliance Step-Down Schedule</p> <table><tr><th>Compliance Alternative</th><th>Engine Emission Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 3</td><td>CARB PM VDECS (85%)¹</td></tr><tr><td>2</td><td>Tier 2</td><td>CARB PM VDECS (85%)</td></tr></table> <p>How to use the table: If the requirements of (A)(2) cannot be met, then the project sponsors would need to meet Compliance Alternative 1. Should the project sponsors not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met.</p> <p>¹ CARB. Currently Verified Diesel Emission Control Strategies (VDECS).</p> | | | | | | Compliance Alternative | Engine Emission Standard | Emissions Control | 1 | Tier 3 | CARB PM VDECS (85%) ¹ | 2 | Tier 2 | CARB PM VDECS (85%) |
| Compliance Alternative | Engine Emission Standard | Emissions Control | | | | | | | | | | | | |
| 1 | Tier 3 | CARB PM VDECS (85%) ¹ | | | | | | | | | | | | |
| 2 | Tier 2 | CARB PM VDECS (85%) | | | | | | | | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| Available online at http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm . Accessed January 14, 2016. | | requirements of the Plan and where copies of the Plan are available to the public for review. | | | |
| <p>i. With respect to Tier 4 equipment, "commercially available" shall mean the availability taking into consideration factors such as: (i) critical path timing of construction; and (ii) geographic proximity of equipment to the project site.</p> <p>ii. With respect to renewable diesel, "commercially available" shall mean the availability taking into consideration factors such as: (i) critical path timing of construction; (ii) geographic proximity of fuel source to the project site; and (iii) cost of renewable diesel is within 10 percent of Ultra Low Sulfur Diesel #2 market price.</p> <p>iii. The project sponsors shall maintain records concerning its efforts to comply with this requirement. Should the project sponsor determine either that an off-road vehicle that meets Tier 4 emissions standards or that renewable diesel are not commercially available, the project sponsor shall submit documentation to the satisfaction of Port or Planning Staff and, for the former condition, shall identify the next cleanest piece of equipment that would be use, in compliance with Table M-AQ-1-1.</p> <p>3. The project sponsors shall ensure that future developers or their contractors require the idling time for off-road and on-road equipment be limited to no more than 2 minutes, except as provided in exceptions to the applicable State regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>multiple languages (English, Spanish, and Chinese) in designated queuing areas and at the construction site to remind operators of the 2-minute idling limit.</p> <p>4. The project sponsors shall require that each construction contractor mandate that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.</p> <p>5. The Plan shall include best available estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase and shall be updated pursuant to the reporting requirements in Section B below. Reporting requirements for off-road equipment descriptions and information shall include as much detail as is available, but are not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For Verified Diesel Emission Control Strategies (VDECS) installed, descriptions and information shall include technology type, serial number, make, model, manufacturer, CARB verification number level, and installation date and hour meter reading on installation date. The Plan shall also indicate whether renewable diesel will be used to power the equipment. The Plan shall also include anticipated fuel usage and hours of operation so that emissions can be estimated.</p> <p>6. The project sponsors and their construction contractors shall keep the Plan available for public review on site during working hours. Each construction contractor shall post at the perimeter of the project site a legible and visible sign summarizing the requirements of the Plan. The sign shall also state that the public may ask to inspect the Plan at any time</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>during working hours, and shall explain how to request inspection of the Plan. Signs shall be posted on all sides of the construction site that face a public right-of-way. The project sponsors shall provide copies of the Plan to members of the public as requested.</p> <p>B. <i>Reporting.</i> Quarterly reports shall be submitted to Port or Planning Staff indicating the construction activities undertaken and information about the off-road equipment used, including the information required in Section A(5). In addition, reporting shall include the approximate amount of renewable diesel fuel used.</p> <p>Within 6 months of the completion of all project construction activities, the project sponsors shall submit to Port or Planning Staff a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. The final report shall include detailed information required in Section A(5). In addition, reporting shall include the actual amount of renewable diesel fuel used.</p> <p>C. <i>Certification Statement and On-site Requirements.</i> Prior to the commencement of construction activities, the project sponsors shall certify through submission of city-standardized forms (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p> | | | | | |
| <p>Mitigation Measure M-AQ-1b: Diesel Backup Generator Specifications To reduce NOx associated with operation of the Maximum Commercial or Maximum Residential Scenarios, the project sponsors shall implement the following measures.</p> <p>A. All new diesel backup generators shall:</p> <ol style="list-style-type: none"> 1. have engines that meet or exceed CARB Tier 4 off-road emission standards which have the lowest NOx emissions of commercially | Project sponsors | Prior to approval of a generator permit by Port Staff. | Anticipated location and engine specifications of a proposed diesel backup generator shall be submitted to the Port Staff for review and approval prior to | Considered complete upon review and approval by Port Staff. | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>available generators; and</p> <p>2. be fueled with renewable diesel, if commercially available, which has been demonstrated to reduce NOx emissions by approximately 10 percent.</p> <p>B. All new diesel backup generators shall have an annual maintenance testing limit of 50 hours, subject to any further restrictions as may be imposed by the BAAQMD in its permitting process.</p> <p>C. For each new diesel backup generator permit submitted to BAAQMD for the project, anticipated location, and engine specifications shall be submitted to the Port Staff for review and approval prior to issuance of a permit for the generator from the San Francisco DBI or the Port. Once operational, all diesel backup generators shall be maintained in good working order for the life of the equipment and any future replacement of the diesel backup generators shall be required to be consistent with these emissions specifications. The operator of the facility at which the generator is located shall maintain records of the testing schedule for each diesel backup generator for the life of that diesel backup generator and provide this information for review to the Port within 3 months of requesting such information.</p> | | | issuance of a generator permit. | | |
| <p>Mitigation Measure M-AQ-1c: Use Low and Super-compliant VOC Architectural Coatings in Maintaining Buildings through Covenants Conditions and Restrictions (CC&Rs) and Ground Lease</p> <p>The Project sponsors shall require all developed parcels to include within their CC&R's and/or ground leases requirements for all future interior spaces to be repainted only with "Super-Compliant" Architectural Coatings (http://www.aqmd.gov/home/regulations/compliance/architectural-coatings/super-compliant-coatings/). "Low-VOC" refers to paints that meet the more stringent regulatory limits in South Coast AQMD Rule 1113; however, many manufacturers have reformulated to levels well below these limits. These are referred to as "Super-Compliant" Architectural Coatings.</p> | Project sponsors and construction contractor(s). | Project sponsors submit to the Port documentation of CC&R's and/or ground lease requirements prior to building occupancy | Project sponsors to include in CC&R's and/or ground lease requirements with buildings tenants prior to building occupancy. | Considered complete upon project sponsor submittal to the Port of documentation of CC&R's and/or ground lease requirements | Port or Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| Mitigation Measure M-AQ-1d: Promote use of Green Consumer Products The project sponsors shall provide education for residential and commercial tenants concerning green consumer products. Prior to receipt of any certificate of final occupancy and every five years thereafter, the project sponsors shall work with the San Francisco Department of Environment (SF Environment) to develop electronic correspondence to be distributed by email annually to residential and/or commercial tenants of each building on the project site that encourages the purchase of consumer products that generate lower than typical VOC emissions. The correspondence shall encourage environmentally preferable purchasing and shall include contact information and links to SF Approved. The website may also be used as an informational resource by businesses and residents. | Project sponsors. | permit. Prior to occupancy of the building by tenants and every five years thereafter, project sponsors to distribute educational materials to tenants. | Project sponsors to work with SF Environment to develop educational materials. | Considered complete after distribution of educational materials to residential and commercial tenants. | Port or Planning Department |
| Mitigation Measure M-AQ-1e: Electrification of Loading Docks The project sponsors shall ensure that loading docks for retail, light industrial or warehouse uses that will receive deliveries from refrigerated transport trucks incorporate electrification hook-ups for transportation refrigeration units to avoid emissions generated by idling refrigerated transport trucks. | Project sponsors | Prior to issuance of a building permit for a building containing loading docks for retail, light industrial or warehouse uses. | Project sponsors to provide construction plans to DBI or the Port to ensure compliance. | Considered complete upon approval of construction plans by DBI or the Port. | Port or Planning Department |
| Mitigation Measure M-AQ-1f: Transportation Demand Management. The project sponsors shall prepare and implement a Transportation Demand Management (TDM) Plan with a goal of reducing estimated daily one-way vehicle trips by 20 percent compared to the total number of daily one-way vehicle trips identified in the project's Transportation Impact Study at project build-out. To ensure that this reduction goal could be reasonably achieved, the TDM Plan will have a monitoring goal of reducing by 20 percent the daily one-way vehicle trips calculated for each building that has received a | Developer to prepare and implement the TDM Plan, which will be implemented by the Transportation Management Association and will | Developer to prepare TDM Plan and submit to Planning Staff prior to approval of the project | Project sponsors to submit the TDM Plan to Planning Staff for review. Transportation Demand Management | The TDM Plan is considered complete upon approval by the Planning Staff. Annual monitoring | Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>Certificate of Occupancy and is at least 75% occupied compared to the daily one-way vehicle trips anticipated for that building based on anticipated development on that parcel, using the trip generation rates contained within the project's Transportation Impact Study. There shall be a Transportation Management Association that would be responsible for the administration, monitoring, and adjustment of the TDM Plan. The project sponsor is responsible for identifying the components of the TDM Plan that could reasonably be expected to achieve the reduction goal for each new building associated with the project, and for making good faith efforts to implement them. The TDM Plan may include, but is not limited to, the types of measures summarized below for explanatory example purposes. Actual TDM measures selected should include those from the TDM Program Standards, which describe the scope and applicability of candidate measures in detail and include:</p> <ul style="list-style-type: none"> • Active Transportation: Provision of streetscape improvements to encourage walking, secure bicycle parking, shower and locker facilities for cyclists, subsidized bike share memberships for project occupants, bicycle repair and maintenance services, and other bicycle-related services; • Car-Share: Provision of car-share parking spaces and subsidized memberships for project occupants; • Delivery: Provision of amenities and services to support delivery of goods to project occupants; • Family-Oriented Measures: Provision of on-site childcare and other amenities to support the use of sustainable transportation modes by families; • High-Occupancy Vehicles: Provision of carpooling/vanpooling incentives and shuttle bus service; • Information and Communications: Provision of multimodal | be binding on all development parcels. | | Association to submit monitoring report annually to Planning Staff and implement TDM Plan Adjustments (if required). | reports would be on-going during project buildout, or until five consecutive reporting periods show that the project has met its reduction goals, at which point reports would be submitted every three years. | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>wayfinding signage, transportation information displays, and tailored transportation marketing services;</p> <ul style="list-style-type: none"> Land Use: Provision of on-site affordable housing and healthy food retail services in underserved areas; Parking: Provision of unbundled parking, short term daily parking provision, parking cash out offers, and reduced off-street parking supply. <p>The TDM Plan shall include specific descriptions of each measure, including the degree of implementation (e.g., for how long will it be in place), and the population that each measure is intended to serve (e.g. residential tenants, retail visitors, employees of tenants, visitors, etc.). It shall also include a commitment to monitoring of person and vehicle trips traveling to and from the project site to determine the TDM Plan's effectiveness, as outlined below.</p> <p>The TDM Plan shall be submitted to the City to ensure that components of the TDM Plan intended to meet the reduction target are shown on the plans and/or ready to be implemented upon the issuance of each certificate of occupancy.</p> <p><i>TDM Plan Monitoring and Reporting:</i> The Transportation Management Association, through an on-site Transportation Coordinator, shall collect data and make monitoring reports available for review and approval by the Planning Department staff.</p> <ul style="list-style-type: none"> <u>Timing:</u> Monitoring data shall be collected and reports shall be submitted to Planning Department staff every year (referred to as "reporting periods"), until five consecutive reporting periods | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>display the fully-built project has met the reduction goal, at which point monitoring data shall be submitted to Planning Department staff once every three years. The first monitoring report is required 18 months after issuance of the First Certificate of Occupancy for buildings that include off-street parking or the establishment of surface parking lots or garages that bring the project's total number of off-street parking spaces to greater than or equal to 500. Each trip count and survey (see below for description) shall be completed within 30 days following the end of the applicable reporting period. Each monitoring report shall be completed within 90 days following the applicable reporting period. The timing shall be modified such that a new monitoring report shall be required 12 months after adjustments are made to the TDM Plan in order to meet the reduction goal, as may be required in the "TDM Plan Adjustments" heading below. In addition, the timing may be modified by the Planning Department as needed to consolidate this requirement with other monitoring and/or reporting requirements for the project.</p> <ul style="list-style-type: none"> • <u>Components:</u> The monitoring report, including trip counts and surveys, shall include the following components OR comparable alternative methodology and components as approved or provided by Planning Department staff: <ul style="list-style-type: none"> ○ Trip Count and Intercept Survey: Trip count and intercept survey of persons and vehicles arriving and leaving the project site for no less than two days of the reporting period between 6:00 a.m. and 8:00 p.m. One day shall be a Tuesday, Wednesday, or Thursday during one week without federally recognized holidays, and another day shall be a Tuesday, Wednesday, or Thursday during another week without federally recognized holidays. The trip count and intercept survey shall be prepared by a qualified transportation or qualified survey consultant and the methodology shall be | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>approved by the Planning Department prior to conducting the components of the trip count and intercept survey. It is anticipated that the Planning Department will have a standard trip count and intercept survey methodology developed and available to project sponsors at the time of data collection.</p> <ul style="list-style-type: none"> Travel Demand Information: The above trip count and survey information shall be able to provide travel demand analysis characteristics (work and non-work trip counts, origins and destinations of trips to/from the project site, and modal split information) as outlined in the Planning Department's <i>Transportation Impact Analysis Guidelines for Environmental Review</i>, October 2002, or subsequent updates in effect at the time of the survey. Documentation of Plan Implementation: The TDM Coordinator shall work in conjunction with the Planning Department to develop a survey (online or paper) that can be reasonably completed by the TDM Coordinator and/or TMA staff to document the implementation of TDM program elements and other basic information during the reporting period. This survey shall be included in the monitoring report submitted to Planning Department staff. Degree of Implementation: The monitoring report shall include descriptions of the degree of implementation (e.g., how many tenants or visitors the TDM Plan will benefit, and on which locations within the site measures will be/have been placed, etc.) Assistance and Confidentiality: Planning Department staff will assist the TDM Coordinator on questions regarding the components of the monitoring report and shall ensure that the identity of individual survey responders is protected. <p><i>TDM Plan Adjustments.</i> The TDM Plan shall be adjusted based on the</p> | | | | | |

