

1 [Resolution of Intention - Establishing the Pier 70 Condominiums Special Tax District 2019-1]

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3 **Resolution declaring the intention of the Board of Supervisors to establish City and**  
4 **County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums) and a**  
5 **Future Annexation Area; ordering and setting a time and place for a public hearing of**  
6 **the Board of Supervisors, sitting as a Committee of the Whole, on January 14, 2020;**  
7 **determining other matters in connection therewith, as defined herein; and making**  
8 **findings under the California Environmental Quality Act.**

9  
10 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and San  
11 Francisco Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the  
12 City and County of San Francisco (“City”), acting through the San Francisco Port Commission  
13 (“Port” or “Port Commission”), with the power and duty to use, conduct, operate, maintain,  
14 manage, regulate, and control the lands within Port jurisdiction; and

15 WHEREAS, FC Pier 70, LLC, a Delaware limited liability company (“Master  
16 Developer”) and the City, acting by and through the Port, are parties to a Disposition and  
17 Development Agreement (as amended from time to time, “DDA”), including a Financing Plan  
18 (as amended from time to time, “Financing Plan”), that governs the disposition and  
19 development of approximately 28 acres of land in the waterfront area of the City known as  
20 Pier 70 (“Project Site”); and

21 WHEREAS, In the general election held on November 4, 2014, an initiative entitled, the  
22 “Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation  
23 Initiative” (“Proposition F”), was approved by the voters in the City; and

1           WHEREAS, The DDA contemplates a project (“Project”) under which the Port would  
2 initially lease the Project Site to the Master Developer for infrastructure development, and,  
3 ultimately, lease and sell parcels in the Project Site to vertical developers, for development of  
4 a mixed-use project described in the DDA; and

5           WHEREAS, The City anticipates that, in addition to the public infrastructure and private  
6 development described above, future improvements will be necessary to ensure that the  
7 shoreline, public facilities, and public access improvements will be protected should sea level  
8 rise in the vicinity of the Project Site, and the Board of Supervisors of the City (“Board of  
9 Supervisors”) desires to provide a mechanism to pay for the costs of such improvements; and

10           WHEREAS, At its hearing on August 24, 2017, and prior to recommending proposed  
11 Planning Code amendments for approval, by Motion No. 19976, the Planning Commission  
12 certified a Final Environmental Impact Report (“FEIR”) for the Project (Case  
13 No. 2014-001272ENV) pursuant to the California Environmental Quality Act (CEQA)  
14 (California Public Resources Code Section 21000 et seq.), the CEQA Guidelines (14 Cal.  
15 Code Reg. Section 15000 et seq.), and Chapter 31 of the Administrative Code; a copy of said  
16 Motion is on file with the Clerk of the Board of Supervisors in File No. 170930, and is  
17 incorporated herein by reference; and

18           WHEREAS, In recommending the proposed Planning Code amendments for approval  
19 by this Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the  
20 Planning Commission also adopted findings under CEQA, including a statement of overriding  
21 consideration, and a Mitigation Monitoring and Reporting Program (“MMRP”); a copy of said  
22 Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 170930,  
23 and is incorporated herein by reference; and

24           WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as  
25 it may be amended from time to time, “Code”), which Code incorporates by reference the

1 Mello-Roos Community Facilities Act of 1982, as amended (“Mello-Roos Act”), this Board of  
2 Supervisors is authorized to establish a special tax district and to act as the legislative body  
3 for a special tax district; and

4 WHEREAS, This Board of Supervisors now desires to proceed with the establishment  
5 of a special tax district in order to finance the costs of infrastructure and other authorized  
6 facilities and certain services necessary or incident to development of the Project Site,  
7 including, without limitation, future improvements necessitated by sea level rise; and

8 WHEREAS, The Financing Plan provides for the possibility of annexation of certain  
9 parcels into the proposed special tax district, and this Board of Supervisors further desires to  
10 undertake proceedings to provide for future annexation of territory to the proposed special tax  
11 district; now, therefore, be it

12 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to  
13 establish a special tax district pursuant to the Code and hereby determines that public  
14 convenience and necessity require that a future annexation area be established; and, be it

15 FURTHER RESOLVED, That the name proposed for the special tax district is “City and  
16 County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums)” (“Special  
17 Tax District”); and, be it

18 FURTHER RESOLVED, That the name proposed for the territory proposed to be  
19 annexed into the Special Tax District in the future is “City and County of San Francisco  
20 Community Facilities District No. 2019-1 (Pier 70 Condominiums) (Future Annexation Area)”  
21 (“Future Annexation Area”); and, be it

22 FURTHER RESOLVED, That the proposed boundaries of the Special Tax District and  
23 the Future Annexation Area are as shown on the map of them on file with the Clerk of the  
24 Board of Supervisors, which boundaries are hereby preliminarily approved and to which map  
25 reference is hereby made for further particulars, and the Clerk of the Board of Supervisors is

1 hereby directed to record, or cause to be recorded, the map of the boundaries of the Special  
2 Tax District and the Future Annexation Area in the office of the Assessor-Recorder for the City  
3 and County of San Francisco within 15 days of the date of adoption of this Resolution; and, be  
4 it

5 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation  
6 Area shall be annexed to the Special Tax District only with the unanimous approval (each, a  
7 “Unanimous Approval”) of the owner or owners of each parcel or parcels at the time that such  
8 parcel(s) are annexed; pursuant to Section 43.10.14 of the Code, a Unanimous Approval  
9 executed by the owner of a parcel constitutes the vote of the qualified elector in favor of the  
10 matters addressed in the Unanimous Approval for purposes of the California Constitution,  
11 including, but not limited to, Articles XIII A and XIII C; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby determines that any  
13 property for which the owner or owners execute a Unanimous Approval in accordance with  
14 applicable law shall be added to the Special Tax District without any further hearings or  
15 proceedings and the Clerk of the Board of Supervisors is hereby directed to record an  
16 amendment to the notice of special tax lien for the Special Tax District pursuant to Streets &  
17 Highways Code Section 3117.5 as a result of which the obligation to pay the Special Tax shall  
18 become a lien upon the annexed property; provided, however, the designation of property as  
19 Future Annexation Area and the ability to annex property to the Special Tax District based on  
20 a Unanimous Approval shall not limit, in any way, the annexation of property in the Future  
21 Annexation Area to the Special Tax District pursuant to other provisions of applicable law;  
22 and, be it

23 FURTHER RESOLVED, That the Director of the Controller’s Office of Public Finance  
24 (“Director”) is hereby directed, from time to time in her discretion, to cause to be recorded one  
25 or more consolidated maps of the Special Tax District reflecting all prior modifications,

1 amendments, and annexations pursuant to Section 3113.5 of the Streets & Highways Code;  
2 and, be it

3 FURTHER RESOLVED, That the type of facilities proposed to be financed by the  
4 Special Tax District and the Future Annexation Area shall consist of those listed as facilities  
5 on Exhibit A hereto and hereby incorporated herein (“Facilities”), subject to compliance with  
6 the Code, and this Board of Supervisors hereby determines that the Facilities are necessary  
7 to meet increased demands placed upon local agencies as the result of development  
8 occurring within the Special Tax District and the Future Annexation Area and that the  
9 financing of such Facilities constitutes a public purpose of the City; and, be it

10 FURTHER RESOLVED, That in order to advance the public purposes of the City, the  
11 Special Taxes and proceeds of bonds and other debt issued by the Special Tax District may  
12 be used to finance the incidental expenses described in Exhibit A hereto and hereby  
13 incorporated herein (“incidental expenses”); and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby finds and determines  
15 that the public interest will not be served by allowing the property owners in the Special Tax  
16 District to enter into a contract in accordance with Mello-Roos Act Section 53329.5(a), and  
17 notwithstanding the foregoing, this Board of Supervisors, on behalf of the Special Tax District,  
18 may enter into one or more contracts directly with any of the owners or lessees of property in  
19 the Special Tax District with respect to the construction and/or acquisition of any portion of the  
20 Facilities; and, be it

21 FURTHER RESOLVED, That the Director is hereby authorized and directed to enter  
22 into joint community facilities agreements with any entity that will own or operate any of the  
23 Facilities, as may be necessary to comply with the provisions of the Code, and this Board of  
24 Supervisors’ approval of a joint community facilities agreement shall be conclusively  
25 evidenced by the execution and delivery thereof by the Director, and this Board of Supervisors

1 hereby declares that such joint agreements will be beneficial to owners and lessees of  
2 property in the area of the Special Tax District; and, be it

3 FURTHER RESOLVED, That the type of services proposed to be financed by the  
4 Special Tax District and the Future Annexation Area shall consist of those listed in Exhibit A  
5 hereto and hereby incorporated herein (“Services”), subject to compliance with the Code. This  
6 Board of Supervisors hereby determines that the Services are necessary to meet increased  
7 demands for such services placed upon local agencies as the result of development occurring  
8 within the area of the Special Tax District and the Future Annexation Area and that the  
9 financing of such Services constitutes a public purpose of the City; and, be it

10 FURTHER RESOLVED, That except to the extent that funds are otherwise available,  
11 the City will levy a special tax (“Special Tax”) to pay directly for the Facilities, to pay for the  
12 Services, to pay for the incidental expenses and to pay the principal and interest on bonds  
13 and other debt (as defined in the Mello-Roos Act) of the City issued for the Special Tax  
14 District to finance the Facilities; and, be it

15 FURTHER RESOLVED, That the Special Tax will be secured by recordation of a  
16 continuing lien against all non-exempt real property in the Special Tax District, and will be  
17 levied annually within the Special Tax District, and collected in the same manner as ordinary  
18 ad valorem property taxes, or in such other manner as this Board of Supervisors or its  
19 designee shall determine, including direct billing of the affected owners or lessees of property  
20 in the Special Tax Districts; and, be it