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| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| monitoring results if three consecutive reporting periods demonstrate that measures within the TDM Plan are not achieving the reduction goal. The TDM Plan adjustments shall be made in consultation with Planning Department staff and may require refinements to existing measures (e.g., change to subsidies, increased bicycle parking), inclusion of new measures (e.g., a new technology), or removal of existing measures (e.g., measures shown to be ineffective or induce vehicle trips). If three consecutive reporting periods' monitoring results demonstrate that measures within the TDM Plan are not achieving the reduction goal, the TDM Plan adjustments shall occur within 270 days following the last consecutive reporting period. The TDM Plan adjustments shall occur until three consecutive reporting periods' monitoring results demonstrate that the reduction goal is achieved. If the TDM Plan does not achieve the reduction goal then the City shall impose additional measures to reduce vehicle trips as prescribed under the development agreement, which may include restriction of additional off-street parking spaces beyond those previously established on the site, capital or operational improvements intended to reduce vehicle trips from the project, or other measures that support sustainable trip making, until three consecutive reporting periods' monitoring results demonstrate that the reduction goal is achieved. | | | | | |
| Mitigation Measure M-AQ-1g: Additional Mobile Source Control Measures The following Mobile Source Control Measures from the BAAQMD's 2010 Clean Air Plan shall be implemented: <ul style="list-style-type: none"> Promote use of clean fuel-efficient vehicles through preferential (designated and proximate to entry) parking and/or installation of charging stations beyond the level required by the City's Green Building code, from 8 to 20 percent. Promote zero-emission vehicles by requesting that any car share program operator include electric vehicles within its car share | Project sponsors and TMA. | On-going. | Project sponsors and TMA to implement measures | On-going. | Port or Planning Department/DBI |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| program to reduce the need to have a vehicle or second vehicle as a part of the TDM program that would be required of all new developments. | | | | | |
| <p>Mitigation Measure M-AQ-1h: Offset of Operational Emissions</p> <p>Prior to issuance of the final certificate of occupancy for the final building associated with Phase 3, or after build out of 1.3 million square feet of development, whichever comes first, the project sponsors, with the oversight of Port Staff, shall either:</p> <p>(1) Directly fund or implement a specific offset project within San Francisco to achieve reductions of 25 tons per year of ozone precursors and 1 ton of PM10. This offset is intended to offset the estimated annual tonnage of operational ozone precursor and PM10 emissions under the buildout scenario realized at the time of completion of Phase 3. To qualify under this mitigation measure, the specific emissions offset project must result in emission reductions within the SFBAAB that would not otherwise be achieved through compliance with existing regulatory requirements. A preferred offset project would be one implemented locally within the City and County of San Francisco. Prior to implementation of the offset project, the project sponsors must obtain Port Staff's approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG, NOx, and PM10 to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s). The project sponsors shall notify Port Staff within 6 months of completion of the offset project for verification; or</p> <p>(2) Pay a one-time mitigation offset fee to the BAAQMD's Strategic Incentives Division in an amount no less than \$18,030 per weighted ton of ozone precursors and PM10 per year above the significance threshold, calculated as the difference between total annual emissions at build out under mitigated conditions and the</p> | Project sponsors. | <p><u>Offsets for Phase 3/build-out of 1.3 million square feet:</u></p> <p>Upon completion of construction, and prior to issuance of a Certificate of Occupancy for the final building associated with Phase 3, or after build out of 1.3 million square feet of development, whichever comes first, developer shall demonstrate to the satisfaction of Port Staff that offsets have been funded or implemented,</p> | Port Staff to approve the proposed offset project. | <p>If project sponsor directly funds or implements a specific offset project, considered complete when Port Staff approves the proposed offset project prior to individual Certificates of Occupancy.</p> <p>If project sponsor pays a one-time mitigation offset fee, considered complete when documentation of payment is provided to Port Staff.</p> | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>significance threshold in the EIR air quality analysis, which is 25 tons per year of ozone precursors and 1 ton of PM10, plus a 5 percent administrative fee, to fund one or more emissions reduction projects within the SFBAAB. This one-time fee is intended to fund emissions reduction projects to offset the estimated annual tonnage of operational ozone precursor and PM10 emissions under the buildout scenario realized at the time of completion of Phase 3 or after completion of 1.3 million sf of development, whichever comes first. Documentation of payment shall be provided to Port Staff.</p> <p>Acceptance of this fee by the BAAQMD shall serve as an acknowledgment and commitment by the BAAQMD to implement one or more emissions reduction project(s) within 1 year of receipt of the mitigation fee to achieve the emission reduction objectives specified above, and provide documentation to Port Staff and to the project sponsors describing the project(s) funded by the mitigation fee, including the amount of emissions of ROG, NOx, and PM10 reduced (tons per year) within the SFBAAB from the emissions reduction project(s). If there is any remaining unspent portion of the mitigation offset fee following implementation of the emission reduction project(s), the project sponsors shall be entitled to a refund in that amount from the BAAQMD. To qualify under this mitigation measure, the specific emissions retrofit project must result in emission reductions within the SFBAAB that would not otherwise be achieved through compliance with existing regulatory requirements.</p> | | <p>or offset fee has been paid, in an amount sufficient to offset emissions above BAAQMD thresholds for build-out to date.</p> <p><u>Offsets for subsequent phases/build-out:</u> Upon completion of construction of each subsequent phase, and prior to issuance of a Certificate of Occupancy for the final building associated with such phase, developer shall demonstrate to the satisfaction of Port Staff that offsets</p> | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| | | have been funded or implemented, or offset fee has been paid, in an amount sufficient to offset emissions above BAAQMD thresholds for build-out to date and taking into account offsets previously funded, implemented, and/or purchased. | | | |
| <i>Wind and Shadow Mitigation Measures</i> | | | | | |
| <p>Mitigation Measure M-WS-1: Identification and Mitigation of Interim Hazardous Wind Impacts</p> <p>When the circumstances or conditions listed in Table M.WS.1 are present at the time a building Schematic Design is submitted, the requirements described below apply:</p> <p>Table M.WS.1: Circumstances or Conditions during which Mitigation Measure M-WS-1 Applies</p> | Project sponsors, qualified wind consultant. | As outlined in Table M.WS.1: Circumstances or Conditions during which Mitigation Measure M-WS-1 Applies, a wind impact analysis shall be | Qualified wind consultant to prepare a scope of work to be approved by Port Staff and following approval of a scope of work submit a wind impact analysis to Port Staff for approval | Considered complete upon approval or issuance of building permit. | Port |