21 FURTHER RESOLVED, That the proposed rate and method of apportionment of the  
22 Special Tax among the parcels of real property within the Special Tax District, in sufficient  
23 detail to allow each owner of property within the Special Tax District to estimate the maximum  
24 amount such owner will have to pay, is described in Exhibit B attached hereto and hereby  
25 incorporated herein (“Rate and Method”); and, be it

1           FURTHER RESOLVED, That the Special Tax to be levied in the Special Tax District  
2 shall not be levied in the Special Tax District to finance Facilities after the fiscal year  
3 established for that purpose in the Rate and Method, except that a Special Tax that was  
4 lawfully levied in or before the final tax year and that remains delinquent may be collected in  
5 subsequent years. Under no circumstances shall the Special Tax levied against any parcel in  
6 the Special Tax District to finance Facilities (“Facilities Special Tax”) in any fiscal year be  
7 increased in that fiscal year as a consequence of delinquency or default by the owner or  
8 lessee of any other parcel or parcels within the Special Tax District by an amount that  
9 exceeds 10 percent of the maximum Facilities Special Tax applicable to such parcel for that  
10 fiscal year; and, be it

11           FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions  
12 of Mello-Roos Act Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to *ad*  
13 *valorem* property taxes and schools financed by a community facilities district) are  
14 inapplicable to the proposed Special Tax District; and, be it

15           FURTHER RESOLVED, That as required by Mello-Roos Act Section 53339.3(d), this  
16 Board of Supervisors hereby determines that the Special Tax proposed to pay for the  
17 Facilities to be supplied within the Future Annexation Area that are financed with bonds that  
18 have already been issued and that are secured by previously-existing areas of the Special  
19 Tax District will be equal to the Special Taxes levied to pay for the same Facilities in  
20 previously-existing areas of the Special Tax District, except that (i) a higher Special Tax may  
21 be levied within the Future Annexation Area to pay for the same Facilities to compensate for  
22 the interest and principal previously paid from Special Taxes in the original area of the Special  
23 Tax District, less any depreciation allocable to the financed Facilities and (ii) a higher Special  
24 Tax may be levied in the Future Annexation Area to pay for new or additional Facilities, with or  
25 without bond financing; and, be it

1           FURTHER RESOLVED, That as required by the Mello-Roos Act, this Board of  
2 Supervisors hereby further determines that the Special Tax proposed to pay for Services to be  
3 supplied within the Future Annexation Area shall be equal to any Special Tax levied to pay for  
4 the same Services in the existing Special Tax District, except that a higher or lower tax may  
5 be levied within the Future Annexation Area to the extent that the actual cost of providing the  
6 Services in the Future Annexation Area is higher or lower than the cost of providing those  
7 Services in the existing Special Tax District. In so finding, this Board of Supervisors does not  
8 intend to limit its ability to levy a Special Tax within the Future Annexation Area to provide new  
9 or additional services beyond those supplied within the existing Special Tax District or its  
10 ability to implement changes to the extent permitted by law; and, be it

11           FURTHER RESOLVED, That as of the date hereof, there are no Assessor's Parcels  
12 (as defined in the Rate and Method) within the proposed boundaries of the Special Tax  
13 District that are owned by a public entity, including the United States, the State of California  
14 and/or the City, or any departments or political subdivisions thereof ("public entity"), that are  
15 intended to be exempt from the levy of Special Taxes except the Tax-Exempt Port Parcels (as  
16 defined in the Rate and Method). The Board of Supervisors intends for Assessor's Parcels  
17 within the proposed boundaries of the Special Tax District (other than the Tax-Exempt Port  
18 Parcels) that are purchased by a public entity after formation of the Special Tax District to be  
19 Taxable Parcels (as defined in the Rate and Method), and, if a public entity purchases a  
20 Taxable Parcel in the Special Tax District after formation of the Special Tax District, the  
21 obligation to pay Special Taxes on such Taxable Parcel shall be governed by Section 53317.3  
22 and 53317.5 of the Mello-Roos Act; and, be it

23           FURTHER RESOLVED, That in the event that a portion of the property within the  
24 Special Tax District shall become for any reason exempt, wholly or in part, from the levy of the  
25 Special Tax, this Board of Supervisors will, on behalf of the Special Tax District, increase the



1 levy to the extent necessary upon the remaining property within the Special Tax District which  
2 is not exempt in order to yield the required debt service payments and other annual expenses  
3 of the Special Tax District, if any, subject to the provisions of the Rate and Method; and, be it

4 FURTHER RESOLVED, That the levy of the Special Tax in the Special Tax District  
5 shall be subject to the approval of the qualified electors of the Special Tax District at a special  
6 election, and the proposed voting procedure shall be by mailed or hand-delivered ballot  
7 among the landowners in the Special Tax District, with each landowner having one vote for  
8 each acre or portion of an acre such landowner owns in the Special Tax District not exempt  
9 from the Special Tax; and, be it

10 FURTHER RESOLVED, That the Director, Department of Elections has reported that  
11 there were no registered voters in the boundaries of the proposed special tax district as of  
12 October 19, 2019; and, be it

13 FURTHER RESOLVED, That this Board of Supervisors has received and hereby  
14 approves, ratifies and accepts a Public Agency Statement and Consent executed by the Port  
15 Commission in which it declares that the City is a “landowner” in the Special Tax District (as  
16 defined in the Mello-Roos Act) and qualified elector for the Special Tax District because the  
17 property owned by the City within the proposed boundaries of the Special Tax District either  
18 will be (a) transferred by conveyance of the fee interest to private ownership for the  
19 construction of improvements, in which case the City agrees that such property will be subject  
20 to the special tax on the same basis as private property within the Special Tax District and  
21 affirmatively waives any defense based on the fact of public ownership to any action to  
22 foreclose on such property in the event of nonpayment of the special tax or (b) leased to a  
23 nonexempt person or entity and, pursuant to Section 53340.1 of the Mello-Roos Act, the  
24 special tax will be levied on the leasehold interest and payable by the owner of the leasehold  
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1 interest, a copy of which Public Agency Statement and Consent is on file with the Clerk of the  
2 Board of Supervisors in File No. 191076 and is incorporated herein by reference; and, be it

3 FURTHER RESOLVED, That this Board of Supervisors has received and hereby  
4 accepts a Consent and Waiver Relating to Formation of a Special Tax District executed by the  
5 Executive Director of the Port Commission, as authorized representative of 64 PKN Owner,  
6 LLC, the other landowner in the boundaries of the proposed Special Tax District, a copy of  
7 which Consent and Waiver Relating to Formation of a Special Tax District is on file with the  
8 Clerk of the Board of Supervisors in File No. 191076 and is incorporated herein by reference;  
9 and, be it

10 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation  
11 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at  
12 the time that parcel or those parcels are annexed into the Special Tax District and in  
13 accordance with the procedure established by applicable law; and, be it

14 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as  
15 the legislative body of the Special Tax District, to cause bonds of the City and other debt (as  
16 defined in the Mello-Roos Act) to be issued for the Special Tax District pursuant to the Code  
17 to finance in whole or in part the construction and/or acquisition of the Facilities and the  
18 incidental expenses; and, be it

19 FURTHER RESOLVED, That such debt may include an agreement by the Special Tax  
20 District (or the City on behalf of the Special Tax District) to repay the City, acting by and  
21 through the Port Commission, for one or more advances of land proceeds and other sources  
22 of Port funding to pay the costs of the Facilities and incidental expenses (“Advances”), which  
23 repayment obligation (“Repayment Obligation”) may be evidenced by a promissory note  
24 ratified or executed by the Special Tax District (or the City on behalf of the Special Tax  
25 District) in favor of the Port Commission; and

1 FURTHER RESOLVED, That the bonds and other debt shall be in the aggregate  
2 principal amount of not to exceed \$1,697,600,000 ("Limit"), shall be issued in such series and  
3 bear interest payable semi-annually or in such other manner as this Board of Supervisors  
4 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by  
5 applicable law at the time of sale of each series of bonds and other debt, and shall mature not  
6 later than 40 years from the date of the issuance thereof; and, be it

7 FURTHER RESOLVED, That because the City expects to repay the Repayment  
8 Obligation with, among other sources, Special Taxes and proceeds of bonded indebtedness  
9 and other debt incurred by or on behalf of the Special Tax District, the Board of Supervisors  
10 hereby determines that (i) the Repayment Obligation shall be included in the calculation of the  
11 Limit and (ii) any such bonded indebtedness or other debt (as defined in the Mello-Roos Act)  
12 incurred by or on behalf of the Special Tax District to repay the Repayment Obligation (and  
13 the related costs of issuance and costs of funding a debt service reserve fund) shall not be  
14 included in the calculation of the Limit; and, be it

15 FURTHER RESOLVED, That the Director, as the officer having charge and control of  
16 the Facilities and the Services in and for the Special Tax District and the Future Annexation  
17 Area, is hereby directed to study said proposed Facilities and Services and to make, or cause  
18 to be made, and file with the Clerk of the Board of Supervisors a report in writing ("Special Tax  
19 District Report") presenting the following:

20 (a) A description of the Facilities and the Services by type which will be required to  
21 adequately meet the needs of the Special Tax District and the Future Annexation Area.

22 (b) An estimate of the fair and reasonable cost of the Facilities including the cost of  
23 acquisition of lands, rights-of-way and easements, any physical facilities required in  
24 conjunction therewith and incidental expenses in connection therewith, including the costs of  
25

1 the proposed bond financing and other debt and all other related costs as provided in Mello-  
2 Roos Act Section 53345.3.

3 (c) An estimate of the fair and reasonable cost of the Services and incidental  
4 expenses in connection therewith, and all other related costs.

5 The Special Tax District Report shall be made a part of the record of the public hearing  
6 specified below; and, be it

7 FURTHER RESOLVED, January 14, 2020, at 3:00 p.m. or as soon as possible  
8 thereafter, and the Board of Supervisors Chamber, 1 Dr. Carlton B. Goodlett Place, San  
9 Francisco, California, are hereby fixed as the time and place when and where this Board of  
10 Supervisors, as the legislative body for the Special Tax District, will conduct a public hearing  
11 on the establishment of the Special Tax District and the Future Annexation Area, and consider  
12 and finally determine whether the public interest, convenience and necessity require the  
13 formation of the Special Tax District and the Future Annexation Area and the levy of the  
14 Special Tax and, be it

15 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed  
16 to cause notice of the public hearing to be given by publication one time in a newspaper  
17 published in the area of the Special Tax District and the Future Annexation Area. The  
18 publication shall be completed at least seven days before the date of the public hearing  
19 specified above. The notice shall be substantially in the form specified in Mello-Roos Act  
20 Section 53322, with the form summarizing the provisions hereof hereby specifically approved;  
21 and, be it

22 FURTHER RESOLVED, Notwithstanding the foregoing, because of the complexity  
23 associated with the Project and the Financing Plan, the Board of Supervisors hereby  
24 authorizes the Clerk of the Board of Supervisors to determine that the public hearing should  
25 be held on a later date or time and to cause notice of such later date or time to be given by

1 publication one time in a newspaper published in the area of the Special Tax District and the  
2 Future Annexation Area; and, be it

3 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either  
4 before or after formation of the Special Tax District, the City may accept advances of funds  
5 and may provide, by resolution, for the use of those funds, including but not limited to pay any  
6 cost incurred by the local agency in creating the Special Tax District, and may agree to  
7 reimburse the advances under all of the following conditions: (A) the proposal to repay the  
8 advances is included both in the resolution of intention and the resolution of formation to  
9 establish the Special Tax District; and (B) any proposed special tax is approved by the  
10 qualified electors of the Special Tax District and, if the qualified electors of the Special Tax  
11 District do not approve the proposed special tax, the City shall return any funds which have  
12 not been committed for any authorized purpose by the time of the election and, in furtherance  
13 of Mello-Roos Act Section 53314.9, the Board of Supervisors hereby declares its intent to  
14 enter into an agreement providing for the advance and reimbursement of funds between the  
15 Port and the Master Developer; and, be it

16 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either  
17 before or after formation of the Special Tax District, the City may accept work in-kind from any  
18 source, including, but not limited to, private persons or private entities, may provide, by  
19 resolution, for the use of that work in-kind for any authorized purpose and this Board of  
20 Supervisors may enter into an agreement, by resolution, with the person or entity advancing  
21 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of  
22 the work in-kind, as determined by this Board of Supervisors, with or without interest, under  
23 the conditions specified in the Mello-Roos Act. Any work in-kind must be performed or  
24 constructed as if the work had been performed or constructed under the direction and  
25 supervision, or under the authority of, the City and, in furtherance of Mello-Roos Act

1 Section 53314.9, the Board of Supervisors previously authorized the Port to enter into an  
2 acquisition and reimbursement agreement with the Master Developer and other entities  
3 responsible for developing the Project pursuant to Resolution No. 401-17, adopted by this  
4 Board of Supervisors on October 31, 2017 (which resolution was signed by the Mayor on  
5 November 9, 2017); and, be it

6 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and  
7 authority set forth in Mello-Roos Act Section 53344.1, subject to any limitations set forth in any  
8 bond resolution or trust indenture related to the issuance of bonds; and, be it

9 FURTHER RESOLVED, That this Board of Supervisors hereby waives any provisions  
10 of the Amended and Restated Local Goals and Policies for Community Facilities Districts and  
11 Special Tax Districts (“Goals and Policies”) adopted by this Board of Supervisors by  
12 Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the  
13 provisions hereof or the DDA; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors hereby approves and ratifies  
15 the appointment of the Port as the CFD Agent (as defined in the DDA) for the Special Tax  
16 District and approves and ratifies all actions taken prior to the date hereof by the Port in its  
17 capacity as CFD Agent, including, but not limited to, execution of one or more promissory  
18 notes to evidence the Repayment Obligation and execution of one more pledge agreements  
19 with an infrastructure financing district to receive property tax revenues to repay the  
20 Repayment Obligation; and, be it

21 FURTHER RESOLVED, That in accordance with the actions contemplated herein, this  
22 Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the  
23 Planning Commission’s certification of the FEIR, and finds that the actions contemplated  
24 herein are within the scope of the Project described and analyzed in the FEIR; and, be it  
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1           FURTHER RESOLVED, That this Board of Supervisors hereby adopts and  
2 incorporates by reference as though fully set forth herein the Planning Commission's CEQA  
3 approval findings in the MMRP, including the statement of overriding considerations, and  
4 adopts and incorporates by reference as though fully set forth herein the Project's MMRP;  
5 and, be it

6           FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of  
7 Supervisors to form the Special Tax District and the Future Annexation Area. The formation of  
8 the Special Tax District and the Future Annexation Area shall be subject to the approval of  
9 this Board of Supervisors by resolution following the holding of the public hearing referred to  
10 above; and, be it

11           FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or  
12 word of this resolution, or any application thereof to any person or circumstance, is held to be  
13 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
14 shall not affect the validity of the remaining portions or applications of this resolution, this  
15 Board of Supervisors hereby declaring that it would have passed this resolution and each and  
16 every section, subsection, sentence, clause, phrase, and word not declared invalid or  
17 unconstitutional without regard to whether any other portion of this resolution or application  
18 thereof would be subsequently declared invalid or unconstitutional; and, be it

19           FURTHER RESOLVED, That the Mayor, the Controller, the Director, the Clerk of the  
20 Board of Supervisors and any and all other officers of the City are hereby authorized, for and  
21 in the name of and on behalf of the City, to do any and all things and take any and all actions,  
22 including execution and delivery of any and all documents, assignments, certificates,  
23 requisitions, agreements, notices, consents, instruments of conveyance, warrants and  
24 documents, which they, or any of them, may deem necessary or advisable in order to  
25 effectuate the purposes of this Resolution; provided however that any such actions be solely

1 intended to further the purposes of this Resolution, and are subject in all respects to the terms  
2 of the Resolution; and, be it

3 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,  
4 consistent with any documents presented herein, and heretofore taken are hereby ratified,  
5 approved and confirmed by this Board of Supervisors; and, be it

6 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

7

8 APPROVED AS TO FORM:  
9 DENNIS J. HERRERA, City Attorney

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11 By: \_\_\_\_\_  
12 Mark D. Blake  
13 Deputy City Attorney

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EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2019-1  
(Pier 70 Condominiums)

DESCRIPTION OF FACILITIES, SERVICES AND OTHER COSTS TO BE  
FINANCED BY THE SPECIAL TAX DISTRICT

City and County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums) (as originally configured and as expanded through annexation of property in the future, the “**STD**”), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meaning given them in (1) the Appendix to Transaction Documents for the Pier 70 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement (“**DDA**”), dated as of May 2, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time and (2) those definitions included in the Vertical Disposition and Development Agreement for Parcel K North, dated February 8, 2019 (“**VDDA**”). When used in this Exhibit A, “**including**” has the meaning given to it in the DDA.

**AUTHORIZED FACILITIES**

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by

1 the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos  
2 Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), including:

- 3  
4 1. Land Acquisition – includes, but is not limited to, acquisition of land for public  
5 improvements or for other requirements under the DDA and VDDA.  
6
- 7 2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs,  
8 including abatement of hazardous materials, removal of below-grade, at-grade, and  
9 above-grade facilities, and recycling or disposal of waste, including demolition and  
10 abatement within future vertical sites that is necessary for Horizontal Improvements.  
11
- 12 3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves,  
13 fire hydrants, cathodic protection, tie-ins, and any other components required for onsite  
14 and offsite high pressure water supply network intended for fire suppression.  
15
- 16 4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters,  
17 water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants,  
18 cathodic protection, tie-ins, and any other components required for onsite and offsite low  
19 pressure water supply network intended for domestic use.  
20
- 21 5. Non-Potable Water - includes, but is not limited to, main pipe, laterals, water meters,  
22 water meter boxes, back flow preventers, gate valves, air valves, blow-offs, cathodic  
23 protection, tie-ins, blackwater treatment facility (whether publicly or privately owned), and  
24 any other components required for non-potable water supply network intended to provide  
25

1 treated wastewater for use in, among other things, irrigation of parks, landscaping, and  
2 non-potable uses within buildings.

3  
4 6. Combined Sanitary Sewer and Stormwater Management– includes, but is not limited to,  
5 retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and  
6 associated valves, laterals, manholes, catch basins, traps, air vents, pump stations,  
7 outfalls, lift stations, connections to existing systems, stormwater treatment BMPs such  
8 as detention vaults, and any other components required for a network intended to convey  
9 storm water and sanitary sewage, including components, such as ejector pumps,  
10 associated with vertical buildings to meet design criteria for the Horizontal  
11 Improvements.

12  
13 7. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and  
14 secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas  
15 main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and  
16 information systems.

17  
18 8. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities  
19 including importation of clean fill materials, clearing and grubbing, slope stabilization,  
20 ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock  
21 fragmentation, grading, placement of fill, compaction, retaining walls, subdrainage,  
22 erosion control, temporary fencing, and post-construction stabilization such as  
23 hydroseeding. Also, includes, but is not limited to, excavation of future vertical  
24 development sites if the excavated soils is used on site for purposes of raising Horizontal  
25 Improvements.

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9. Roadways – includes, but is not limited to, Public ROWs, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications. through the permitting process.

10. Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, signage, emergency services infrastructure, landscaping (including trees and silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and interpretative signage and facilities.

11. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, viewing platforms, retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, and any other components, e.g., Shoreline Improvements),

1 and any other associated work in publicly accessible spaces such as parks, open  
2 spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas,  
3 mid-block passages and open space that is located on private property, but identified as  
4 public open space, mid-block passages, streets or streetscapes in the DDA or Design  
5 for Development.

6  
7 12. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not  
8 limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic  
9 buildings associated with horizontal public improvements, such as Building 12 lifting,  
10 Building 21 relocation, Building 108 reuse for blackwater treatment, and Building 15  
11 structural frame.