MITIGATION MONITORING AND REPORTING PROGRAM FOR
PIER 70 MIXED-USE DISTRICT PROJECT

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| Subject Parcel Proposed for Construction | Circumstance or Condition | Related Upwind Parcels | | prepared for the listed circumstances prior to issuance of a building permit for any proposed building when the circumstances or conditions listed in Table M.WS.1 are present at the time a building Schematic Design is submitted. | of feasible design changes to minimize interim hazardous wind impacts. | | |
| Parcel A | Construction of any new buildings on Parcel A. | NA | | | | | |
| Parcel B | Construction of any new buildings on Parcel B. | NA | | | | | |
| Parcel E2 | Construction of any new buildings on Parcel E2 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels H1 and G that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building Schematic Design submittal. | Parcels H1 and G | | | | | |
| Parcel E3 | Construction of any new buildings on Parcel E3 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels E2 and G that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building | Parcels E2 and G | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | | | |
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| Schematic Design submittal. | | | | | | | |
| Parcel F | Construction of any new buildings on Parcel F. | NA | | | | | |
| Parcel G | Construction of any new buildings on Parcel G. | NA | | | | | |
| Parcel H1 | Construction of any new buildings on Parcel H1 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels E2 and G that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building Schematic Design submittal. | Parcels E2 and G | | | | | |
| Parcel H2 | Construction of any new buildings on Parcel H2 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels H1, E2, and E3 that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building Schematic Design submittal. | Parcels H1, E2, and E3 | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p><i>Source: SWCA.</i></p> <p>Requirements</p> <p>A wind impact analysis shall be required prior to building permit issuance for any proposed new building that is located within the project site and meets the conditions described above. All feasible means (e.g., changes in design, relocating or reorienting certain building(s), sculpting to include podiums and roof terraces, adding architectural canopies or screens, or street furniture) to eliminate hazardous winds, if predicted, shall be implemented. After such design changes and features have been considered, the additional effectiveness of landscaping may also be considered.</p> <p>1. Screening-level analysis. A qualified wind consultant approved by Port Staff shall review the proposed building design and conduct a "desktop review" in order to provide a qualitative result determining whether there could be a wind hazard. The screening-level analysis shall have the following steps: For each new building proposed that meets the criteria above, a qualified wind consultant shall review and compare the exposure, massing, and orientation of the proposed building(s) on the subject parcel to the building(s) on the same parcel in the representative massing models of the Proposed Project tested in the wind tunnel as part of this EIR and in any subsequent wind analysis testing required by this mitigation measure. The wind consultant shall identify and compare the potential impacts of the proposed building(s) to those identified in this EIR, subsequent wind testing that may have occurred under this mitigation measure, and to the City's wind hazard criterion. The wind consultant's analysis and evaluation shall consider the proposed building(s) in the context of the "Current Project Baseline," which, at any given time during construction of the Proposed Project, shall be defined as any existing buildings at the site, the as-built designs of all previously-completed structures and the then-current designs of</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>approved but yet unbuilt structures that would be completed by the time of occupancy of the subject building.</p> <p>(a) If the qualified wind consultant concludes that the building design(s) could not create a new wind hazard and could not contribute to a wind hazard identified by prior wind tunnel testing for the EIR and in subsequent wind analysis required by this mitigation measure, no further review would be required. If there could be a new wind hazard, then a quantitative assessment shall be conducted using wind tunnel testing or an equivalent quantitative analysis that produces comparable results to the analysis methodology used in this EIR.</p> <p>(b) If the qualified wind consultant concludes that the building design(s) could create a new wind hazard or could contribute to a wind hazard identified by prior wind tunnel testing conducted for this EIR and in subsequent wind analysis required by this mitigation measure, but in the consultant's professional judgment the building(s) can be modified to reduce such impact to a less-than-significant level, the consultant shall notify Port Staff and the building applicant. The consultant's professional judgment may be informed by the use of "desktop" analytical tools, such as computer tools relying on results of prior wind tunnel testing for the Proposed Project and other projects (i.e., "desktop" analysis does not include new wind tunnel testing). The analysis shall include consideration of wind location, duration, and speed of wind. The building applicant may then propose changes or supplements to the design of the proposed building(s) to achieve this result. These changes or supplements may include, but are not limited to, changes in design, building orientation, sculpting to include podiums and roof terraces, and/or the addition of architectural canopies or screens, or</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>street furniture. The effectiveness of landscaping may also be considered. The wind consultant shall then reevaluate the building design(s) with specified changes or supplements. If the wind consultant demonstrates to the satisfaction of Port Staff that the modified design and landscaping for the building(s) could not create a new wind hazard or contribute to a wind hazard identified in prior wind tunnel testing conducted for this EIR and in subsequent wind analysis required by this mitigation measure, no further review would be required.</p> <p>(c) If the consultant is unable to demonstrate to the satisfaction of Port Staff that no increase in wind hazards would occur, wind tunnel testing or an equivalent method of quantitative evaluation producing results that can be compared to those used in the EIR and in any subsequent wind analysis testing required by this mitigation measure is required. The building(s) shall be wind tunnel tested in the context of a model that represents the Current Project Baseline, as described in Item 1, above. The testing shall include all the test points in the vicinity of a proposed building or group of buildings that were tested in this EIR, as well as all additional points deemed appropriate by the consultant to determine the wind performance for the building(s). Testing shall occur in places identified as important, e.g., building entrances, sidewalks, etc., and there may need to be additional test point locations considered. At the direction and approval of the Port, the "vicinity" shall be determined by the wind consultant, as appropriate for the circumstances, e.g., a starting concept for "vicinity" could be approximately 350 feet around the perimeter of the subject parcel(s), subject to the wind consultant's reducing or increasing this radial distance. The wind tunnel testing shall test the proposed building design(s), as well as the Current Project Baseline, in</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>order to clearly identify those differences that would be due to the proposed new building(s). In the event the wind tunnel testing determines that design of the building(s) would increase the hours of wind hazard or extent of area subject to hazardous winds beyond those identified in prior wind testing conducted for this EIR and in subsequent wind tunnel analysis required by this mitigation measure, the wind consultant shall notify Port Staff and the building applicant. The building applicant may then propose changes or supplements to the design of the proposed building(s) to eliminate wind hazards. These changes or supplements may include, but are not limited to, changes in design, building orientation, sculpting building(s) to include podiums and roof terraces, adding architectural canopies or screens, or street furniture. All feasible means (changes in design, relocating or reorienting certain building(s), sculpting to include podiums and roof terraces, the addition of architectural canopies or screens, or street furniture) to eliminate wind hazards, if predicted, shall be implemented to the extent necessary to mitigate the impact. After such design changes and features have been considered, the additional effectiveness of landscaping at the size it is proposed to be installed may also be considered. The wind consultant shall then reevaluate the building design(s) with specified changes or supplements. If the wind consultant demonstrates to the satisfaction of Port Staff that the modified design would not create a new wind hazard or contribute to a wind hazard identified in prior wind tunnel testing conducted for this EIR and in subsequent wind analysis required by this mitigation measure, no further review would be required.</p> <p>If the proposed building(s) would result in a wind hazard exceedance, and the only way to eliminate the hazard is to redesign a proposed building, then the building shall be redesigned.</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| Mitigation Measure M-WS-2: Wind Reduction for Rooftop Winds If the rooftop of building(s) is proposed as public open space and/or a passive or active public recreational area prior to issuance of a building permit for the subject building(s), a qualified wind consultant shall prepare a wind impact and mitigation analysis in the context of the Current Project Baseline regarding the proposed architectural design. All feasible means (such as changing the proposed building mass or design; raising the height of the parapets to at least 8 feet, using a porous material where such material would be effective in reducing wind speeds; using localized wind screens, canopies, trellises, and/or landscaping around seating areas) to eliminate wind hazards shall be implemented as necessary. A significant wind impact would be an increase in the number of hours that the wind hazard criterion is exceeded or an increase in the area subjected to winds exceeding the hazard criterion as compared to existing conditions at the height of the proposed rooftop. The wind consultant shall demonstrate to the satisfaction of Port Staff that the building design would not create a new wind hazard or contribute to a wind hazard identified in prior wind testing conducted for this EIR. | Project Sponsors and qualified wind consultant. | Prior to issuance of a building permit for a building with a rooftop proposed as public open space and/or passive/active recreational area, the qualified wind consultant shall demonstrate that no new wind hazards or a contribution to a wind hazard identified in the EIR would occur in a wind hazard and mitigation analysis. | Port Staff to review wind hazard and mitigation analysis. | Considered complete upon approval or issuance of building permit | Port |
| Biological Resources Mitigation Measures | | | | | |
| Mitigation Measure M-BI-1a: Worker Environmental Awareness Program Training Project-specific Worker Environmental Awareness Program (WEAP) training shall be developed and implemented by a qualified biologist* and attended by all project personnel performing demolition or ground-disturbing work prior to beginning demolition or ground-disturbing work on site for | Project sponsors and qualified project biologist. | Prior to demolition or ground-disturbing activities. | Port staff to review and approve WEAP training. Project sponsors and qualified biological consultant to document WEAP | Considered complete after Port staff reviews and approves WEAP training, and confirm | Port or Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>each construction phase. The WEAP training shall include, but not be limited to, education about the following:</p> <ul style="list-style-type: none"> a. Applicable State and Federal laws, environmental regulations, project permit conditions, and penalties for non-compliance. b. Special-status plant and animal species with the potential to be encountered on or in the vicinity of the project site during construction. c. Avoidance measures and a protocol for encountering special-status species including a communication chain. d. Preconstruction surveys and biological monitoring requirements associated with each phase of work and at specific locations within the project site (e.g., shoreline work) as biological resources and protection measures will vary depending on where work is occurring within the site, time of year, and construction activity. e. Known sensitive resource areas in the project vicinity that are to be avoided and/or protected as well as approved project work areas, access roads, and staging areas. <p>Best management practices (BMPs) (e.g., straw wattles or spill kits) and their location around the project site for erosion control and species exclusion, in addition to general housekeeping requirements.</p> <p>* Typical experience requirements for a "qualified biologist" include a minimum of four years of academic training and professional experience in biological sciences and related resource management activities, and a minimum of two years of experience conducting surveys for each species that may be present within the project area.</p> | | | training and provide documentation during annual mitigation report to the Port. | compliance in annual mitigation report. | |
| <p>Mitigation Measure M-BI-1b: Nesting Bird Protection Measures</p> <p>The project site's proximity to San Francisco Bay and its current lack of</p> | Project sponsors, qualified biological consultant. | Prior to issuance of demolition or building | If construction will occur during nesting season, qualified biological consultant to | Considered complete upon issuance of demolition or | Port or Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>activity result in a more attractive environment for birds to nest than other San Francisco locations (e.g., the Financial District) that have higher levels of site activity and human presence. Nesting birds and their nests shall be protected during construction by implementation of the following measures for each construction phase:</p> <ul style="list-style-type: none"> a. To the extent feasible, conduct initial activities including, but not limited to, vegetation removal, tree trimming or removal, ground disturbance, building demolition, site grading, and other construction activities which may compromise breeding birds or the success of their nests (e.g., CRF, rock drilling, rock crushing, or pile driving), outside of the nesting season (January 15–August 15). b. If construction during the bird nesting season cannot be fully avoided, a qualified wildlife biologist* shall conduct pre-construction nesting surveys within 14 days prior to the start of construction or demolition at areas that have not been previously disturbed by project activities or after any construction breaks of 14 days or more. Surveys shall be performed for suitable habitat within 250 feet of the project site in order to locate any active passerine (perching bird) nests and within 500 feet of the project site to locate any active raptor (birds of prey) nests, waterbird nesting pairs, or colonies. c. If active nests are located during the preconstruction bird nesting surveys, a qualified biologist shall evaluate if the schedule of construction activities could affect the active nests and if so, the following measures would apply: <ul style="list-style-type: none"> i. If construction is not likely to affect the active nest, construction may proceed without restriction; however, a qualified biologist shall regularly monitor the nest at a frequency determined appropriate for the surrounding construction activity to confirm there is no adverse effect. Spot-check monitoring frequency | | permits for construction during the nesting season (August 16 – January 14) | conduct bat surveys and present results to Port Staff | building permits for construction | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>would be determined on a nest-by-nest basis considering the particular construction activity, duration, proximity to the nest, and physical barriers which may screen activity from the nest. The qualified biologist may revise his/her determination at any time during the nesting season in coordination with the Port of San Francisco or Planning Department.</p> <p>ii. If it is determined that construction may affect the active nest, the qualified biologist shall establish a no-disturbance buffer around the nest(s) and all project work shall halt within the buffer until a qualified biologist determines the nest is no longer in use. Typically, these buffer distances are 250 feet for passerines and 500 feet for raptors; however, the buffers may be adjusted if an obstruction, such as a building, is within line-of-sight between the nest and construction.</p> <p>iii. Modifying nest buffer distances, allowing certain construction activities within the buffer, and/or modifying construction methods in proximity to active nests shall be done at the discretion of the qualified biologist and in coordination with the Port of San Francisco or Planning Department, who would notify CDFW. Necessary actions to remove or relocate an active nest(s) shall be coordinated with the Port of San Francisco or Planning Department and approved by CDFW.</p> <p>iv. Any work that must occur within established no-disturbance buffers around active nests shall be monitored by a qualified biologist. If adverse effects in response to project work within the buffer are</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>observed and could compromise the nest, work within the no-disturbance buffer(s) shall halt until the nest occupants have fledged.</p> <p>v. Any birds that begin nesting within the project area and survey buffers amid construction activities are assumed to be habituated to construction-related or similar noise and disturbance levels, so exclusion zones around nests may be reduced or eliminated in these cases as determined by the qualified biologist in coordination with the Port of San Francisco or Planning Department, who would notify CDFW. Work may proceed around these active nests as long as the nests and their occupants are not directly impacted.</p> <p>* Typical experience requirements for a "qualified biologist" include a minimum of four years of academic training and professional experience in biological sciences and related resource management activities, and a minimum of two years of experience conducting surveys for each species that may be present within the project area.</p> | | | | | |
| <p>Mitigation Measure M-BI-2: Avoidance and Minimization Measures for Bats</p> <p>A qualified biologist (as defined by CDFW*) who is experienced with bat surveying techniques (including auditory sampling methods), behavior, roosting habitat, and identification of local bat species shall be consulted prior to demolition or building relocation activities to conduct a pre-construction habitat assessment of the project site (focusing on buildings to be demolished or relocated) to characterize potential bat habitat and identify potentially active roost sites. No further action is required should the pre-construction habitat assessment not identify bat habitat or signs of potentially active bat roosts within the project site (e.g., guano, urine staining, dead bats, etc.).</p> | Project sponsors, qualified biological consultant, and CDFW. | Prior to issuance of demolition or building permits when trees or shrubs would be removed or buildings demolished as part of an individual project. | Qualified biological consultant to conduct bat surveys and present results to Port Staff. | Considered complete upon issuance of demolition or building permits. | Port or Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>The following measures shall be implemented should potential roosting habitat or potentially active bat roosts be identified during the habitat assessment in buildings to be demolished or relocated under the Proposed Project or in trees adjacent to construction activities that could be trimmed or removed under the Proposed Project:</p> <p>a) In areas identified as potential roosting habitat during the habitat assessment, initial building demolition, relocation, and any tree work (trimming or removal) shall occur when bats are active, approximately between the periods of March 1 to April 15 and August 15 to October 15, to the extent feasible. These dates avoid the bat maternity roosting season and period of winter torpor. [Torpor refers to a state of decreased physiological activity with reduced body temperature and metabolic rate.]</p> <p>b) Depending on temporal guidance as defined below, the qualified biologist shall conduct pre-construction surveys of potential bat roost sites identified during the initial habitat assessment no more than 14 days prior to building demolition or relocation, or any tree trimming or removal.</p> <p>c) If active bat roosts or evidence of roosting is identified during pre-construction surveys, the qualified biologist shall determine, if possible, the type of roost and species. A no-disturbance buffer shall be established around roost sites until the qualified biologist determines they are no longer active. The size of the no-disturbance buffer would be determined by the qualified biologist and would depend on the species present, roost type, existing screening around the roost site (such as dense vegetation or a building), as well as the type of construction activity that would occur around the roost site.</p> <p>d) If special-status bat species or maternity or hibernation roosts are detected during these surveys, appropriate species- and roost-specific avoidance and protection measures shall be</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>developed by the qualified biologist in coordination with CDFW. Such measures may include postponing the removal of buildings or structures, establishing exclusionary work buffers while the roost is active (e.g., 100-foot no-disturbance buffer), or other compensatory mitigation.</p> <p>e) The qualified biologist shall be present during building demolition, relocation, or tree work if potential bat roosting habitat or active bat roosts are present. Buildings and trees with active roosts shall be disturbed only under clear weather conditions when precipitation is not forecast for three days and when daytime temperatures are at least 50 degrees Fahrenheit.</p> <p>f) The demolition or relocation of buildings containing or suspected to contain bat roosting habitat or active bat roosts shall be done under the supervision of the qualified biologist. When appropriate, buildings shall be partially dismantled to significantly change the roost conditions, causing bats to abandon and not return to the roost, likely in the evening and after bats have emerged from the roost to forage. Under no circumstances shall active maternity roosts be disturbed until the roost disbands at the completion of the maternity roosting season or otherwise becomes inactive, as determined by the qualified biologist.</p> <p>g) Trimming or removal of existing trees with potential bat roosting habitat or active (non-maternity or hibernation) bat roost sites shall follow a two-step removal process (which shall occur during the time of year when bats are active, according to a) above, and depending on the type of roost and species present, according to c) above).</p> <p>i. On the first day and under supervision of the qualified biologist, tree branches and limbs not containing cavities or fissures in which bats could roost shall be cut using chainsaws.</p> | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>ii. On the following day and under the supervision of the qualified biologist, the remainder of the tree may be trimmed or removed, either using chainsaws or other equipment (e.g., excavator or backhoe).</p> <p>All felled trees shall remain on the ground for at least 24 hours prior to chipping, off-site removal, or other processing to allow any bats to escape, or be inspected once felled by the qualified biologist to ensure no bats remain within the tree and/or branches.</p> <p>iv. * CDFW defines credentials of a "qualified biologist" within permits or authorizations issued for a project. Typical qualifications include a minimum of five years of academic training and professional experience in biological sciences and related resource management activities, and a minimum of two years of experience conducting surveys for each species that may be present within the project area.</p> | | | | | |
| <p>Mitigation Measure M-BI-3: Pile Driving Noise Reduction for Protection of Fish and Marine Mammals</p> <p>Prior to the start of reconstruction of the bulkhead in Reach II, the project sponsors shall prepare a detailed Construction Plan that outlines the details of the piling installation approach. This Plan shall be reviewed and approved by Port Staff. The information provided in this plan shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • The type of piling to be used (whether sheet pile or H-pile); • The piling size to be used; • The method of pile installation to be used; • Noise levels for the type of piling to be used and the method of pile driving; • Recalculation of potential underwater noise levels that could be generated during pile driving using methodologies outlined in | Project sponsors. | Prior to construction of the bulkhead in Reach II, project sponsors to prepare a Construction Plan. | Project sponsors to prepare a Construction Plan and submit it to the Port for review and approval. If determined necessary, sound attenuation and monitoring plan would then be developed. Results of the vibration monitoring would be provided to NOAA if required. An alternative to the sound | Considered complete upon review and approval of the Construction Plan. If determined necessary, approval of the sound attenuation and monitoring plan would be required by Port Staff, and monitoring results would be provided to | Port |