12  
13 13. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of  
14 contaminated soil which cannot be reused on site in accordance with the Pier 70 Risk  
15 Management Plan, Pier 70 Master Plan Area, dated July 25, 2013, and associated with  
16 Horizontal Improvements.

17  
18 14. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to  
19 characterize the preferred Shoreline Protection Project and alternatives, including pre-  
20 entitlement planning and design work, environmental review, negotiation, and  
21 Regulatory Approvals related to the Shoreline Protection Facilities, conducted in  
22 accordance with Pier 70 Financing Plan Section 4.7(f) (Determining Pier 70 Shoreline  
23 Protection Facilities).

1 15. Shoreline Protection Facilities includes, but is not limited to, future waterfront  
2 Improvements at the San Francisco shoreline to protect the area from perils associated  
3 with seismic events and climate change, including sea level rise and floods, and other  
4 public improvements approved by the Port Commission and the Board of Supervisors.

5  
6 16. Noonan Replacement Space, a space to accommodate the Noonan Space Lease in a  
7 new or rehabilitated building that meets the requirements of DDA § 7.13 (Noonan  
8 Replacement Space) for which the Port has issued a Temporary Certificate of  
9 Occupancy and Noonan moving costs related to relocating Noonan Tenants from the  
10 existing Noonan Building to the Noonan Replacement Space.

11  
12 17. Arts Building, a new building on Parcel E4 with space dedicated and restricted to  
13 arts/light industrial uses in accordance with DDA § 7.12 (Arts Building) and the Arts  
14 Program, as well as community space that can be funded under the Financing Plan.

15  
16 18. Historic Building Feasibility Gap as specified in Financing Plan Section 11.1 (Subsidy for  
17 Historic Buildings 12 and 21).

18 19. Deferred Infrastructure.

19  
20 20. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary  
21 to proceed with development, incurred after the Reference Date to develop  
22 improvements authorized to be financed by the San Francisco Special Tax Financing  
23 Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982  
24 (Cal. Gov't Code Section 53311 et seq.), such as the cost to comply with the California  
25 Environmental Quality Act, negotiate transaction documents, permitting of Horizontal

1 Improvements, subdivision mapping, conduct community outreach, and prepare  
2 development design and land use requirements, but not expenses related to any  
3 campaign or ballot measure or any other expenses prohibited by law. Entitlement costs  
4 may include interim costs as approved from time to time by the Board of Supervisors.

5  
6 21. Associated Public Benefits.

7  
8 22. Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs  
9 associated with implementing the DDA and VDDA, including any additional costs that  
10 the Parties agree shall be incurred by the Developer for the Project, including workforce  
11 liaisons; studies and consultants required to comply with the DDA, such as auditors,  
12 inspectors, attorneys and appraisers; replacement and rework costs, including repairs to  
13 correct incidental damage that occurs throughout the course of construction and  
14 restoration of roadway pavement in areas where there are trenches excavated after the  
15 initial roadway is paved, and maintenance prior to acceptance by the City and/or Port.

16  
17 23. Any other costs authorized to be financed by the STD under the DDA and VDDA.

18  
19 24. Soft Costs required to support the construction of the Horizontal Improvements and  
20 implementation of the DDA and VDDA, including developer management costs,  
21 construction management Fees, and asset management costs.

22  
23 25. Developer Mitigation Measures, including the formation of the Transportation  
24 Management Association and dust, vibration and asbestos monitoring.

1 26. Miscellaneous Costs, such as costs associated with implementing the DDA and VDDA,  
2 including any additional costs that the Parties have agreed shall be incurred by the  
3 Developer for the Project, such as master planning for each phase, audits, appraisals,  
4 workforce development costs (such as a liaison), cash payments and community  
5 outreach initiatives.

6  
7  
8 Any facility authorized to be financed by the STD may be financed through the construction and  
9 acquisition of the facility or through the payment of fees for such facility.

10  
11 The facilities authorized to be financed may be located within or outside the boundaries of the  
12 STD.

13  
14 The facilities to be financed shall include all Hard Costs and Soft Costs associated with the  
15 facilities, including the costs of the acquisition of land and rights-of-way, the costs of design,  
16 engineering and planning, the costs of any environmental or traffic studies, surveys or other  
17 reports, costs related to landscaping and irrigation, soils and other environmental testing and  
18 observation, permits, plan check, and inspection fees, insurance, legal and related overhead  
19 costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any  
20 other costs or appurtenances related to any of the foregoing as further defined in one or more  
21 acquisition agreements with the developer of the property in the STD.

22  
23 The facilities to be financed shall also include all incidental expenses, defined as follows:  
24  
25



1 (1) The cost of planning and designing facilities to be financed by the STD, including the cost  
2 of environmental evaluations of those facilities.

3  
4 (2) The costs associated with the creation of the STD, issuance of bonds, determination of the  
5 amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order  
6 to carry out the authorized purposes of the STD.

7  
8 (3) Any other expenses incidental to the construction, completion, and inspection of the  
9 authorized work, including costs for temporary facilities with a useful life of at least 3 years  
10 that are required to construct an authorized facility.

11  
12 (4) Special taxes levied on a property in the STD and paid by the Master Developer on behalf  
13 of a local agency or other landowner prior to the development of the property.

14  
15 The facilities to be financed also includes the interim cost of the facilities, which shall mean the  
16 Developer Return or Port Return, as applicable, and any interest payable on any promissory  
17 note payable to the STD.

18  
19 The STD may also apply bond proceeds and special taxes to repay the Port Commission for  
20 advances made to pay for authorized costs, under any promissory note or otherwise.

21  
22 Special taxes may be collected and set-aside in designated funds and collected over several  
23 years (i.e., reserves), and used to fund facilities authorized to be financed by the STD.

1 **AUTHORIZED SERVICES**

2  
3 Special taxes collected in the STD may finance, in whole or in part, the services authorized to  
4 be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and  
5 the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), for  
6 the FC Project Area, and areas outside the FC Project Area, not including the 20<sup>th</sup> Street CFD,  
7 including:

- 8
- 9 • Maintenance, capital repair, replacement and operation (including public events) of  
10 Public Spaces, including facilities for public enjoyment, such as public parks, public  
11 recreational facilities, public access, open space, and other public amenities, some of  
12 which may be rooftop facilities or located on private property but identified as public open  
13 space in the DDA or Design for Development.
  
  - 14
  - 15 • Maintenance, capital repair, replacement and operation of Public Right-of-Ways  
16 (ROWs), including public streets, sidewalks, shared public ways, mid-block passages,  
17 bicycle lanes, and other paths of travel, associated landscaping and furnishings,  
18 retaining walls within the ROWs, and related amenities in the FC Project Area, including  
19 any portion of the Building 15 structure over 22nd Street, some of which may be located  
20 on private property but identified as public open space in the DDA or Design for  
21 Development.
  
  - 22
  - 23 • Maintenance, capital repair, replacement and operation of Shoreline Improvements in  
24 and adjacent to the FC Project Area that were completed per the DDA, such as shoreline  
25 restoration, including installation of stone columns, pilings, secant walls, and other

1 structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront  
2 public access to or environmental remediation of the San Francisco waterfront.

- 3
- 4 • Maintenance, capital repair, replacement and operation of landscaping and irrigation  
5 systems and other equipment, material, and supplies directly related to maintaining and  
6 replacing landscaped areas and water features in Public Spaces and Public ROWs.  
7
- 8 • Maintenance, capital repair, replacement and operation as needed of Public Spaces,  
9 including street cleaning and paving.  
10
- 11 • Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash  
12 receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and  
13 corrals, and other furniture and fixtures and signage in Public Spaces and Public ROWs.  
14
- 15 • Maintenance, capital repair, replacement and operation of utilities in Public Spaces and  
16 Public ROWs.  
17
- 18 • General liability insurance for any Public ROWs or structures in Public ROWs that Public  
19 Works does not submit to the Board of Supervisors for City acceptance for City General  
20 Fund liability purposes and other commercially reasonable insurance coverages.  
21
- 22 • Port, City, or third party personnel, administrative, and overhead costs related to  
23 maintenance or to contracting for and managing third-party maintenance, including rent  
24 for storage space needed to support the maintenance activities.
- 25 • Any other costs authorized to be financed by the STD under the DDA and VDDA.

1 Special taxes may be collected and set-aside in designated funds and collected over several  
2 years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term  
3 “**operation**” includes providing security and hosting special events.

4  
5 **INCIDENTAL COSTS**  
6

7 Special taxes collected in the STD will also fund, in whole or in part, the incidental costs  
8 associated with the facilities and services authorized to be financed. Incidental costs include,  
9 but are not limited to:

- 10
- 11 1. Administrative expenses and fees including costs incurred to form the STD, to  
12 annex territory to the STD, to annually administer the STD, to levy and collect  
13 special taxes for the STD, and any other costs incurred in standard administration  
14 of the STD by the City or their authorized consultants;
  - 15
  - 16 2. Any amounts needed to cure actual or estimated delinquencies in special taxes  
17 for the current or previous fiscal years;
  - 18
  - 19 3. Bond related expenses, including underwriters discount, reserve fund, capitalized  
20 interest, bond, disclosure, and underwriter counsel fees and all other incidental  
21 expenses; and
  - 22
  - 23 4. Reimbursement of costs related to the formation of the STD advanced by the City  
24 and any landowner(s) in the STD, or any party related to any of the foregoing, as  
25 well as reimbursement of any costs advanced by the City or any landowner(s) in

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the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD.



1 owner inquiries regarding the Special Taxes, costs associated with appeals or requests for  
2 interpretation associated with the Special Taxes and this RMA, costs associated with  
3 annexation of property into the STD, amounts needed to pay rebate to the federal government  
4 with respect to the Bonds, costs associated with complying with any continuing disclosure  
5 requirements for the City and any other major property owner (whether or not deemed to be an  
6 obligated person), costs associated with foreclosure and collection of delinquent Special Taxes,  
7 and all other costs and expenses of the City in any way related to the establishment or  
8 administration of the STD.

9  
10 **“Administrator”** means the Director of the Office of Public Finance or his/her designee who  
11 shall be responsible for administering the Special Taxes according to this RMA.

12  
13 **“Affordable Housing Project”** means a residential or primarily residential project, as  
14 determined by the Review Authority, within which 100% of the residential units have a deed  
15 restriction recorded on title of the property that (i) limits the rental rates on the units or (ii) in any  
16 other way is intended to restrict the current or future value of the unit, as determined by the  
17 Review Authority.

18  
19 **“Airspace Parcel”** means a Taxable Parcel with an assigned Assessor’s Parcel number that  
20 constitutes vertical space of an underlying land parcel.

21  
22 **“Apartment Building”** means a residential or mixed-use building within which all of the  
23 residential units are offered for rent to the general public and are not available for sale to or  
24 ownership by individual homebuyers.

1     **“Appendix”** means the Appendix to Transaction Documents for the Pier 70 28-Acre Site  
2     Project.

3

4     **“Arts Building Special Tax Bonds”** means any Bonds secured by the Arts Building Special  
5     Taxes that are issued to pay Arts Building Costs.

6

7     **“Arts Building Costs”** means up to \$20 million in costs (or such other amount identified in the  
8     Financing Plan) associated with the Arts Building, the Noonan Replacement Space and  
9     community facilities allocated under the Financing Plan, and authorized to be financed by the  
10    Arts Building Special Tax and Arts Building Special Tax Bonds by the Financing Plan and by  
11    the formation proceedings for the STD and the Leased Properties STD No. 2019-2.

12

13    **“Arts Building Special Tax”** means a special tax levied in Tax Zone 2 in any Fiscal Year to  
14    pay the Arts Building Special Tax Requirement.

15

16    **“Arts Building Special Tax Requirement”** means the amount necessary in any Fiscal Year  
17    to pay: (i) pay principal and interest on Arts Building Special Tax Bonds that are due in the  
18    calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Arts Building Special  
19    Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate  
20    payments; (iii) replenish reserve funds created for Arts Building Special Tax Bonds under the  
21    applicable Indenture to the extent such replenishment has not been included in the computation  
22    of the Arts Building Special Tax Requirement in a previous Fiscal Year; (iv) cure any  
23    delinquencies in the payment of principal or interest on Arts Building Special Tax Bonds which  
24    have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; (vi) pay other  
25    obligations described in the Financing Plan; and (vii) pay directly for Arts Building Costs. The



1 amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by:  
2 (a) interest earnings on or surplus balances in funds and accounts for the Arts Building Special  
3 Tax Bonds to the extent that such earnings or balances are available to apply against such  
4 costs pursuant to the applicable Indenture; (b) in the sole and absolute discretion of the Port,  
5 proceeds received by the STD from the collection of penalties associated with delinquent Arts  
6 Building Special Taxes; and (c) any other revenues available to pay such costs, as determined  
7 by the Administrator, the City, and the Port.

8

9 **“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel, including an Airspace Parcel, shown  
10 on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

11

12 **“Assessor’s Parcel Map”** means an official map of the County Assessor designating Parcels  
13 by Assessor’s Parcel number.

14

15 **“Association”** means a homeowners or property owners association, including any  
16 master or sub-association, that provides services to, and collects dues, fees, or charges  
17 from, property within the STD.

18

19

20 **“Association Square Footage”** means square footage within a building that is (i) on  
21 property in the STD that is owned in fee or by easement by, or leased to, an Association, not  
22 including any such property that is located directly under a residential structure, and (ii) used  
23 for purposes of the Association and not leased or otherwise used for purposes that are not  
24 part of the operation of the Association.

25

1     **“Authorized Expenditures”** means, separately with respect to the Facilities Special Tax, Arts  
2 Building Special Tax, and Services Special Tax, those costs, facilities or public services  
3 authorized to be funded by the applicable Special Taxes as set forth in the Financing Plan and  
4 the documents adopted by the Board at STD Formation, as may be amended from time to time.

5  
6     **“Base Arts Building Special Tax”** means, for any Square Footage Category in Tax Zone 2,  
7 the per-square foot Arts Building Special Tax identified in Table 2 in Section C below.

8  
9     **“Base Facilities Special Tax”** means, for any Square Footage Category, the per-square foot  
10 Facilities Special Tax for Square Footage within such Square Footage Category, as identified  
11 in Table 1 in Section C below.

12  
13     **“Base Services Special Tax”** means, for any Square Footage Category, the per-square foot  
14 Services Special Tax for Square Footage within such Square Footage Category, as identified  
15 in Table 3 in Section C below.

16  
17     **“Base Special Tax”** means:

18  
19             *For Tax Zone 1:* collectively, the Base Facilities Special Tax and the Base Services  
20 Special Tax, and

21  
22             *For Tax Zone 2:* collectively, the Base Facilities Special Tax, the Base Arts Building  
23 Special Tax, and the Base Services Special Tax.

1     **“Board”** means the Board of Supervisors of the City, acting as the legislative body of STD No.  
2     2019-1.

3

4     **“Bond Sale”** means, for the Facilities Special Tax, issuance of any Facilities Special Tax Bonds  
5     and, for the Arts Building Special Tax, issuance of any Arts Building Special Tax Bonds.

6

7     **“Bonds”** means bonds or other debt (as defined in the CFD Law), whether in one or more  
8     series, that are issued or assumed by or for the STD to finance Authorized Expenditures  
9     including any Arts Building Special Tax Bonds and Facilities Special Tax Bonds. The term  
10    **“Bonds”** includes any promissory note executed by or on behalf of the STD for the benefit of the  
11    Port.

12

13           **“Building Permit”** means a permit that is issued by the Port or the City that allows for  
14    vertical construction of a building or buildings, including any addendum to a site permit, but  
15    excluding a separate permit issued for construction of building foundations.

16

17    **“Capitalized Interest”** means funds in any capitalized interest account available to pay debt  
18    service on Bonds.

19

20    **“Certificate of Occupancy”** means the first certificate, including any temporary certificate of  
21    occupancy, issued by the Port or the City to confirm that a building or a portion of a building has  
22    met all of the building codes and can be occupied for residential or non-residential use. For  
23    purposes of this RMA, **“Certificate of Occupancy”** shall not include any certificate of occupancy  
24    that was issued prior to January 1, 2018 for a building within the STD; however, any subsequent  
25    certificates of occupancy that are issued for new construction or expansion of a building shall

1 be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated  
2 Square Footage.

3  
4 “**CFD Law**” means the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X),  
5 which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code §§  
6 53311-53368).

7  
8 “**City**” means the City and County of San Francisco, California.

9  
10 “**County**” means the City and County of San Francisco, California.

11  
12 “**DDA**” means the Disposition and Development Agreement between the Port and the  
13 Developer, including all exhibits and attachments, as may be amended from time to time.

14  
15 “**Deputy Director**” means the Deputy Director of Finance and Administration for the Port or  
16 other such official that acts as the chief financial officer for the Port.

17  
18 “**Developed Property**” means, in any Fiscal Year, the following:

19  
20 **For Tax Zone 1:**

21  
22 *For levy of the Facilities Special Tax:* all Taxable Parcels for which the 36-month  
23 anniversary of the VDDA Execution Date has occurred in a preceding Fiscal Year,  
24 regardless of whether a Building Permit has been issued.

1           *For levy of the Services Special Tax:* all Taxable Parcels for which a Certificate of  
2           Occupancy was issued on or prior to June 30 of the preceding Fiscal Year, but not prior  
3           to January 1, 2018.

4  
5           **For Tax Zone 2:**

6  
7           *For levy of the Facilities Special Tax and Arts Building Special Tax:* all Taxable Parcels  
8           for which the 36-month anniversary of the VDDA Execution Date has occurred in a  
9           preceding Fiscal Year, regardless of whether a Building Permit has been issued. For any  
10          Taxable Parcel on which a structure is built and occupied without execution of a VDDA,  
11          such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in  
12          which a Certificate of Occupancy was issued on or prior to June 30 of the preceding  
13          Fiscal Year.

14  
15          *For levy of the Services Special Tax:* all Taxable Parcels for which a Certificate of  
16          Occupancy was issued on or prior to June 30 of the preceding Fiscal Year, but not prior  
17          to January 1, 2018.

18  
19          **“Developer”** means FC Pier 70, LLC, or any successor or assign, as tenant under the Master  
20          Lease.

21  
22          **“Developer Private Agreement”** means all of the following: (i) the Developer has agreed  
23          pursuant to Section 4.12(b)(2)(A) of the Financing Plan to pay the Facilities Special Tax on  
24          Undeveloped Property of Vertical Developers; (ii) the Developer has entered into such a written  
25          agreement with each Vertical Developer; and (iii) the San Francisco Port Commission has

1 agreed to the levy of a Facilities Special Tax on Undeveloped Property based on such  
2 agreements.

3  
4 **“Developer Public Agreement”** means all of the following: (i) the Developer has entered into  
5 an agreement with the Port pursuant to Section 4.12(b)(2)(B) of the Financing Plan to pay the  
6 Facilities Special Tax on Port-Owned Development Parcels; and (ii) the San Francisco Port  
7 Commission has agreed to the levy of Facilities Special Taxes on the Port-Owned Development  
8 Parcels.

9  
10 **“Development Approval Documents”** means, collectively, the DDA, any Vertical DDAs, any  
11 Final Maps, Review Authority approvals, condominium plans, or other such approved or  
12 recorded document or plan that identifies the type of structure(s), acreage, or Square Footage  
13 approved for development on Taxable Parcels.

14  
15 **“Escalator”** means the lesser of the following: (i) the annual percentage increase, if any, in the  
16 Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward  
17 region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United  
18 States Department of Labor, or, if such index is no longer published, a similar escalator that is  
19 determined by the Port and City to be appropriate, and (ii) five percent (5%).