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| <p>CalTrans 2009 [Caltrans, Technical Guidance for Assessment and Mitigation]; and</p> <ul style="list-style-type: none"> When pile driving is to occur. <p>If the results of the recalculations provided in the detailed Construction Plan for pile driving discussed above indicate that underwater noise levels are less than 183 dB (SEL) for fish at a distance of 33 feet (less than or equal to 10 meters) and 160 dB (RMS) sound pressure level or 120 dB (RMS) re 1 µPa impulse noise level for marine mammals for a distance 1,640 feet (500 meters), then no further measures are required to mitigate underwater noise. If recalculated noise levels are greater than those identified above, then the project sponsors shall develop a sound attenuation reduction and monitoring plan. This plan shall be reviewed and approved by Port Staff. This plan shall provide detail on the sound attenuation system, detail methods used to monitor and verify sound levels during pile-driving activities, and all BMPs to be taken to reduce impact hammer pile-driving sound in the marine environment to an intensity level of less than 183 and 160/120 dB (as identified above) at distances of 33 feet (less than or equal to 10 meters) for fish and 1,640 feet (500 meters) for marine mammals. The sound-monitoring results shall be made available to NOAA Fisheries. If, in the case of marine mammals, recalculated noise levels are greater than 160 dB (peak) at less than or equal to 1,640 feet (500 meters), then the project sponsors shall consult with NOAA to determine the need to obtain an Incidental Harassment Authorization (IHA) under the MMPA. If an IHA is required by NOAA, an application for an IHA shall be prepared by the project sponsors.</p> <p>The plan shall incorporate as appropriate, but not be limited to, the following BMPs:</p> <ul style="list-style-type: none"> Any impact-hammer-installed soldier wall H-pilings or sheet piling shall be conducted in strict accordance with the Long-Term Management Strategy (LTMS) work windows for Pacific herring,* during which the presence of Pacific herring in the project site is | | | attenuation and monitoring plan is to consult with NOAA and provide evidence to the satisfaction of Port Staff. | NOAA. | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>expected to be minimal unless, where applicable, NOAA Fisheries in their Section 7 consultation with the Corps determines that the potential effect to special-status fish species is less than significant.</p> <ul style="list-style-type: none"> • If pile installation using impact hammers must occur at times other than the approved LTMS work window for Pacific herring or result in underwater sound levels greater than those identified above, the project sponsors shall consult with both NOAA Fisheries and CDFW on the need to obtain incidental take authorizations to address potential impacts to longfin smelt and green sturgeon associated with reconstruction of the steel sheet pile bulkhead in Reach II, and to implement all requested actions to avoid impacts. • A 1,640-foot (500-meter) safety zone shall be established and maintained around the sound source to the extent such a safety zone is located within in-water areas, for the protection of marine mammals in the event that sound levels are unknown or cannot be adequately predicted. • In-water work activities associated with reconstruction of the steel sheet pile bulkhead in Reach II shall be halted when a marine mammal enters the 1,640-foot (500-meter) safety zone and shall cease until the mammal has been gone from the area for a minimum of 15 minutes. • A "soft start" technique shall be used in all pile driving, giving marine mammals an opportunity to vacate the area. • A NOAA Fisheries-approved biological monitor shall conduct daily surveys before and during impact hammer pile driving to inspect the safety zone and adjacent San Francisco Bay waters for marine mammals. The monitor shall be present as specified by NOAA Fisheries during the impact pile-driving phases of construction. | | | | | |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <ul style="list-style-type: none"> Other BMPs shall be implemented as necessary, such as using bubble curtains or an air barrier, to reduce underwater noise levels to acceptable levels. <p>Alternatively, the project sponsors may consult with NOAA directly and submit evidence to their satisfaction of Port Staff of NOAA consultation. In such case, the project sponsors shall comply with NOAA recommendations and/or requirements.</p> <p>* U.S. Army Corps of Engineers, Programmatic Essential Fish Habitat (EFH) Assessment for the Long-Term Management Strategy for the Placement of Dredged Material in the San Francisco Bay Region. July 2009.</p> | | | | | |
| <p>Mitigation Measure M-BI-4: Compensation for Fill of Jurisdictional Waters</p> <p>To offset temporary and/or permanent impacts to jurisdictional waters of San Francisco Bay adjacent to the 28-Acre Site, construction associated with repair or replacement of the Reach II bulkhead shall be conducted as required by regulatory permits (i.e., those issued by the Corps, RWQCB, and BCDC) and in coordination with NMFS as appropriate. If required by regulatory permits, compensatory mitigation shall be provided as necessary, at a minimum ratio of 1:1 for fill beyond that required for normal repair and maintenance of existing structures. Compensation may include on-site or off-site shoreline improvements or intertidal/subtidal habitat enhancements along San Francisco's eastern waterfront through removal of chemically treated wood material (e.g., pilings, decking, etc.) by pulling, cutting, or breaking off piles at least 1 foot below mudline or removal of other unengineered debris (e.g., concrete-filled drums or large pieces of concrete).</p> <p>Improvements would be implemented in accordance with NMFS as appropriate. On-site or off-site restoration/enhancement plans, if required, must be prepared by a qualified biologist prior to construction and approved by the permitting agencies prior to beginning construction, repair, or</p> | <p>Project sponsors.</p> <p>In accordance with regulatory permits and coordination with NMFS, compensatory mitigation, if required, shall be provided at a minimum ratio of 1:1.</p> | <p>Prior to any construction at the Reach II bulkhead or in accordance with regulatory permits.</p> | <p>Project sponsors to comply with regulatory permits</p> | <p>Considered complete after issuance of regulatory permits for the fill of jurisdictional waters.</p> | <p>Port</p> |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| replacement of the Reach II bulkhead. Implementation of restoration/enhancement activities by the permittee shall occur prior to project impacts, whenever possible. | | | | | |
| <i>Geology and Soils Mitigation Measures</i> | | | | | |
| Mitigation Measure M-GE-3a: Reduction of Rock Fall Hazards The project sponsors shall prepare a site-specific geotechnical report(s), subject to review and approval by the Port, that evaluates the design and construction methods proposed for Parcels PKS, C-1, and C-2, the Irish Hill playground, and 21 st Street. The investigations shall determine the potential for rock fall hazards. If the potential for rock fall hazards is identified, the site-specific geotechnical investigations shall identify measures to minimize such hazards to be implemented by the project sponsors. Possible measures to reduce the impacts of potential rock fall hazards include, but are not limited to, the following: <ul style="list-style-type: none"> Limited regrading to adjust slopes to stable gradient; Rock fall containment measures such as installation of drape nets, rock fall catchment fences, or diversion dams; and Site design measures such as implementing setbacks to ensure that buildings and public uses are outside areas that could be subject to damage as a result of rock fall. | Project sponsors. | Prior to the start of construction activities at Parcels PKS, C-1, C-2, the Irish Hill playground, and 21 st Street. | Project sponsors to submit geotechnical report(s) to the Port for review and approval. | Considered complete upon approval of geotechnical report(s) and any associated measures to minimize rock fall hazards. | Port |
| Mitigation Measure M-GE-3b: Signage and Restricted Access to Pier 70 Prior to issuance of the first certificate of occupancy under the Proposed Project, the project sponsors shall install a gate or an equivalent measure to prevent access to the existing dilapidated pier at the project site. A sign shall be posted at the potential access point informing the public of potential risks associated with use of the structure and prohibiting public access. | Project sponsors to install signage and gate or equivalent measure to prevent access to the existing dilapidated pier. | Prior to issuance of the first Certificate of Occupancy. | Project sponsors to document installation of signage and gate or equivalent measure | Considered complete upon installation of the signage and gate or equivalent measure. The measure will be documented in the annual | Port |

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| | | | | mitigation and monitoring report. | |
| <p>Mitigation Measure M-GE-6: Paleontological Resources Monitoring and Mitigation Program</p> <p>Prior to issuance of a building permit for construction activities that would disturb sedimentary rocks of the Franciscan Complex (based on the site-specific geotechnical investigation or other available information), the project sponsors shall retain the services of a qualified paleontological consultant having expertise in California paleontology to design and implement a Paleontological Resources Monitoring and Mitigation Program (PRMMP). The PRMMP shall specify the timing and specific locations where construction monitoring would be required; emergency discovery procedures; sampling and data recovery procedures; procedures for the preparation, identification, analysis, and curation of fossil specimens and data recovered; preconstruction coordination procedures; and procedures for reporting the results of the monitoring program. The PRMMP shall be consistent with the Society for Vertebrate Paleontology (SVP) Standard Guidelines for the mitigation of construction-related adverse impacts to paleontological resources and the requirements of the designated repository for any fossils collected.</p> <p>During construction, earth-moving activities that have the potential to disturb previously undisturbed native sediment or sedimentary rocks shall be monitored by a qualified paleontological consultant having expertise in California paleontology. Monitoring need not be conducted for construction activities in areas where the ground has been previously disturbed or when construction activities would encounter artificial fill, Young Bay Mud, marsh deposits, or non-sedimentary rocks of the Franciscan Complex.</p> <p>If a paleontological resource is discovered, construction activities in an appropriate buffer around the discovery site shall be suspended for a maximum of 4 weeks. At the direction of the Environmental Review Officer</p> | Project sponsors and qualified paleontological consultant. | <p>Prior to issuance of a building permit where construction activities would disturb sedimentary rocks of the Franciscan complex.</p> <p>If earth-moving activities have the potential to disturb previously undisturbed native sediment, a qualified paleontological consultant would monitor the activities.</p> | <p>Qualified paleontological consultant to prepare a PRMMP for review and approval by the ERO. A single PRMMP or multiple PRMMPs may be produced to address project phasing.</p> <p>In compliance with the requirements of the PRMMP, a qualified paleontological consultant would monitor construction and provide a monitoring report for inclusion in the annual mitigation and monitoring report.</p> | <p>Considered complete upon documentation to the satisfaction of that building permit construction activities would not disturb sedimentary rocks of the Franciscan Complex, or review and approval of the PRMMP, if required, by the Planning Department.</p> <p>Monitoring activities and compliance would be documented in the annual mitigation and monitoring report.</p> | Port and Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>(ERO), the suspension of construction can be extended beyond 4 weeks if needed to implement appropriate measures in accordance with the PRMMP, but only if such a suspension is the only feasible means to prevent an adverse impact on the paleontological resource.</p> <p>The paleontological consultant's work shall be conducted at the direction of the City's ERO. Plans and reports prepared by the consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO.</p> | | | | | |
| <i>Hydrology and Water Resources Mitigation Measures</i> | | | | | |
| <p>Mitigation Measure M-HY-2a: Design and Construction of Proposed Pump Station for Options 1 and 3</p> <p>The project sponsors shall design the new pump station proposed as part of the Proposed Project to achieve the following performance criteria.</p> <ul style="list-style-type: none"> The dry-weather capacity of the new pump station and associated force main shall be sufficient to convey dry-weather wastewater flows within the 20th Street sub-basin, including flows from the existing baseline, the Proposed Project at full build-out, and cumulative project contributions; and The wet-weather capacity of the new pump station shall be sufficient to ensure that potential wet-weather combined sewer discharges from the 20th Street sub-basin and associated downstream basins do not exceed the long-term average of ten discharges per year specified in the SFPUC Bayside NPDES permit or applicable corresponding permit condition at time of final design. The capacity shall be based on the existing baseline, the Proposed Project at full build-out, and cumulative project contributions. <p>The project sponsors shall coordinate with the SFPUC regarding the design and construction of the pump station. The final design shall be subject to</p> | Project sponsors. | Prior to construction of the proposed pump station for Options 1 and 3. | Project sponsors to coordinate with the SFPUC and Port regarding the proposed pump station design and performance criteria. | Considered complete upon approval of the final design by the SFPUC. | SFPUC |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| approval by the SFPUC. | | | | | |
| <p>Mitigation Measure M-HY-2b: Design and Construction of Proposed Pump Station for Option 2</p> <p>The project sponsors shall design the new pump station proposed as part of the Proposed Project to achieve the following performance criteria.</p> <ul style="list-style-type: none"> The dry-weather capacity of the new pump station and associated force main shall be sufficient to convey dry-weather wastewater flows within the 20th Street sub-basin, including flows from the existing baseline, the Proposed Project at full build-out, and cumulative project contributions; During wet weather, wastewater flows from the project site shall bypass the wet-weather facilities and be conveyed to the combined sewer system in such a manner that they do not contribute to combined sewer discharges within the 20th Street sub-basin; and The wet-weather capacity of the new pump station shall be sufficient to ensure that potential wet-weather combined sewer discharges from the 20th Street sub-basin and associated downstream basins do not exceed the long-term average of ten discharges per year specified in the SFPUC Bayside NPDES permit or applicable corresponding permit condition at time of final design. The capacity shall be based on the existing baseline and cumulative project contributions. <p>The project sponsors shall coordinate with the SFPUC regarding the design and construction of the pump station. The final design shall be subject to approval by the SFPUC.</p> | Project sponsors. | Prior to construction of the proposed pump station for Option 2. | Project sponsors to coordinate with the SFPUC and Port regarding the proposed pump station design and performance criteria. | Considered complete upon approval of the final design by the SFPUC. | SFPUC |
| Hazards and Hazardous Materials Mitigation Measures | | | | | |
| Mitigation Measure M-HZ-2a: Conduct Transformer Survey and Remove PCB Transformers | Project sponsors and qualified contractor. | Prior to the demolition, renovation, or | Qualified contractor to survey and determine the | Considered complete if no PCBs found or | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| The project sponsors shall retain a qualified contractor to survey any building and/or structure planned for demolition, renovation, or relocation to identify all electrical transformers in use and in storage. The contractor shall determine the PCB content using name plate information, or through sampling if name-plate data do not provide adequate information regarding the PCB content of the dielectric equipment. The project sponsors shall retain a qualified contractor to remove and dispose of all transformers in accordance with the requirements of Title 40 of the Code of Federal Regulations, Section 761.60 (described under the Regulatory Framework) and the Title 22 of the California Code of Regulations, Section 66261.24. The removal shall be completed in advance of any building or structural demolition, renovation, or relocation. | | relocation of any building and/or structure. | PCB content of transformers in use and storage. If necessary, the contractor shall remove and dispose of transformers in accordance with applicable regulations. | upon appropriate disposal and removal of transformers. Mitigation activities would be documented in hazardous materials manifests and in the annual mitigation and monitoring report. | |
| Mitigation Measure M-HZ-2b: Conduct Sampling and Cleanup if Stained Building Materials Are Observed In the event that leakage is observed in the vicinity of a transformer containing greater than 50 parts per million PCB (determined in accordance with Mitigation Measure H-HZ-2a), or the leakage has resulted in visible staining of the building materials or surrounding surface areas, the project sponsors shall retain a qualified professional to obtain samples of the building materials for the analysis of PCBs in accordance with Part 761 of the Code of Federal Regulations. If PCBs are identified at a concentration of 1 part per million, then the project sponsors shall retain a contractor to clean the surface to a concentration of 1 part per million or less in accordance with Title 40 of the Code of Federal Regulations, Section 761.61(a). The sampling and cleaning shall be completed in advance of any building or structural demolition, renovation, or relocation. | Project sponsors and qualified contractor. | In the event that leakage is observed in the vicinity of a transformer containing greater than 50 parts per million PCB, or the leakage has resulted in visible staining of the building materials or surrounding surface areas. If determined necessary, sampling and | If leakage or spillage occurs, qualified contractor to obtain samples and clean the surface (if necessary) in accordance with applicable regulations. | Considered complete if no PCBs found or upon sampling and removal of PCBs in accordance applicable regulations. Mitigation activities would be documented in hazardous materials manifests and in the annual mitigation and monitoring report. | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| | | cleaning shall be completed in advance of any building or structural demolition, renovation, or relocation. | | | |
| Mitigation Measure M-HZ-2c: Conduct Soil Sampling if Stained Soil is Observed In the event that leakage is observed in the vicinity of a PCB-containing transformer that has resulted in visible staining of the surrounding soil (determined in accordance with Mitigation Measure M-HZ-2a), the project sponsors shall retain a qualified professional to obtain soil samples for the analysis of PCBs in accordance with Part 761 of the Code of Federal Regulations. If PCBs are identified at a concentration less than the residential Environmental Screening Level of 0.22 milligrams per kilogram, then no further action shall be required. If PCBs are identified at a concentration greater than or equal to the residential Environmental Screening Level of 0.22 milligrams per kilogram, then the project sponsors shall require the contractor to implement the requirements of the Pier 70 RMP, as required by Mitigation Measure M-HZ-6. The sampling and implementation of the Pier 70 RMP requirements shall be completed in advance of any building or structural demolition, renovation, relocation, or subsequent development. | Project sponsors and qualified contractor. | In the event that leakage is observed in the vicinity of a transformer, or the leakage has resulted in visible staining of soils. If determined necessary, sampling and removal shall be completed in advance of any building or structural demolition, renovation, or relocation. | If leakage or spillage occurs, qualified contractor to obtain samples and remove any PCBs (if necessary) in accordance with applicable regulations. | Considered complete if no PCBs found or upon sampling and removal of PCBs in accordance applicable regulations. Mitigation activities would be documented hazardous materials manifests and in the annual mitigation and monitoring report. | Port |
| Mitigation Measure M-HZ-3a: Implement Construction and Maintenance-Related Measures of the Pier 70 Risk Management Plan The project sponsors shall provide notice to the RWQCB, DPH, and Port in accordance with the Pier 70 RMP, in advance of ground-disturbing activities | Project sponsors and construction contractor(s). | Notice shall be provided to the RWQCB, DPH, and Port in accordance | All plans prepared in accordance with the Pier 70 RMP shall be submitted to the RWQCB, | Considered complete upon notice to the RWQCB, DPH, and Port. | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>that would disturb an area of 1,250 square feet or more of native soil, 50 cubic yards or more of native soil, more than 0.5 acre of soil, or 10,000 square feet or more of durable cover (Pier 70 RMP Sections 4.1, 4.2, and 6.3).</p> <p>The project sponsors shall also (through their contractor) implement the following measures of the Pier 70 RMP during construction to provide for the protection of worker and public health, including nearby schools and other sensitive receptors, and to ensure appropriate disposition of soil and groundwater removed from the site:</p> <ul style="list-style-type: none"> • A project-specific health and safety plan (Pier 70 RMP Section 6.4); • Access controls (Pier 70 RMP Section 6.1); • Soil management protocols, including those for: <ul style="list-style-type: none"> ◦ soil movement (Pier 70 RMP Section 6.5.1), ◦ soil stockpile management (Pier 70 RMP Section 6.5.2), and ◦ import of clean soil (including preparation of a project-specific Soil Import Plan) (Pier 70 RMP Section 6.5.3); • A dust control plan in accordance with the measures specified by the California Air Resources Board for control of naturally occurring asbestos (Title 17 of California Code of Regulations, Section 93105) and Article 22B of the San Francisco Health Code and other applicable regulations as well as site-specific measures (Pier 70 RMP Section 6.6); • A project-specific stormwater pollution prevention control plan (Pier 70 RMP Section 6.7); • Off-site soil disposal (Pier 70 RMP Section 6.8); | | <p>with the Pier 70 RMP prior to any ground-disturbing activities that would disturb an area of 1,250 square feet or more of native soil, 50 cubic yards or more of native soil, more than 0.5 acre of soil, or 10,000 square feet or more of durable cover.</p> | <p>DPH, and Port for review and approval in accordance with the notification requirements of the RMP.</p> | | |