20  
21 **“Estimated Base Arts Building Special Tax Revenues”** means, at any point in time, the  
22 amount calculated by the Administrator by multiplying the Base Arts Building Special Tax by  
23 Square Footage within each Square Footage Category proposed for development in Tax Zone  
24 2 and, if applicable, in completed buildings on a Taxable Parcel in Tax Zone 2.

1     **“Estimated Base Facilities Special Tax Revenues”** means, at any point in time, the amount  
2     calculated by the Administrator by multiplying the Base Facilities Special Tax by Square  
3     Footage within each Square Footage Category proposed for development and, if applicable, in  
4     completed buildings on a Taxable Parcel.

5  
6     **“Exempt Association Square Footage”** means, prior to the First Bond Sale, any Association  
7     Square Footage in or expected in a building on any Parcel of Developed Property. After the  
8     First Bond Sale, “Exempt Association Square Footage” for any building on a Parcel of  
9     Developed Property shall be the sum of the following, as determined by the Review Authority:

- 10  
11         1. Square footage in or expected in the building that, at the time the Parcel became  
12             Developed Property, was determined by the Review Authority to be reserved for  
13             Association Square Footage; and  
14  
15         2. Square footage in or expected in the building that (i) exceeds the original Exempt  
16             Association Square Footage determined when the Parcel became Developed Property,  
17             and (ii) if exempted from Special Taxes, would not reduce coverage on outstanding  
18             Bonds below the Required Coverage.

19  
20     The Administrator and the Review Authority will maintain a record of the amount and location  
21     of Exempt Association Square Footage within each building in the STD. If, in any Fiscal Year,  
22     the Administrator determines that square footage that had been designated as Exempt  
23     Association Square Footage no longer meets the definition set forth above, such square footage  
24     shall be assigned by the Review Authority to the appropriate Square Footage Category and  
25     taxed accordingly pursuant to this RMA.

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**“Exempt Non-Residential Square Footage”** means any ground level retail uses within a building that is otherwise comprised of Residential Square Footage, as reflected on the Building Permit or Vertical DDA and as determined in the sole discretion of the Administrator and the Port. If, in any Fiscal Year, the Administrator identifies Non-Residential Square Footage on a ground level Parcel that had been taxed in the prior Fiscal Year based on Residential Square Footage that had been constructed, or expected to be constructed, on the Parcel, the Administrator will apply Section D.3 to determine if the Non-Residential Square Footage will be Exempt Non-Residential Square Footage or Taxable Non-Residential Square Footage.

**“Expected Land Uses”** means the total Square Footage in each Square Footage Category expected on each Planning Parcel in the STD. The Expected Land Uses at STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

**“Expected Maximum Arts Building Special Tax Revenues”** means the aggregate Arts Building Special Tax that can be levied based on application of the Base Arts Building Special Tax to the Expected Land Uses in Tax Zone 2. The Expected Maximum Arts Building Special Tax Revenues for each Planning Parcel in Tax Zone 2 at the time of STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

**“Expected Maximum Facilities Special Tax Revenues”** means the aggregate Facilities Special Tax that can be levied based on application of the Base Facilities Special Tax to the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.



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**“Expected Taxable Property”** means, in any Fiscal Year, any Parcel within the STD that: (i) pursuant to the Development Approval Documents, was expected to be a Taxable Parcel; (ii) is not a Port-Owned Development Parcel; (iii) based on the Expected Land Uses, was assigned Expected Maximum Facilities Special Tax Revenues or Expected Maximum Arts Building Special Tax Revenues; and (iv) subsequently falls within one or more of the categories that would otherwise be exempt from Special Taxes pursuant to Section H below.

**“Facilities Special Tax”** means a special tax levied in any Fiscal Year to pay the Facilities Special Tax Requirement.

**“Facilities Special Tax Bonds”** means any Bonds secured by Facilities Special Taxes.

**“Facilities Special Tax Requirement”** means the amount necessary in any Fiscal Year to pay: (i) pay principal and interest on Facilities Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Facilities Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments; (iii) replenish reserve funds created for Facilities Special Tax Bonds under the applicable Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Facilities Special Tax Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; (vi) pay other obligations described in the Financing Plan; and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Facilities Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest

1 earnings on or surplus balances in funds and accounts for the Facilities Special Tax Bonds to  
2 the extent that such earnings or balances are available to apply against such costs pursuant to  
3 the applicable Indenture; (b) in the sole and absolute discretion of the Port, proceeds received  
4 by the STD from the collection of penalties associated with delinquent Facilities Special Taxes;  
5 and (c) any other revenues available to pay such costs, as determined by the Administrator, the  
6 City, and the Port.

7  
8 **“Final Map”** means a final map, or portion thereof, recorded by the County pursuant to the  
9 Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates  
10 individual lots on which Building Permits for new construction may be issued without further  
11 subdivision.

12  
13 **“Financing Plan”** means the Financing Plan attached as Exhibit C1 to, and incorporated into,  
14 the DDA, as such plan may be amended or supplemented from time to time in accordance with  
15 the terms of the DDA.

16  
17 **“First Bond Sale”** means, for the Facilities Special Tax, a Bond Sale of the first series of  
18 Facilities Special Tax Bonds, and, for the Arts Building Special Tax, a Bond Sale of the first  
19 series of Arts Building Special Tax Bonds.

20  
21 **“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

22  
23 **“For-Sale Residential Square Footage”** means the Square Footage within one or more For-  
24 Sale Residential Units.

1     **“For-Sale Residential Unit”** means an individual Residential Unit that is not a Rental Unit.

2

3     **“Future Annexation Area”** means that geographic area that, at STD Formation, was  
4 considered potential annexation area for the STD and which was, therefore, identified as “future  
5 annexation area” on the recorded STD boundary map. Such designation does not mean that  
6 any or all of the Future Annexation Area will annex into the STD, but should owners of property  
7 designated as Future Annexation Area choose to annex, the annexation may be processed  
8 pursuant to the annexation procedures in the CFD Law for territory included in a future  
9 annexation area, as well as the procedures established by the Board.

10

11     **“Indenture”** means any indenture, fiscal agent agreement, resolution, or other instrument  
12 pursuant to which Bonds are issued, as modified, amended, or supplemented from time to time,  
13 and any instrument replacing or supplementing the same.

14

15             **“Land Use Change”** means a change to the Expected Land Uses after STD  
16 Formation.

17

18     **“Leased Properties STD No. 2019-2”** means the City and County of San Francisco Special  
19 Tax District No. 2019-2 (Pier 70 Leased Properties).

20

21     **“Master Lease”** means a lease for all or part of the 28-Acre Site that, with licenses for other  
22 portions of Pier 70, allows the Developer to take possession of the FC Project Area (as defined  
23 in the Appendix) and construct horizontal improvements approved under the DDA.

24

25

1     **“Maximum Arts Building Special Tax”** means the greatest amount of Arts Building Special  
2 Tax that can be levied on a Taxable Parcel in Tax Zone 2 in any Fiscal Year determined in  
3 accordance with Sections C, D, and E below.

4  
5     **“Maximum Arts Building Special Tax Revenues”** means, at any point in time, the aggregate  
6 Maximum Arts Building Special Tax that can be levied on all Taxable Parcels in Tax Zone 2.

7  
8     **“Maximum Facilities Special Tax”** means the greatest amount of Facilities Special Tax that  
9 can be levied on a Taxable Parcel in any Fiscal Year determined in accordance with Sections  
10 C, D, and E below.

11  
12     **“Maximum Facilities Special Tax Revenues”** means, at any point in time, the aggregate  
13 Maximum Facilities Special Tax that can be levied on all Taxable Parcels.

14  
15     **“Maximum Services Special Tax”** means the greatest amount of Services Special Tax that  
16 can be levied on a Taxable Parcel in any Fiscal Year determined in accordance with Sections  
17 C, D, and E below.

18  
19     **“Maximum Services Special Tax Revenues”** means, at any point in time, the aggregate  
20 Maximum Services Special Tax that can be levied on all Taxable Parcels.

21  
22     **“Maximum Special Tax”** means, for any Taxable Parcel in Tax Zone 1 in any Fiscal Year, the  
23 sum of the Maximum Facilities Special Tax and Maximum Services Special Tax. For any  
24 Taxable Parcel in Tax Zone 2, “Maximum Special Tax” means in any Fiscal Year, the sum of  
25

1 the Maximum Facilities Special Tax, Maximum Arts Building Special Tax, and Maximum  
2 Services Special Tax.

3  
4 **“Maximum Special Tax Revenues”** means, collectively, the Maximum Facilities Special Tax  
5 Revenues, the Maximum Arts Building Special Tax Revenues, and the Maximum Services  
6 Special Tax Revenues.

7  
8 **“Non-Residential Square Footage”** means Square Footage that is or is expected to be space  
9 within any structure or portion thereof intended or primarily suitable for, or accessory to,  
10 occupancy by retail, office, commercial, or any other Square Footage in a building that does not  
11 meet the definition of Residential Square Footage or Exempt Association Square Footage. The  
12 Administrator, in conjunction with the Review Authority, shall make the final determination as to  
13 the amount of Non-Residential Square Footage on any Taxable Parcel within the STD, and  
14 such determination shall be conclusive and binding. Incidental retail or commercial uses in an  
15 Affordable Housing Project that is not Expected Taxable Property shall be Exempt Non-  
16 Residential Square Footage. Non-Residential Square Foot means a single square-foot unit of  
17 Non-Residential Square Footage.

18  
19 **“Planning Code”** means the Planning Code of the City and County of San Francisco, as it may  
20 be amended from time to time.

21  
22 **“Planning Parcel”** means a geographic area within the STD that, for planning and entitlement  
23 purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-numeric  
24 identifier to be used for reference until an Assessor’s Parcel is created and an Assessor’s Parcel  
25

1 number is assigned. The Planning Parcels at STD Formation are identified in Attachment 1  
2 hereto and may be revised pursuant to Sections D and E below.

3  
4 **“Port”** means the Port of San Francisco.