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| <ul style="list-style-type: none"> A project-specific groundwater management plan for temporary dewatering (Pier 70 RMP Section 6.10.1); Risk management measures to minimize the potential for new utilities to become conduits for the spread of groundwater contamination (Pier 70 RMP Section 6.10.2); Appropriate design of underground pipelines to prevent the intrusion of groundwater or degradation of pipeline construction materials by chemicals in the soil or groundwater (Pier 70 RMP Section 6.10.3); and Protocols for unforeseen conditions (Pier 70 RMP Section 6.9). <p>Following completion of construction activities that disturb any durable cover, the integrity of the previously existing durable cover shall be re-established in accordance with Section 6.2 of the Pier 70 RMP and the protocols described in the Operations and Maintenance Plan of the Pier 70 RMP.</p> <p>All plans prepared in accordance with the Pier 70 RMP shall be submitted to the RWQCB, DPH, and/or Port for review and approval in accordance with the notification requirements of the RMP (Pier 70 RMP Section 4.0).</p> | | | | | |
| <p>Mitigation Measure M-HZ-3b: Implement Well Protection Requirements of the Pier 70 Risk Management Plan</p> <p>In accordance with Section 6.11 of the Pier 70 RMP, the project sponsors shall review available information prior to any ground-disturbing activities to identify any monitoring wells within the construction area, including any wells installed by PG&E in support of investigation and remediation of the PG&E Responsibility Area within the 28-Acre Site. The wells shall be appropriately protected during construction. If construction necessitates destruction of an existing well, the destruction shall be conducted in accordance with California and DPH well abandonment regulations, and</p> | Project sponsors | Prior to ground-disturbing activities. | Project sponsors to identify any monitoring wells in the area, and appropriately protect them. If destruction of a well is required, it would be conducted in accordance with | Monitoring complete if no wells or activities would be demonstrated in RWQCB and DPH regulatory applications and documented in the annual mitigation and | Port |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| must be approved by the RWQCB. The Port shall also be notified of the destruction. If required by the RWQCB, DPH, or the Port, the project sponsors shall reinstall any groundwater monitoring wells that are part of the ongoing groundwater monitoring network. | | | applicable regulations and the Port would be notified. If required by the RWQCB, DPH, or the Port, the project sponsors shall reinstall any groundwater monitoring wells that are part of the ongoing groundwater monitoring network. | monitoring report. | |
| <p>Mitigation Measure M-HZ-4: Implement Construction-Related Measures of the Hoedown Yard Site Management Plan</p> <p>In accordance with the notification requirements of the Hoedown Yard SMP (Section 4.2), the project sponsors (through their contractor) shall notify the RWQCB, DPH, and/or Port prior to conducting any intrusive work at the Hoedown Yard. During construction, the contractor shall implement the following measures of the Hoedown Yard SMP to provide for the protection of worker and public health, and to ensure appropriate disposition of soil and groundwater.</p> <ul style="list-style-type: none"> • A project-specific Health and Safety Plan (Hoedown Yard SMP Section 5): <ul style="list-style-type: none"> ○ Dust management measures in accordance with the measures specified by the California Air Resources Board for control of naturally occurring asbestos (Title 17 of California Code of Regulations, Section 93105) and Article 22B of the San Francisco Health Code. The specific measures must address | Project sponsors | Prior to ground-disturbing activities at the Hoedown Yard. | The project sponsors shall notify the RWQCB, DPH, and/or Port prior to conducting any intrusive work at the Hoedown Yard. | Considered complete after notification to the RWQCB, DPH, and/or Port. | DPH |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>dust control (SMP Section 6.1) and dust monitoring (SMP Section 6.2).</p> <ul style="list-style-type: none"> Soil and water management measures, including: <ul style="list-style-type: none"> soil handling (Hoedown Yard SMP Section 7.1.1), stockpile management (Hoedown Yard SMP Section 7.1.2), on-site reuse of soil (Hoedown Yard SMP Section 7.1.3), off-site soil disposal (Hoedown Yard SMP Section 7.1.4), excavation dewatering (Hoedown Yard SMP Section 7.1.5), stormwater management (Hoedown Yard SMP Section 7.1.6), site access and security (Hoedown Yard SMP Section 7.1.7), and unanticipated subsurface conditions (Hoedown Yard SMP Section 7.2). | | | | | |
| <p>Mitigation Measure M-HZ-5: Delay Development on Proposed Parcels H1, H2, and E3 Until Remediation of the PG&E Responsibility Area is Complete</p> <p>The project sponsors shall not start construction of the proposed development or associated infrastructure on proposed Parcel H1, H2, and E3 until PG&E's remedial activities in the PG&E Responsibility Area within and adjacent to these parcels have been completed to the satisfaction of the RWQCB, consistent with the terms of the remedial action plan prepared by PG&E and approved by RWQCB. During subsequent development, the project sponsors shall implement the requirements of the Pier 70 RMP within the PG&E Responsibility Area, as enforced through the recorded deed restriction on the Pier 70 Master Plan Area.</p> | Project sponsors and PG&E. | <p>Prior to the start of construction on proposed Parcels H1, H2, and E3.</p> <p>During subsequent development, for implementation of Pier 70 RMP Requirements.</p> | <p>PG&E to complete remedial activities in the PG&E Responsibility Area within and adjacent to Parcels H1, H2, and E3 to satisfaction of RWQCB.</p> <p>Project sponsor to implement Pier 70 RMP requirements, enforced by recorded deed</p> | Considered complete upon RWQCB confirmation of satisfaction with PG&E remedial action. | Port |

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| <p>Mitigation Measure M-HZ-6: Additional Risk Evaluations and Vapor Control Measures for Residential Land Uses</p> <p>The notification submittals required under Mitigation Measure M-HZ-3a shall describe site conditions at the time of development. If residential land uses are proposed at or near locations where soil vapor or groundwater concentrations exceed residential cleanup standards for vapor intrusion (based on information provided in the Pier 70 RMP), this information shall be included in the notification submittal and the RWQCB and DPH determine whether a risk evaluation is required. If required, the project sponsors or future developer(s) shall conduct a risk evaluation in accordance with the Pier 70 RMP. The risk evaluation shall be based on the soil vapor and groundwater quality presented in the Pier 70 RMP and the proposed building design. The project sponsors shall conduct additional soil vapor or groundwater sampling as needed to support the risk evaluation, subject to the approval of the RWQCB and DPH.</p> <p>If the risk evaluation demonstrates that there would be unacceptable health risks to residential users (i.e., greater than 1×10^{-6} incremental cancer risk or a non-cancer hazard index greater than 1), the project sponsors shall incorporate measures into the building design to minimize or eliminate exposure to soil vapor through the vapor intrusion pathway, subject to review and approval by the RWQCB and DPH. Appropriate vapor intrusion measures include, but are not limited to design of a safe building configuration that would preclude vapor intrusion; installation of a vapor barrier; and/or design and installation of an active vapor monitoring and extraction system.</p> <p>If the risk evaluation demonstrates that vapor intrusion risks would be within acceptable levels (less than 1×10^{-6} incremental cancer risk or a non-cancer hazard index less than 1) under a project-specific development scenario, no additional action shall be required. (For instance, the project sponsors could locate all residential uses above the first floor which, in some cases, could eliminate the potential for residential exposure to organic compounds in soil</p> | Project sponsors | Prior to ground-disturbing activities of residential land uses if near locations where soil vapor or groundwater concentrations exceed residential cleanup standard for vapor intrusion. | restriction. Site conditions shall be recorded by the project sponsors and included in the notification submittal to the RWQCB and DPH. If required, the project sponsors shall conduct a risk evaluation in accordance with the Pier 70 RMP and incorporate measures to minimize or eliminate exposure to soil vapor. | Considered complete upon a notification submittal to the RWQCB and DPH. If a risk evaluation and further measures are required, they would be reviewed and approved by the RWQCB and DPH. | Port |

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| vapors.) | | | | | |
| <p>Mitigation Measure M-HZ-7: Modify Hoedown Yard Site Mitigation Plan</p> <p>The project sponsors shall conduct a risk evaluation to evaluate health risks to future site occupants, visitors, and maintenance workers under the proposed land use within the Hoedown Yard. The risk evaluation shall be based on the soil, soil vapor, and groundwater quality data provided in the existing SMP and supporting documents and the project sponsors shall conduct additional sampling as needed to support the risk evaluation.</p> <p>Based on the results of the risk evaluation, the project sponsors shall modify the Hoedown Yard SMP to include measures to minimize or eliminate exposure pathways to chemicals in the soil and groundwater, and achieve health-based goals (i.e., an excess cancer risk of 1×10^{-6} and a Hazard Index of 1) applicable to each land use proposed for development within the Hoedown Yard. At a minimum, the modified SMP shall include the following components:</p> <ul style="list-style-type: none"> Regulatory-approved cleanup levels for the proposed land uses; A description of existing conditions, including a comparison of site data to regulatory-approved cleanup levels; Regulatory oversight responsibilities and notification requirements; Post-development risk management measures, including management measures for the maintenance of engineering controls (e.g., durable covers, vapor mitigation systems) and site maintenance activities that could encounter contaminated soil; Monitoring and reporting requirements; and An operations and maintenance plan, including annual inspection requirements. | <p>Project sponsors shall conduct a risk evaluation, and shall modify the Hoedown Yard SMP to include measures to minimize or eliminate exposure pathways to chemicals in the soil and groundwater, and achieve health-based goals applicable to each land use proposed for development within the Hoedown Yard.</p> | <p>Prior to ground-disturbing activities at the Hoedown Yard.</p> | <p>Project sponsors shall submit the risk evaluation and proposed risk management plan to the RWQCB, DPH, and Port for review and approval.</p> | <p>Considered complete upon review and approval of the risk evaluation and proposed risk management plan by the RWQCB, DPH, and Port.</p> | <p>Port, DPH</p> |

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| The risk evaluation and proposed risk management plan shall be submitted to the RWQCB, DPH, and Port for review and approval prior to the start of ground disturbance. | | | | | |
| Mitigation Measure M-HZ-8a: Prevent Contact with Serpentine Bedrock and Fill Materials in Irish Hill Playground The project sponsors shall ensure that a minimum 2-foot thick durable cover of asbestos-free clean imported fill with a vegetated cover is emplaced above serpentinite bedrock and fill materials in the level portions of Irish Hill Playground. The fill shall meet the soil criteria for clean fill specified in Table 4 of the Pier 70 RMP and included in Appendix F, Hazards and Hazardous Materials, of this EIR. Barriers shall be constructed to preclude direct climbing on the bedrock of the Irish Hill remnant. The design of the durable cover and barriers shall be submitted to the DPH and Port for review and approval prior to construction of the Irish Hill Playground. | Project sponsors to design and install a 2-foot-thick durable cover over serpentinite bedrock and fill in the level portions of the Irish Hill Playground and barriers to preclude direct climbing on the bedrock of the Irish Hill remnant. | Submittal of design of durable cover and barriers to DPH and Port prior to construction of the Irish Hill Playground. | Project sponsors shall submit design of durable covers and barriers to DPH, Port | Considered complete upon review and approval of the design and installation of the 2-foot-thick durable cover and barriers by the DPH and Port. | Port, DPH |
| Mitigation Measure M-HZ-8b: Restrictions on the Use of Irish Hill Playground To the extent feasible, the project sponsors shall ensure that the Irish Hill Playground is not operational until ground disturbing activities for construction of the new 21 st Street and on the adjacent parcels (PKN, PKS, HDY-1, HDY2, C1, and C2) is completed. If this is not feasible, and Irish Hill Playground is operational prior to construction of the new 21 st Street and construction on all adjacent parcels, the playground shall be closed for use when ground-disturbing activities are occurring for the construction of the new 21 st Street and on any of the adjacent parcels. | Project sponsors. | Prior to and during construction of the new 21 st Street and on Parcels PKN, PKS, HDY-1, HDY-2, C1, and C2. | Project sponsors shall ensure the playground is not operational until ground-disturbing activities at the new 21 st Street and on Parcels PKN, PKS, HDY-1, HDY-2, C1, and C2 are complete; or playground shall be closed for use when ground-disturbing activities are occurring. | Considered complete when the aforementioned parcels' ground-disturbing activities are finished. Documentation would occur in the annual mitigation and monitoring report. | Port |

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| IMPROVEMENT MEASURES FOR THE PIER 70 MIXED-USED DISTRICT PROJECT | | | | | |
| <p>Improvement Measure I-CR-4a: Documentation</p> <p>Before any demolition, rehabilitation, or relocation activities within the UIW Historic District, the project sponsors should retain a professional who meets the Secretary of the Interior's Professional Qualifications Standards for Architectural History to prepare written and photographic documentation of all contributing buildings proposed for demolition within the UIW Historic District. The documentation for the property should be prepared based on the National Park Service's Historic American Building Survey (HABS)/Historic American Engineering Record (HAER) Historical Report Guidelines. This type of documentation is based on a combination of both HABS/HAER standards and National Park Service's policy for photographic documentation, as outlined in the NRHP and National Historic Landmarks Survey Photo Policy Expansion.</p> <p>The written historical data for this documentation should follow HABS/HAER standards. The written data should be accompanied by a sketch plan of the property. Efforts should also be made to locate original construction drawings or plans of the property during the period of significance. If located, these drawings should be photographed, reproduced, and included in the dataset. If construction drawings or plans cannot be located, as-built drawings should be produced.</p> <p>Either HABS/HAER-standard large format or digital photography should be used. If digital photography is used, the ink and paper combinations for printing photographs must be in compliance with NR-NHL Photo Policy Expansion and have a permanency rating of approximately 115 years. Digital photographs should be taken as uncompressed, TIFF file format. The size of each image should be 1,600 by 1,200 pixels at 330 pixels per inch or larger, color format, and printed in black and white. The file name for each electronic image should correspond with the index of photographs and photograph label. Photograph views for the dataset should include (a)</p> | Project sponsors and qualified preservation architect, historic preservation expert, or other qualified individual. | <u>Project Sponsor Documentation</u> Before any demolition, rehabilitation, or relocation activities within the UIW Historic District. | Project sponsors and qualified preservation architect, historic preservation expert, or other qualified individual to complete historic resources documentation, and transmit such documentation to the History Room of the San Francisco Public Library, and to the Northwest Information Center of the California Historical Information Resource System. | Considered complete when documentation is reviewed and approved by Port Preservation Staff, and the documentation is provided to the San Francisco Public Library, and to the Northwest Information Center of the California Historical Information Resource System. | Port |

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| contextual views; (b) views of each side of each building and interior views, where possible; (c) oblique views of buildings; and (d) detail views of character-defining features, including features on the interiors of some buildings. All views should be referenced on a photographic key. This photographic key should be on a map of the property and should show the photograph number with an arrow to indicate the direction of the view. Historic photographs should also be collected, reproduced, and included in the dataset. The project sponsors should transmit such documentation to the History Room of the San Francisco Public Library, and to the Northwest Information Center of the California Historical Information Resource System. The project sponsors should scope the documentation measures with Port Preservation staff.. | | | | | |
| Improvement Measure I-CR-4b: Public Interpretation Following any demolition, rehabilitation, or relocation activities within the project site, the project sponsors should provide within publicly accessible areas of the project site a permanent display(s) of interpretive materials concerning the history and architectural features of the District's three historical eras (Nineteenth Century, Early Twentieth Century, and World War II), including World War II-era Slipways 5 through 8 and associated craneways. The display(s) should also document the history of the Irish Hill Remnant, including, for example, the original 70- to 100-foot tall Irish Hill landform and neighborhood of lodging, houses, restaurants, and saloons that occupied the once much larger hill until the earlier twentieth century. The content of the interpretive display(s) should be coordinated and consistent with the sitewide interpretive plan prepared for the 28-Acre Site in coordination with the Port. The specific location, media, and other characteristics of such interpretive display(s) should be presented to Port preservation staff for approval prior to any demolition or removal activities. | Project sponsors should provide a permanent display(s) of interpretive materials concerning the history and architectural features of the District within publicly accessible areas of the project site. | <u>Project sponsors provide permanent display:</u> Following any demolition, rehabilitation, or relocation activities within the project site. | Project sponsors submit documentation of permanent display(s) of interpretive materials | Considered complete when interpretive materials are presented to Port preservation staff for approval. The materials would then be presented in the publically accessible area of the project site. | Port |
| Improvement Measure I-TR-A: Construction Management Plan <u>Traffic Control Plan for Construction</u> – To reduce potential conflicts between | Project sponsors, TMA, and | Prior to issuance of a | Construction contractor(s) to | Considered complete upon | Port, Planning Department, |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>construction activities and pedestrians, bicyclists, transit, and autos during construction activities, the project sponsors should require construction contractor(s) to prepare a traffic control plan for major phases of construction (e.g., demolition and grading, construction, or renovation of individual buildings). The project sponsors and their construction contractor(s) will meet with relevant City agencies to coordinate feasible measures to reduce traffic congestion, including temporary transit stop relocations and other measures to reduce potential traffic and transit disruption and pedestrian circulation effects during major phases of construction. For any work within the public right-of-way, the contractor would be required to comply with San Francisco's Regulations for Working in San Francisco Streets (i.e., the "Blue Book"), which establish rules and permit requirements so that construction activities can be done safely and with the least possible interference with pedestrians, bicyclists, transit, and vehicular traffic. Additionally, non-construction-related truck movements and deliveries should be restricted as feasible during peak hours (generally 7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m., or other times, as determined by SFMTA and the Transportation Advisory Staff Committee [TASC]).</p> <p>In the event that the construction timeframes of the major phases and other development projects adjacent to the project site overlap, the project sponsors should coordinate with City Agencies through the TASC and the adjacent developers to minimize the severity of any disruption to adjacent land uses and transportation facilities from overlapping construction transportation impacts. The project sponsors, in conjunction with the adjacent developer(s), should propose a construction traffic control plan that includes measures to reduce potential construction traffic conflicts, such as coordinated material drop offs, collective worker parking, and transit to job site and other measures.</p> <p><u>Reduce Single Occupant Vehicle Mode Share for Construction Workers</u> – To minimize parking demand and vehicle trips associated with construction workers, the project sponsors should require the construction contractor to include in the Traffic Control Plan for Construction methods to encourage</p> | construction contractor(s). | building permit. Project construction updates for adjacent residents and businesses within 150 feet would occur throughout the construction phase. | <p>prepare a Traffic Control Plan and meet with relevant City agencies (i.e., SFMTA, Port Staff, and Planning Department) to coordinate feasible measures to reduce traffic congestion.</p> <p>A single traffic control plan or multiple traffic control plans may be produced to address project phasing.</p> | <p>submission of the Traffic Control Plan to the SFMTA and the Port. Project construction update materials would be provided in the annual mitigation and monitoring plan.</p> | SFMTA as appropriate |

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| walking, bicycling, carpooling, and transit access to the project construction sites and to minimize parking in public rights-of-way by construction workers in the coordinated plan. <u>Project Construction Updates for Adjacent Residents and Businesses</u> – To minimize construction impacts on access for nearby residences, institutions, and businesses, the project sponsors should provide nearby residences and adjacent businesses with regularly-updated information regarding construction, including construction activities, peak construction vehicle activities (e.g., concrete pours), travel lane closures, and lane closures via a newsletter and/or website. | | | | | |
| Improvement Measure I-TR-B: Queue Abatement It should be the responsibility of the owner/operator of any off-street parking facility with more than 20 parking spaces (excluding loading and car-share spaces) to ensure that vehicle queues do not occur regularly on the public right-of-way. A vehicle queue is defined as one or more vehicles (destined to the parking facility) blocking any portion of any public street, alley, or sidewalk for a consecutive period of 3 minutes or longer on a daily or weekly basis. If a recurring queue occurs, the owner/operator of the parking facility should employ abatement methods as needed to abate the queue. Appropriate abatement methods will vary depending on the characteristics and causes of the recurring queue, as well as the characteristics of the parking facility, the street(s) to which the facility connects, and the associated land uses (if applicable). Suggested abatement methods include but are not limited to the following: redesign of facility to improve vehicle circulation and/or on-site queue capacity; employment of parking attendants; installation of LOT FULL signs with active management by parking attendants; use of valet parking or other space-efficient parking techniques; use of off-site parking facilities or shared parking with nearby uses; use of parking occupancy sensors and signage | Project sponsors, owner/operator of any off-street parking facility, and transportation consultant. | On-going during operations of any off-street parking facilities. | The owner/operator of the parking facility should monitor vehicle queues in the public right-of-way, and would employ abatement measures as needed. If the Port Director, or his or her designee, suspects that a recurring queue is present, the Port should notify the property owner in writing. The owner/operator should hire a transportation consultant to | Monitoring of the public right-of-way would be on-going by the owner/operator of off-street parking operations. | Port, Planning Department |

| MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT | | | | | |
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| <p>directing drivers to available spaces; TDM strategies such as additional bicycle parking, customer shuttles, delivery services; and/or parking demand management strategies such as parking time limits, paid parking, time-of-day parking surcharge, or validated parking.</p> <p>If the Port Director, or his or her designee, suspects that a recurring queue is present, Port Staff should notify the property owner in writing. Upon request, the owner/operator should hire a qualified transportation consultant to evaluate the conditions at the site for no less than 7 days. The consultant should prepare a monitoring report to be submitted to the Port for review. If the Port determines that a recurring queue does exist, the facility owner/operator should have 90 days from the date of the written determination to abate the queue.</p> | | | prepare a monitoring report and if a recurring queue does exist, the owner/operator would abate the queue. | | |
| <p>Improvement Measure I-TR-C: Strategies to Enhance Transportation Conditions During Events.</p> <p>The project's Transportation Coordinator should participate as a member of the Mission Bay Ballpark Transportation Coordination Committee (MBBTCC) and provide at least 1-month notification to the MBBTCC where feasible prior to the start of any then known event that would overlap with an event at AT&T Park. The City and the project sponsors should meet to discuss transportation and scheduling logistics for occasions with multiple events in the area.</p> | Project sponsors, TMA, parks maintenance entity, parks programming entity, and/or Transportation Coordinator. | Prior to the start of any known event that would overlap with an event at AT&T Park. | Project sponsors and Transportation Coordinator to meet with MBBTCC and City to discuss transportation and scheduling logistics for occasions with multiple events in the area. | Include in MMRP Annual Report; On-going during project lifespan. | Port, Planning Department, SFMTA |
| <p>Improvement Measure I-WS-3a: Wind Reduction for Public Open Spaces and Pedestrian and Bicycle Areas</p> <p>For each development phase, a qualified wind consultant should prepare a wind impact and mitigation analysis regarding the proposed design of public open spaces and the surrounding proposed buildings. Feasible means should be considered to improve wind comfort conditions for each public open space, particularly for any public seating areas. These feasible means include horizontal and vertical, partially-porous wind screens (including canopies,</p> | Project sponsors and qualified wind consultant. | During the design of public open spaces and pedestrian and bicycle areas for each development phase. | Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by the Port Staff. | Considered complete upon review of the wind impact and mitigation analysis for public open spaces and pedestrian and | Port or Planning Department |

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| trellises, umbrellas, and walls), street furniture, landscaping, and trees. Specifics for particular public open spaces are set forth in Improvement Measures I-WS-3b to I-WS-3f. Any proposed wind-related improvement measure should be consistent with the design standards and guidelines outlined in the <i>Pier 70 SUD Design for Development</i> . | | | | bicycle areas by the Port Staff. | |
| Improvement Measure I-WS-3b: Wind Reduction for Waterfront Promenade and Waterfront Terrace The Waterfront Promenade and Waterfront Terrace would be subject to winds exceeding the pedestrian wind comfort criteria. A qualified wind consultant should prepare written recommendations of feasible means to improve wind comfort conditions in this open space, emphasizing vertical elements, such as wind screens and landscaping. Where necessary and appropriate, wind screens should be strategically placed directly around seating areas. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. Design of any wind screen or landscaping shall be compatible with the Historic District. | Project sponsors and qualified wind consultant. | During the design of the Waterfront Promenade and Waterfront Terrace. | Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff. | Considered complete upon review of the wind impact and mitigation analysis for the Waterfront Promenade and Waterfront Terrace by Port Staff. | Port |
| Improvement Measure I-WS-3c: Wind Reduction for Slipways Commons The central and western portions of Slipways Commons would be subject to winds exceeding the pedestrian wind comfort criteria. Street trees should be considered along Maryland Street, particularly on the east side of Maryland Street between Buildings E1 and E2. Vertical elements such as wind screens would help for areas where street trees are not feasible. Where necessary and appropriate, wind screens should be strategically placed to the west of any seating areas. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. Design of | Project sponsors and qualified wind consultant. | During the design of the Slipway Commons. | Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff. | Considered complete upon review of the wind impact and mitigation analysis for the Slipway Commons by Port Staff. | Port |

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| any wind screen or landscaping shall be compatible with the Historic District. | | | | | |
| Improvement Measure I-WS-3d: Wind Reduction for Building 12 Market Plaza and Market Square Building 12 Market Plaza and Market Square would be subject to winds exceeding the pedestrian wind comfort criteria. For reducing wind speeds in the public courtyard between Buildings 2 and 12, the inner south and west façades of Building D-1 could be stepped by at least 12 feet to direct downwashing winds above pedestrian level. Alternatively, overhead protection should be used, such as a 12-foot-deep canopy along the inside south and west façades of Building D-1, or localized trellises or umbrellas over seating areas. For reducing wind speeds on the eastern and southern sides of Building 12, street trees should be considered, along Maryland and 22 nd streets. Smaller underplantings should be combined with street trees to reduce winds at pedestrian level. Design of any wind screen or landscaping shall be compatible with the Historic District. | Project sponsors and qualified wind consultant. | During the design of the Building 12 Market Plaza and Market Square. | Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff. | Considered complete upon review of the wind impact and mitigation analysis for the Building 12 Market Plaza and Market Square by Port Staff. | Port |