5  
6 **“Port-Owned Development Parcel”** means any Parcel of Undeveloped Property in the STD  
7 that is anticipated to be developed by a Vertical Developer but which is, at the time of calculation  
8 of a Special Tax levy, owned by the Port.

9  
10 **“Proportionately”** means, for Developed Property, that the ratio of the actual  
11 Services Special Tax levied in any Fiscal Year to the Maximum Services Special Tax  
12 authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property in  
13 the same zone. For Undeveloped Property, “Proportionately” means that the ratio of the  
14 actual Facilities Special Tax levied to the Maximum Facilities Special Tax is equal for all  
15 Parcels of Undeveloped Property in the same zone. For Expected Taxable Property,  
16 “Proportionately” means that the ratio of the actual Facilities Special Tax and Arts Building  
17 Special Tax levied to the Maximum Facilities Special Tax and Maximum Arts Building  
18 Special Tax is equal for all Parcels of Expected Taxable Property in the same zone.

19  
20 **“Public Property”** means any property within the boundaries of the STD that is owned by or  
21 leased to the federal government, State of California, City, or public agency other than the Port.  
22 Parcels of Public Property shall be taxed as Developed Property or Undeveloped Property, as  
23 determined by the Administrator pursuant to the definitions set forth in this RMA.

1     **“Remainder Special Taxes”** means, as calculated between September 1<sup>st</sup> and December 31<sup>st</sup>  
2 of any Fiscal Year, any Facilities Special Tax and Arts Building Special Tax revenues that were  
3 collected in the prior Fiscal Year and were not needed to: (i) pay debt service on the applicable  
4 Facilities Special Tax Bonds or Arts Building Special Tax Bonds that was due in the calendar  
5 year that begins in the Fiscal Year in which the Remainder Special Taxes were levied; (ii) pay  
6 periodic costs on the applicable Facilities Special Tax Bonds or Arts Building Special Tax  
7 Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments  
8 on such Facilities Special Tax Bonds or Arts Building Special Tax Bonds; (iii) replenish reserve  
9 funds created for the applicable Facilities Special Tax Bonds or Arts Building Special Tax Bonds  
10 under the Indenture; (iv) cure any delinquencies in the payment of principal or interest on the  
11 applicable Facilities Special Tax Bonds or Arts Building Special Tax Bonds which have occurred  
12 in the prior Fiscal Year; (v) pay other obligations described in the Financing Plan; or (vi) pay  
13 Administrative Expenses that have been incurred, or are expected to be incurred, by the City  
14 and Port prior to the receipt of additional Facilities Special Tax and Arts Building Special Tax  
15 proceeds.

16  
17     **“Rental Residential Square Footage”** means Square Footage that is or is expected to be  
18 used for one or more of the following uses: (i) Rental Units; (ii) any type of group or student  
19 housing that provides lodging for a week or more and may or may not have individual cooking  
20 facilities, including but not limited to boarding houses, dormitories, housing operated by medical  
21 institutions, and single room occupancy units; or (iii) a residential care facility that is not staffed  
22 by licensed medical professionals. The Review Authority shall make the determination as to  
23 the amount of Rental Residential Square Footage on a Taxable Parcel in the STD.

24  
25     **“Rental Unit”** means a Residential Unit within an Apartment Building.

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**“Required Coverage”** means (i) for Arts Building Special Tax Bonds, the amount by which the Maximum Arts Building Special Tax Revenues must exceed the Arts Building Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that identifies the minimum required debt service coverage; and (ii) for Facilities Special Tax Bonds, the amount by which the Maximum Facilities Special Tax Revenues must exceed the Facilities Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that identifies the minimum required debt service coverage.

**“Residential Square Footage”** means, collectively, For-Sale Residential Square Footage and Rental Residential Square Footage. Residential Square Foot means a single square-foot unit of Residential Square Footage.

**“Residential Unit”** means a room or suite of two or more rooms that is designed for residential occupancy for 32 consecutive days or more, including provisions for sleeping, eating and sanitation. “Residential Unit” includes, but is not limited to, an individual townhome, condominium, flat, apartment, or loft unit, and individual units within a senior or assisted living facility.

**“Review Authority”** means the Deputy Director of Real Estate & Development for the Port or an alternate designee from the Port or the City who is responsible for approvals and entitlements of a development project.



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“**RMA**” means this Rate and Method of Apportionment of Special Taxes.

“**Services Special Tax**” means a special tax levied in any Fiscal Year to pay the Services Special Tax Requirement.

“**Services Special Tax Requirement**” means the amount necessary in any Fiscal Year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

“**Special Taxes**” means:

*For Tax Zone 1:* the Facilities Special Tax and Services Special Tax.

*For Tax Zone 2:* the Facilities Special Tax, Arts Building Special Tax, and Services Special Tax.

“**Square Footage**” means: (i) for Rental Residential Square Footage and Non-Residential Square Footage, the net rentable, net leasable, and net saleable square footage on a Taxable Parcel, as determined by the Review Authority in conjunction with the Vertical Developer; (ii) for For-Sale Residential Square Footage, the square footage of each individual Residential Unit, as reflected on a condominium plan, site plan, or Building Permit, provided by the Vertical Developer or the Port, or expected pursuant to Development Approval Documents, and (iii) for Association Square Footage, the net rentable, net leasable, and net saleable square footage in

1 a building on a Taxable Parcel owned by or leased to an Association. If a Building Permit is  
2 issued that will increase the Square Footage on any Parcel, the Administrator shall, in the first  
3 Fiscal Year after the final Building Permit inspection has been conducted in association with  
4 such expansion, work with the Review Authority to recalculate (i) the Square Footage on the  
5 Taxable Parcel, and (ii) the Maximum Special Taxes for the Parcel based on the increased  
6 Square Footage. The final determination of Square Footage for each Square Footage Category  
7 on each Taxable Parcel shall be made by the Review Authority.

8  
9 **“Square Footage Category”** means, individually, Non-Residential Square Footage or  
10 Residential Square Footage.

11  
12 **“STD”** or **“STD No. 2019-1”** means the City and County of San Francisco Special Tax District  
13 No. 2019-1 (Pier 70 Condominiums).

14  
15 **“STD Formation”** means the date on which the Board approved documents to form  
16 the STD.

17  
18 **“STD Formation Proceedings”** means the proceedings to form the STD, including all  
19 resolutions, reports, and notices.

20  
21 **“Tax-Exempt Port Parcels”** means Port-owned parcels that are or are intended to be used as  
22 streets, walkways, alleys, rights of way, parks, or open space.

1     **“Tax Zone”** means a separate and distinct geographic area in the STD within which one or  
2 more Special Taxes are applied at a rate or in a manner that is different than in other areas  
3 within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto.

4  
5     **“Taxable Association Square Footage”** means any Association Square Footage in a building  
6 that does not meet the definition of Exempt Association Square Footage. Taxable Association  
7 Square Footage shall be assigned by the Review Authority to the appropriate Square Footage  
8 Category and taxed accordingly pursuant to this RMA.

9  
10    **“Taxable Non-Residential Square Footage”** means any Non-Residential Square Footage in  
11 a building that does not meet the definition of Exempt Non-Residential Square Footage.

12  
13    **“Taxable Parcel”** means any Parcel within the STD that is not exempt from Special Taxes  
14 pursuant to law or Section H below.

15  
16    **“Transition Event”** shall be deemed to have occurred when the Administrator determines that:  
17 (i) all Arts Building Special Tax Bonds secured by the levy and collection of Arts Building Special  
18 Taxes in Tax Zone 2 have been fully repaid or there are sufficient revenues available to fully  
19 repay the Arts Building Special Tax Bonds in funds and accounts that, pursuant to the applicable  
20 Indenture, will require such revenues to be applied to repay the Arts Building Special Tax  
21 Bonds; (ii) all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to  
22 the City; and (iii) the proportional share of Arts Building Costs allocated to Tax Zone 2 have  
23 been paid, as determined by the Port.

1     **“Transition Year”** means the first Fiscal Year in which the Administrator determines that the  
2     Transition Event occurred in the prior Fiscal Year.

3

4     **“Undeveloped Property”** means, in any Fiscal Year, all Taxable Parcels that are not  
5     Developed Property, or Expected Taxable Property.

6

7     **“VDDA Execution Date”** means the date on which a Vertical DDA was executed between the  
8     Port and a Vertical Developer.

9

10    **“Vertical DDA”** means, for a Taxable Parcel, an executed Vertical Disposition and  
11    Development Agreement between the Port and a Vertical Developer.

12

13    **“Vertical Developer”** means a developer that has entered into a Vertical DDA for construction  
14    of vertical improvements on a Taxable Parcel.

15

16

17    **B.    DATA FOR STD ADMINISTRATION**

18

19    On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s  
20    Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether  
21    each Taxable Parcel is Developed Property, Undeveloped Property (including Port-Owned  
22    Development Parcels), or Expected Taxable Property; (ii) the Planning Parcel and Tax Zone  
23    within which each Assessor’s Parcel is located; (iii) for Developed Property, the For-Sale  
24    Residential Square Footage, Rental Residential Square Footage, Exempt Non-Residential  
25    Square Footage, Taxable Non-Residential Square Footage, Exempt Association Square

1 Footage, and Taxable Association Square Footage on each Parcel; (iv) the appropriate Square  
2 Footage Category into which any Taxable Association Square Footage should be assigned,  
3 and (v) the Facilities Special Tax Requirement, Arts Building Special Tax Requirement, and  
4 Services Special Tax Requirement for the Fiscal Year.