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| Improvement Measure I-WS-3e: Wind Reduction for Irish Hill Playground The Irish Hill Playground would be subject to winds exceeding the pedestrian wind comfort criteria. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. Design of any wind screen or landscaping shall be compatible with the Historic District. | Project sponsors and qualified wind consultant. | During the design of the Irish Hill Playground. | Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff. | Considered complete upon review of the wind impact and mitigation analysis for the Irish Hill Playground by Port Staff. | Port |
| Improvement Measure I-WS-3f: Wind Reduction for 20th Street Plaza The 20 th Street Plaza would be subject to winds exceeding the pedestrian wind comfort criteria. A qualified wind consultant should prepare written recommendations of feasible means to improve wind comfort conditions in this open space, emphasizing hardscape elements, such as wind screens, canopies, and umbrellas. Where necessary and appropriate, wind screens should be strategically placed to the northwest of any seating area. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. If there would be seating areas directly adjacent to the north façade of the PKN Building, localized canopies or umbrellas should be used. Design of any wind screen or landscaping shall be compatible with the Historic District. | Project sponsors and qualified wind consultant. | During the design of the 20 th Street Plaza. | Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff. | Considered complete upon review of the wind impact and mitigation analysis for the 20 th Street Plaza by Port Staff. | Port |



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19978

HEARING DATE: AUGUST 24, 2017

Case No.: 2014-001272GPA
Project Name: Pier 70 Mixed-Use Project
Existing Zoning: M-2 (Heavy Industrial) Zoning District
P (Public) Zoning District
40-X and 65-X Height and Bulk Districts
Block/Lot: 4052/001, 4110/001 and 008A, 4111/004, 4120/002,
Proposed Zoning: Pier 70 Mixed-Use Zoning District
65-X and 90-X Height and Bulk Districts
Project Sponsor: Port of San Francisco and Forest City Development California Inc.
Staff Contact: Richard Sucre – (415) 575-9108
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RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE AMENDMENTS TO MAP NO. 04 AND MAP NO. 05 OF THE URBAN DESIGN ELEMENT OF GENERAL PLAN AND THE LAND USE INDEX OF THE GENERAL PLAN TO PROVIDE REFERENCE TO THE PIER 70 MIXED-USE PROJECT SPECIAL USE DISTRICT, AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1, AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco provides to the Planning Commission the opportunity to periodically recommend General Plan Amendments to the Board of Supervisors; and

WHEREAS, pursuant to Planning Code Section 340(C), the Planning Commission ("Commission") initiated a General Plan Amendment for the Pier 70 Mixed-Use Project ("Project"), per Planning Commission Resolution No. 19949 on June 22, 2017.

WHEREAS, these General Plan Amendments would enable the Project. The Project includes new market-rate and affordable residential uses, commercial use, retail-arts-light industrial uses, parking, shoreline improvements, infrastructure development and street improvements, and public open space. Depending on the uses proposed, the Project would include between 1,645 to 3,025 residential units; a maximum of 1,102,250 to 2,262,350 gross square feet (gsf) of commercial-office use, and a maximum of 494,100 to 518,700 gsf of retail-light industrial-arts use. The Project also includes construction of transportation and circulation improvements, new and upgraded utilities and infrastructure, geotechnical and shoreline improvements, between 3,215 to 3,345 off-street parking spaces in proposed buildings and district parking structures, and nine acres of publicly-owned open space.

WHEREAS, the Project would construct new buildings that would range in height from 50 to 90 feet, as is consistent with Proposition F which was passed by the voters of San Francisco in November 2014.

WHEREAS, these General Plan Amendments would amend Map No. 04 "Urban Design Guidelines for Heights of Buildings" and Map No. 5 "Urban Design Guidelines for Bulk of Buildings" in the Urban Design Element to reference the Pier 70 Mixed-Use Project Special Use District, as well as update and amend the Land Use Index of the General Plan accordingly.

WHEREAS, this Resolution approving these General Plan Amendments is a companion to other legislative approvals relating to the Pier 70 Mixed-Use Project, including recommendation of approval of Planning Code Text Amendments and Zoning Map Amendments, approval of the Pier 70 SUD Design for Development and recommendation for approval of the Development Agreement.

WHEREAS, on August 24, 2017, the Planning Commission reviewed and considered the Final EIR for the Pier 70 Mixed Project (FEIR) and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and approved the FEIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

WHEREAS, on August 24, 2017, by Motion No. 19976, the Commission certified the Final Environmental Impact Report for the Pier 70 Mixed-Use Project as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA").

WHEREAS, on August 24, 2017, the Commission by Motion No. 19977 approved California Environmental Quality Act (CEQA) Findings, including adoption of a Mitigation Monitoring and Reporting Program (MMRP), under Case No. 2014-001272ENV, for approval of the Project, which findings are incorporated by reference as though fully set forth herein.

WHEREAS, the CEQA Findings included adoption of a Mitigation Monitoring and Reporting Program (MMRP) as Attachment B, which MMRP is hereby incorporated by reference as though fully set forth herein and which requirements are made conditions of this approval.

WHEREAS, on July 20, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on General Plan Amendment Application Case No. 2014-001272GPA. At the public hearing on July 20, 2017, the Commission continued the adoption of the General Plan Amendment Application to the public hearing on August 24, 2017.

WHEREAS, a draft ordinance, substantially in the form attached hereto as Exhibit A, approved as to form, would amend Map No. 04 "Urban Design Guidelines for Heights of Buildings" and Map No. 05 "Urban Design Guidelines for Bulk of Buildings" in the Urban Design Element, and the Land Use Index of the General Plan.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission hereby finds that the General Plan Amendments promote the public welfare, convenience and necessity for the following reasons:

1. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project development, thereby evolving currently under-utilized industrial land for needed housing, commercial space, and parks and open space.
2. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project, which in turn will provide employment opportunities for local residents during construction and post-occupancy, as well as community facilities and parks for new and existing residents.

3. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project by enabling the creation of a mixed-use and sustainable neighborhood, with fully rebuilt infrastructure. The new neighborhood would improve the site's multi-modal connectivity to and integration with the surrounding City fabric, and connect existing neighborhoods to the City's central waterfront.
4. The General Plan Amendments would enable the construction of a new vibrant, safe, and connected neighborhood, including new parks and open spaces. The General Plan Amendments would help ensure a vibrant neighborhood with active streets and open spaces, high quality and well-designed buildings, and thoughtful relationships between buildings and the public realm, including the waterfront.
5. The General Plan Amendments would enable construction of new housing, including new on-site affordable housing, and new arts, retail and manufacturing uses. These new uses would create a new mixed-use neighborhood that would strengthen and complement nearby neighborhoods.
6. The General Plan Amendments would facilitate the preservation and rehabilitation of portions of the Union Iron Works Historic District—an important historic resource listed in the National Register of Historic Places.

AND BE IT FURTHER RESOLVED, that the Planning Commission finds these General Plan Amendments are in general conformity with the General Plan, and the Project and its approvals associated therein, all as more particularly described in Exhibit A to the Development Agreement on file with the Planning Department in Case No. 2014-001272DVA, are each on balance, consistent with the following Objectives and Policies of the General Plan, as it is proposed to be amended as described herein, and as follows:

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

POLICY 1.8

Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

POLICY 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a mixed-use development with between 1,645 and 3,025 dwelling units at full project build-out, which provides a wide range of housing options. As detailed in the Development Agreement, the Project exceeds the inclusionary affordable housing requirements.

of the Planning Code, through a partnership between the developer and the City to reach a 30% affordable level.

OBJECTIVE 11

SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

POLICY 11.1

Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

POLICY 11.2

Ensure implementation of accepted design standards in project approvals.

POLICY 11.7

Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

The Project, as described in the Development Agreement and controlled in the Design for Development (D4D), includes a program of substantial community benefits designed to revitalize a former industrial shipyard and complement the surrounding neighborhood. Through the standards and guidelines in the D4D, the Project would respect the character of existing historic resources, while providing for a distinctly new and unique design. The Project retains three historic resources (Buildings 2, 12 and 21) and preserves the character of the Union Iron Works Historic District by providing for compatible new construction.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

POLICY 12.1

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

POLICY 12.2

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

The Project appropriately balances housing with new and improved infrastructure and related public benefits.

The project site is located adjacent to a transit corridor, and is within proximity to major regional and local public transit. The Project includes incentives for the use of transit, walking and bicycling through its TDM program. In addition, the Project's streetscape design would enhance vehicular, bicycle and pedestrian access and connectivity through the site. The Project will establish a new bus line through the project site, and will provide an open-to-the-public shuttle.

Therefore, new residential and commercial buildings constructed as part of the Project would rely on transit use and environmentally sustainable patterns of movement.

The Project will provide over nine acres of new open space for a variety of activities, including an Irish Hill playground, a market square, a central commons, a minimum ½ acre active recreation on the rooftop of buildings, and waterfront parks along 1,380 feet of shoreline.

The Project includes substantial contributions related to quality of life elements such as open space, affordable housing, transportation improvements, childcare, schools, arts and cultural facilities and activities, workforce development, youth development, and historic preservation.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

POLICY 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The Project is intended to provide a distinct mixed-use development with residential, office, retail, cultural, and open space uses. The Project would leverage the Project site's location on the Central Waterfront and close proximity to major regional and local public transit by building a dense mixed-use development that allows people to work and live close to transit. The Project's buildings would be developed in a manner that reflects the Project's unique location in a former industrial shipyard. The Project would incorporate varying heights, massing and scale, maintaining a strong streetwall along streets, and focused attention around public open spaces. The Project would create a balanced commercial center with a continuum of floorplate sizes for a range of users, substantial new on-site open space, and sufficient density to support and activate the new active ground floor uses and open space in the Project.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project would also construct high-quality housing with sufficient density to contribute to 24-hour activity on the Project site, while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents. The Project would facilitate a vibrant, interactive ground plane for Project and neighborhood residents, commercial users, and the public, with public spaces that could accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between, and cross-activation of, interior and exterior spaces.

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

POLICY 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

See above (Commerce and Industry Element Objective 1 and Policy 1.1) which explain the Project's contribution to the City's overall economic vitality.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

POLICY 3.2

Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project will provide expanded employment opportunities for City residents at all employment levels, both during and after construction. The Development Agreement, as part of the extensive community benefit programs, includes focused workforce first source hiring – both construction and end-user – as well as a local business enterprise component.

TRANSPORTATION ELEMENT

OBJECTIVE 2

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

POLICY 2.1

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

POLICY 2.5

Provide incentives for the use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.

The Project is located within a former industrial shipyard, and will provide new local, regional, and statewide transportation services. The Project is located in close proximity to the Caltrain Station on 22nd Street, and the Muni T-Line along 3rd Street. The Project includes a detailed TDM program, including various performance measures, physical improvements and monitoring and enforcement measures designed to create incentives for transit and other alternative to the single occupancy vehicle for both residential and commercial buildings. In addition, the Project's design, including its streetscape elements, is intended to promote and enhance walking and bicycling.

OBJECTIVE 23

IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

POLICY 23.1

Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.

POLICY 23.2

Widen sidewalks where intensive commercial, recreational, or institutional activity is present, sidewalks are congested, where sidewalks are less than adequately wide to provide appropriate pedestrian amenities, or where residential densities are high.

POLICY 23.6

Ensure convenient and safe pedestrian crossings by minimizing the distance pedestrians must walk to cross a street.

The Project will re-establish a street network on the project site, and will provide pedestrian improvements and streetscape enhancement measures as described in the D4D and reflected in the mitigation measures and Transportation Plan in the Development Agreement. The Project would establish 21st Street (between the existing 20th and 22nd Streets) and Maryland Street, which would function as a main north-south thoroughfare through the project site. Each of the new streets would have sidewalks and streetscape improvements as is consistent with the Better Streets Plan.

URBAN DESIGN ELEMENT

OBJECTIVE 1

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.1

Recognize and protect major views in the city, with particular attention to those of open space and water.

As explained in the D4D, the Project uses a mix of scales and interior and exterior spaces, with this basic massing further articulated through carving and shaping the buildings to create views and variety on the project site, as well as pedestrian-friendly, engaging spaces on the ground. The Project maintains and opens view corridors to the waterfront.

POLICY 1.2

Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

POLICY 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

The Project would re-establish the City's street pattern on the project site, and would construct new buildings, which would range in height from 50 and 90 feet. These new buildings would be viewed in conjunction with the three existing historic resources (Buildings 2, 12 and 21) on the project site, and the larger Union Iron Works Historic District. The Project would include new construction, which is sensitive to the existing historic context, and would be compatible, yet differentiated, from the historic district's character-defining features. The Project is envisioned as an extension of the Central Waterfront and Dogpatch neighborhoods.

OBJECTIVE 2

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

POLICY 2.4

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 2.5

Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

The Project would revitalize a portion of a former industrial shipyard, and would preserve and rehabilitate important historic resources, including Buildings 2, 12 and 21, which contribute to the Union Iron Works Historic District, which is listed in the National Register of Historic Places. New construction would be designed to be compatible, yet differentiated, with the existing historic context.

RECREATION AND OPEN SPACE ELEMENT

OBJECTIVE 1

ENSURE A WELL-MAINTAINED, HIGHLY UTILIZED, AND INTEGRATED OPEN SPACE SYSTEM.

POLICY 1.1

Encourage the dynamic and flexible use of existing open spaces and promote a variety of recreation and open space uses, where appropriate.

POLICY 1.7

Support public art as an essential component of open space design.

The Project would build a network of waterfront parks, playgrounds and recreational facilities on the 28-Acre Site that, with development of the Illinois Street Parcels, will more than triple the amount of parks in the neighborhood. The Project will provide over nine acres of new open space for a variety of activities, including an Irish Hill playground, a market square, a central commons, a minimum ½ acre active recreation on the rooftop of buildings, and waterfront parks along 1,380 feet of shoreline. In addition, the Project would provide new private open space for each of the new dwelling units.

POLICY 1.12

Preserve historic and culturally significant landscapes, sites, structures, buildings and objects.

See Discussion in Urban Element Objective 2, Policy 2.4 and 2.5.

OBJECTIVE 3

IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE.

POLICY 3.1

Creatively develop existing publicly-owned right-of-ways and streets into open space.

The Project provides nine acres of new public open space and opens up new connections to the shoreline in the Central Waterfront neighborhood. The Project would encourage non-automobile transportation to and from open spaces, and would ensure physical accessibility these open spaces to the extent feasible.

CENTRAL WATERFRONT AREA PLAN

Objectives and Policies

Land Use

OBJECTIVE 1.1

ENCOURAGE THE TRANSITION OF PORTIONS OF THE CENTRAL WATERFRONT TO A MORE MIXED-USE CHARACTER, WHILE PROTECTING THE NEIGHBORHOOD'S CORE OF PDR USES AS WELL AS THE HISTORIC DOGPATCH NEIGHBORHOOD.

POLICY 1.1.2

Revise land use controls in formerly industrial areas outside the core Central Waterfront industrial area, to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development, while protecting against the wholesale displacement of PDR uses.

POLICY 1.1.7

Ensure that future development of the Port's Pier 70 Mixed Use Opportunity Site supports the Port's revenue-raising goals while remaining complementary to the maritime and industrial nature of the area.

POLICY 1.1.10

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

OBJECTIVE 1.2

IN AREAS OF THE CENTRAL WATERFRONT WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

POLICY 1.2.1

Ensure that infill housing development is compatible with its surroundings.

POLICY 1.2.2

For new construction, and as part of major expansion of existing buildings in neighborhood commercial districts, require housing development over commercial. In other mixed-use districts encourage housing over commercial or PDR where appropriate.

POLICY 1.2.3

In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

POLICY 1.2.4

Identify portions of Central Waterfront where it would be appropriate to increase maximum heights for residential development.

OBJECTIVE 1.4

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTIONS OF THE CENTRAL WATERFRONT.

POLICY 1.4.1

Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of the Central Waterfront.

POLICY 1.4.3

Allow other Knowledge Sector office uses in portions of the Central Waterfront where it is appropriate.

OBJECTIVE 1.7

RETAIN THE CENTRAL WATERFRONT'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) ACTIVITIES

POLICY 1.7.3

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

Housing

OBJECTIVE 2.1

ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE CENTRAL WATERFRONT IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES.

POLICY 2.1.1

Require developers in some formally industrial areas to contribute towards the City's very low, low, moderate and middle income needs as identified in the Housing Element of the General Plan.

OBJECTIVE 2.3

REQUIRE THAT A SIGNIFICANT NUMBER OF UNITS IN NEW DEVELOPMENTS HAVE TWO OR MORE BEDROOMS EXCEPT SENIOR HOUSING AND SRO DEVELOPMENTS UNLESS ALL BELOW MARKET RATE UNITS ARE TWO OR MORE BEDROOM UNITS.

POLICY 2.3.1

Target the provision of affordable units for families.

POLICY 2.3.2

Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.

POLICY 2.3.3

Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments.

POLICY 2.3.4

Encourage the creation of family supportive services, such as child care facilities, parks and recreation, or other facilities, in affordable housing or mixed-use developments.

Built Form

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REINFORCES THE CENTRAL WATERFRONT'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

POLICY 3.1.1

Adopt heights that are appropriate for the Central Waterfront's location in the city, the prevailing street and block pattern, and the anticipated land uses, while producing buildings compatible with the neighborhood's character.

POLICY 3.1.2

Development should step down in height as it approaches the Bay to reinforce the city's natural topography and to encourage and active and public waterfront.

POLICY 3.1.6

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

POLICY 3.1.9

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

POLICY 3.2.1

Require high quality design of street-facing building exteriors.

POLICY 3.2.2

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

POLICY 3.2.5

Building form should celebrate corner locations.

OBJECTIVE 3.3

PROMOTE THE ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL FUNCTIONING AND THE OVERALL QUALITY OF THE NATURAL ENVIRONMENT IN THE PLAN AREA

POLICY 3.3.1

Require new development to adhere to a new performance-based ecological evaluation tool to improve the amount and quality of green landscaping.

POLICY 3.3.3

Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

Transportation

OBJECTIVE 4.1

IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN CENTRAL WATERFRONT

POLICY 4.1.4

Reduce existing curb cuts where possible and restrict new curb cuts to prevent vehicular conflicts with transit on important transit and neighborhood commercial streets.

POLICY 4.1.6

Improve public transit in the Central Waterfront including cross-town routes and connections the 22nd Street Caltrain Station and Third Street Light Rail.

OBJECTIVE 4.3

ESTABLISH PARKING POLICIES THAT IMPROVE THE QUALITY OF NEIGHBORHOODS AND REDUCE CONGESTION AND PRIVATE VEHICLE TRIPS BY ENCOURAGING TRAVEL BY NON-AUTO MODES

POLICY 4.3.1

For new residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing reasonable parking caps.

POLICY 4.3.2

For new non-residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing caps generally equal to the previous minimum requirements. For office uses limit parking relative to transit accessibility.

OBJECTIVE 4.4

SUPPORT THE CIRCULATION NEEDS OF EXISTING AND NEW PDR AND MARITIME USES IN THE CENTRAL WATERFRONT

POLICY 4.4.3

In areas with a significant number of PDR establishments and particularly along Illinois Street, design streets to serve the needs and access requirements of trucks while maintaining a safe pedestrian and bicycle environment.

OBJECTIVE 4.5

CONSIDER THE STREET NETWORK IN CENTRAL WATERFRONT AS A CITY RESOURCE ESSENTIAL TO MULTI-MODAL MOVEMENT AND PUBLIC OPEN SPACE

POLICY 4.5.2

As part of a development project's open space requirement, require publicly-accessible alleys that break up the scale of large developments and allow additional access to buildings in the project.

POLICY 4.5.4

Extend and rebuild the street grid, especially in the direction of the Bay.

OBJECTIVE 4.7

IMPROVE AND EXPAND INFRASTRUCTURE FOR BICYCLING AS AN IMPORTANT MODE OF TRANSPORTATION

POLICY 4.7.1

Provide a continuous network of safe, convenient and attractive bicycle facilities connecting Central Waterfront to the citywide bicycle network and conforming to the San Francisco Bicycle Plan.

POLICY 4.7.2

Provide secure, accessible and abundant bicycle parking, particularly at transit stations, within shopping areas and at concentrations of employment.

POLICY 4.7.3

Support the establishment of the Blue-Greenway by including safe, quality pedestrian and bicycle connections from Central Waterfront.

Streets & Open Space

OBJECTIVE 5.1

PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF RESIDENTS, WORKERS AND VISITORS

POLICY 5.1.1

Identify opportunities to create new public open spaces and provide at least one new public open space serving the Central Waterfront.

POLICY 5.1.2

Require new residential and commercial development to provide, or contribute to the creation of public open space.

OBJECTIVE 5.4

THE OPEN SPACE SYSTEM SHOULD BOTH BEAUTIFY THE NEIGHBORHOOD AND STRENGTHEN THE ENVIRONMENT

POLICY 5.4.1

Increase the environmental sustainability of Central Waterfronts system of public and private open spaces by improving the ecological functioning of all open space.

POLICY 5.4.3

Encourage public art in existing and proposed open spaces.

Historic Preservation

OBJECTIVE 8.2

PROTECT, PRESERVE, AND REUSE HISTORIC RESOURCES WITHIN THE CENTRAL WATERFRONT AREA PLAN

POLICY 8.2.2

Apply the Secretary of the Interior's Standards for the Treatment of Historic Properties in conjunction with the Central Waterfront area plan and objectives for all projects involving historic or cultural resources.

OBJECTIVE 8.3

ENSURE THAT HISTORIC PRESERVATION CONCERNS CONTINUE TO BE AN INTEGRAL PART OF THE ONGOING PLANNING PROCESSES FOR THE CENTRAL WATERFRONT AREA PLAN

POLICY 8.3.1

Pursue and encourage opportunities, consistent with the objectives of historic preservation, to increase the supply of affordable housing within the Central Waterfront plan area.

The Central Waterfront Area Plan anticipated a new mixed-use development at Pier 70. The Project is consistent with the objectives and policies of the Central Waterfront Plan, since the Project adaptively reuses a portion of a former industrial shipyard and provides a new mixed-use development with substantial community benefits, including nine-acres of public open space, new streets and streetscape improvements, on-site affordable housing, rehabilitation of three historic buildings, and new arts, retail and light manufacturing uses. New construction will be appropriately designed to fit within the context of the Union Iron Works Historic District. In addition, the Project includes substantial transit and infrastructure improvements, including new on-site TDM program, facilities for a new public line through the project site, and a new open-to-the public shuttle service.

AND BE IT FURTHER RESOLVED, that the Planning Commission finds these General Plan Amendments are in general conformity with the Planning Code Section 101.1, and the Project and its approvals associated therein, all as more particularly described in Exhibit B to the Development Agreement on file with the Planning Department in Case No. 2014-001272DVA, are each on balance, consistent with the following Objectives and Policies of the General Plan, as it is proposed to be amended as described herein, and as follows:

- 1) *That existing neighbor-serving retail uses will be preserved and enhanced, and future opportunities for resident employment in and ownership of such businesses enhanced;*

No neighborhood-serving retail uses are present on the Project site. Once constructed, the Project will contain major new retail, arts and light industrial uses that will provide opportunities for employment and ownership of retail businesses in the community. These new uses will serve nearby residents and the surrounding community. In addition, building tenants will patronize existing retail uses in the community (along 3rd Street and in nearby Dogpatch), thus enhancing the local retail economy. The Development Agreement includes commitments related to local hiring.

- 2) *That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;*

No existing housing will be removed for the construction of the Project, which will provide at full build-out between 1,645 and 3,025 new residential units. The Project is designed to revitalize a former industrial site and provide a varied land use program that is consistent with the surrounding Central Waterfront and Dogpatch neighborhoods, and the historic context of the Union Iron Works Historic District, which is listed in the National Register of Historic Places. The Project provides a new neighborhood complete with residential, office, retail, arts, and light manufacturing uses, along with new transit and street infrastructure, and public open space. The Project design is consistent with the historic context, and provides a desirable, pedestrian-friendly experience with interactive and engaged ground floors. Thus, the Project would preserve and contribute to housing within the surrounding neighborhood and the larger City, and would otherwise preserve and be consistent with the neighborhood's industrial context.

- 3) *That the City's supply of affordable housing be preserved and enhanced;*

The construction of the Project will not remove any residential uses, since none exist on the project site. The Project will enhance the City's supply of affordable housing through its affordable housing commitments in the Development Agreement, which will result in total of 30% on-site affordable housing units.

- 4) *That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;*

The Project would not impede transit service or overburden streets and neighborhood parking. The Project includes a robust transportation program with an on-site Transportation Demand Management (TDM) program, facilities to support a new bus line through the project site, an open-to-the-public shuttle service, and funding for new neighborhood-supporting transportation infrastructure.

The Project is also well served by public transit. The Project is located within close proximity to the MUNI T-Line Station along 3rd Street and the bus routes, which pick-up/drop-off at 20th and 3rd, and 23rd and 3rd Streets. In addition, the Project is located within walking distance to the 22nd Street Caltrain Station. Future residents would be afforded close proximity to bus or rail transit.

Lastly, the Project contains new space for vehicle parking to serve new parking demand. This will ensure that sufficient parking capacity is available so that the Project would not overburden neighborhood parking, while still implementing a rigorous TDM Plan to be consistent with the City's "transit first" policy for promoting transit over personal vehicle trips.

- 5) *That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;*

Although the Project would displace portions of an industrial use historically associated with the Bethlehem Steel and/or Union Iron Works, the Project provides a strong and diverse economic base by the varied land use program, which includes new commercial office, retail, arts, and light industrial uses. The Project balances between residential, non-residential and PDR (Production, Distribution and Repair) uses. Across the larger site at Pier 70 (outside of the project site), the Port of San Francisco has maintained the industrial shipyard operations (currently under lease by BAE). On the 28-Acre site, the Project includes light manufacturing and arts uses, in order to diversify the mix of goods and services within the

project site. The Project also includes a large workforce development program and protections for existing tenants/artists within the Noonan Building. All of these new uses will provide future opportunities for service-sector employment.

- 6) *That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;*

The Project will comply with all current structural and seismic requirements under the San Francisco Building Code and the Port of San Francisco.

- 7) *That landmarks and historic buildings be preserved;*

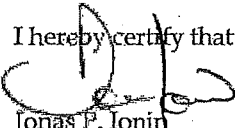
The Project would preserve and rehabilitate a portion of the Union Iron Works Historic District and three of its contributing resources: Buildings 2, 12 and 21. In addition, the Project includes standards and guidelines for new construction adjacent to and within the Union Iron Works Historic District, which is listed in the National Register of Historic Places. These standards and guidelines ensure compatibility of new construction with the character-defining features of the Union Iron Works Historic District, as guided by the Secretary of the Interior's Standards for the Treatment of Historic Properties. In addition, the Project preserves and provides access to an important cultural relic, Irish Hill, which has been identified as an important resource to the surrounding community.

- 8) *That our parks and open space and their access to sunlight and vistas be protected from development.*

The Project will improve access to the shoreline within the Central Waterfront neighborhood, and will provide 9-acres of new public open space. The Project will not affect any of the City's existing parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

AND BE IT FURTHER RESOLVED, that pursuant to Planning Code Section 340, the Commission recommends to the Board of Supervisors **APPROVAL** of the aforementioned General Plan Amendments. This approval is contingent on, and will be of no further force and effect until the date that the San Francisco Board of Supervisor has approved by resolution approving the Zoning Map Amendment, Planning Code Text Amendment, and Development Agreement.

I hereby certify that the Planning Commission **ADOPTED** the foregoing Resolution on August 24, 2017.

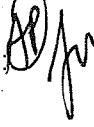

Jonas P. Ionin
Commission Secretary

AYES: Hillis, Johnson, Koppel, Melgar, Moore and Richards
NAYES: None
ABSENT: Fong
ADOPTED: August 24, 2017

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO:  Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor London Breed
RE: Ordinance Establishing Sub-Project Areas G-2, G-3 and G-4 and Adopting Appendix G-2 to Infrastructure Financing Plan (Port of San Francisco, Pier 70)]
DATE: July 24, 2018

Ordinance establishing 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, Pier 70); affirming the Planning Department's determination and making findings under the California Environmental Quality Act; and approving other matters in connection therewith.

Should you have any questions, please contact Andres Power 554-6467.

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