5

6 The Administrator shall also: (i) coordinate with the Deputy Director to determine whether the  
7 Transition Event occurred in the prior Fiscal Year; (ii) coordinate with the Treasurer-Tax  
8 Collector's Office to determine if there have been any Special Tax delinquencies or repayment  
9 of Special Tax delinquencies in prior Fiscal Years; (iii) in consultation with the Review Authority,  
10 review the Development Approval Documents and communicate with the Developer and  
11 Vertical Developers regarding proposed Land Use Changes; and (iv) upon each annexation,  
12 Land Use Change, and notification of executed Vertical DDAs, update Attachment 3 to reflect  
13 the then-current Expected Land Uses, Expected Maximum Facilities Special Tax Revenues and  
14 Expected Maximum Arts Building Special Tax Revenues. The Developer, Port, and Vertical  
15 Developer shall notify the Administrator each time a Vertical DDA is executed in order for the  
16 Administrator to keep track of VDDA Execution Dates for each Vertical DDA.

17

18 In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded  
19 after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not  
20 incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the  
21 map or plan was recorded, the Assessor does not yet recognize the newly-created Parcels, and  
22 (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the  
23 Administrator shall calculate the Special Taxes for the property affected by recordation of the  
24 map or plan by determining the Special Taxes that applies separately to each newly-created

25

1 Parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided  
2 by recordation of the parcel map or condominium plan.

3  
4  
5 **C. MAXIMUM SPECIAL TAXES**

6  
7 In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in which  
8 the boundaries of the Planning Parcels are not identical to the boundaries of the then-current  
9 Assessor’s Parcels, the Administrator shall review the Expected Land Uses for each Planning  
10 Parcel and assign the Maximum Special Taxes to the then-current Assessor’s Parcels. The  
11 Maximum Special Tax Revenues after such allocation shall not be less than the Maximum  
12 Special Tax Revenues prior to the allocation.

13  
14 **1. *Undeveloped Property***

15  
16 **1a. *Facilities Special Tax***

17  
18 The Maximum Facilities Special Tax for Undeveloped Property in all Tax Zones shall be  
19 the Expected Maximum Facilities Special Tax Revenues shown in Attachment 3 of this  
20 RMA, as it may be amended as set forth herein.

1           **1b.   Arts Building Special Tax and Services Special Tax**

2  
3           No Arts Building Special Tax or Services Special Tax shall be levied on Parcels of  
4           Undeveloped Property in any Tax Zone within the STD.

5  
6           **2.    *Developed Property***

7  
8           **2a.   Facilities Special Tax**

9  
10          When a Taxable Parcel (or multiple Taxable Parcels within a building) becomes  
11          Developed Property, the Administrator shall use the Base Facilities Special Taxes  
12          shown in Table 1 below and apply the steps set forth in this Section 2a to determine  
13          the Maximum Facilities Special Tax for the Parcel(s):

14  
15                *Step 1.* The Administrator shall review the Building Permit, Certificate of  
16                Occupancy, Vertical DDA, condominium plan, architectural drawings,  
17                Development Approval Documents, information provided by the Developer,  
18                or Vertical Developer, and any other documents or data that estimate or  
19                identify the Residential Square Footage or Non-Residential Square Footage  
20                anticipated on the Taxable Parcel(s).

21  
22                *Step 2.* Using the information from Step 1:

- 23  
24                        ▪   Based on the Tax Zone in which the Taxable Parcel(s) is located, multiply  
25                        the applicable Base Facilities Special Tax from Table 1 for Residential

1 Square Footage by the total Residential Square Footage expected within  
2 each building on the Taxable Parcel(s).

3  
4 ■ Based on the Tax Zone in which the Taxable Parcel(s) is located, multiply  
5 the applicable Base Facilities Special Tax from Table 1 for Taxable Non-  
6 Residential Square Footage by the total Taxable Non-Residential Square  
7 Footage expected within each building on the Taxable Parcel(s).

8  
9 ■ If, based on the Expected Land Uses, the Administrator determines that  
10 there is Expected Taxable Property within any building, multiply the  
11 applicable Base Facilities Special Tax from Table 1 based on what had  
12 been anticipated on the Expected Taxable Property by the Square  
13 Footage of the Expected Land Uses for that Expected Taxable Property.

14  
15 Prior to the First Bond Sale, the Maximum Facilities Special Tax for the  
16 Taxable Parcel(s) shall be the sum of the amounts calculated above, and  
17 Steps 3 and 4 below shall not apply.

18  
19 After the First Bond Sale, the Administrator shall apply Steps 3 and 4 to  
20 determine the Maximum Facilities Special Tax for the Taxable Parcel(s).

21  
22 *Step 3.* Sum the amounts calculated in Step 2 to determine the Estimated Base  
23 Facilities Special Tax Revenues for the Taxable Parcel(s).



1           Step 4. Compare the Estimated Base Facilities Special Tax Revenues from Step 3  
2           to the Expected Maximum Facilities Special Tax Revenues, and apply one  
3           of the following, as applicable:

4  
5           ▪ *If the Estimated Base Facilities Special Tax Revenues are: (i) greater than  
6           or equal to the Expected Maximum Facilities Special Tax Revenues or (ii)  
7           less than the Expected Maximum Facilities Special Tax Revenues, but the  
8           Maximum Facilities Special Tax Revenues, assuming the same land uses  
9           that went into the calculation of the Estimated Base Facilities Special Tax  
10          Revenues, are still sufficient to provide Required Coverage, then the  
11          Maximum Facilities Special Tax for the Taxable Parcel(s) shall be  
12          determined by multiplying the applicable Base Facilities Special Taxes by  
13          the Square Footage of each Square Footage Category expected within  
14          the building(s) on the Taxable Parcel(s). The Administrator shall update  
15          Attachment 3 to reflect the adjusted Expected Maximum Facilities Special  
16          Tax Revenues and the new Maximum Facilities Special Tax Revenues.*

17  
18          ▪ *If the Estimated Base Facilities Special Tax Revenues are less than the  
19          Expected Maximum Facilities Special Tax Revenues, and the Maximum  
20          Facilities Special Tax Revenues, assuming the same land uses that went  
21          into the calculation of the Estimated Base Facilities Special Tax  
22          Revenues, are insufficient to provide Required Coverage, then the Base  
23          Facilities Special Taxes that were applied in Step 4 shall be increased  
24          proportionately until the amount that can be levied on the Taxable  
25          Parcel(s), combined with the Expected Maximum Facilities Special Tax*

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Revenues from other Planning Parcels in the STD, is sufficient to maintain Required Coverage; provided, however, such increase cannot exceed, in the aggregate, the amount by which Expected Maximum Facilities Special Tax Revenues from the Taxable Parcel exceeds the Estimated Base Facilities Special Tax Revenues from the Taxable Parcel(s).

After proportionately increasing the Base Facilities Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use the adjusted per-square foot rates to calculate the Maximum Facilities Special Tax for each Taxable Parcel for which the increased Base Facilities Special Tax was determined to be necessary pursuant to this Step 4. The Administrator shall also revise Attachment 3 to reflect the new Expected Maximum Facilities Special Tax Revenues.

<b>Table 1</b> <b>Base Facilities Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Facilities Special Tax in Tax Zone 1 (FY 2019-20) *</b>	<b>Base Facilities Special Tax in Tax Zone 2 (FY 2019-20) *</b>
Residential Square Footage	\$5.22 per Residential Square Foot	\$4.89 per Residential Square Foot
Taxable Non-Residential Square Footage	\$5.22 per Non-Residential Square Foot	\$4.89 per Non-Residential Square Foot

**\* The Base Facilities Special Taxes shown above shall be escalated as set forth in Section D.1.**

Unless and until individual Assessor's Parcels are created for Non-Residential Square Footage and Residential Square Footage within a building, the Administrator shall sum the Facilities Special Tax that, pursuant to Section F below, would be levied on all land uses on a Taxable Parcel and levy this aggregate Facilities Special Tax amount on the Taxable Parcel.

If, in any Fiscal Year, the Maximum Facilities Special Tax is determined for any Parcels of Developed Property for which a Building Permit had not yet been issued and, if, when a Building Permit is issued on the Parcel, the Residential Square Footage or Non-Residential Square Footage is different than the Residential Square Footage or Non-Residential Square Footage that was used to determine the Maximum Facilities Special Tax, then the Administrator shall once again apply Steps 1 through 4 in this Section C.2a to recalculate the Maximum Facilities Special Tax for the Parcel based on the Residential Square Footage or Non-Residential Square Footage that was

1 determined when the Building Permit was issued. The Administrator shall do a final  
2 check of the Residential Square Footage and Non-Residential Square Footage for the  
3 Parcel when a Certificate of Occupancy is issued. Once again, if the Residential  
4 Square Footage or Non-Residential Square Footage is different than the Residential  
5 Square Footage or Non-Residential Square Footage that was used to determine the  
6 Maximum Facilities Special Tax after the Building Permit was issued, then the  
7 Administrator shall apply Steps 1 through 4 in this Section C.2a to recalculate the  
8 Maximum Facilities Special Tax for the Parcel.

9  
10 **2b. Arts Building Special Tax**

11  
12 Prior to the Transition Year, when a Taxable Parcel (or multiple Taxable Parcels within  
13 a building) in Tax Zone 2 becomes Developed Property, the Administrator shall use the  
14 Base Arts Building Special Taxes shown in Table 2 below and apply the steps set forth  
15 in this Section 2b to determine the Maximum Arts Building Special Tax for the Taxable  
16 Parcel(s). No Arts Building Special Tax shall be levied on Parcels in Tax Zone 1.

<b>Table 2</b> <b>Base Arts Building Special Tax in Tax Zone 2</b>		
<b>Square Footage Category</b>	<b>Base Arts Building Special Tax in Tax Zone 2 Before the Transition Year (FY 2019-20) *</b>	<b>Base Arts Building Special Tax in Tax Zone 2 in and After the Transition Year (FY 2019-20) *</b>
Residential Square Footage	\$0.66 per Residential Square Foot	\$0.00 per Residential Square Foot
Taxable Non-Residential Square Footage	\$0.66 per Non-Residential Square Foot	\$0.00 per Non-Residential Square Foot

**\* The Base Arts Building Special Taxes shown above shall be escalated as set forth in Section D.1.**

*Step 1.* The Administrator shall review the Building Permit, Certificate of Occupancy, Vertical DDA, condominium plan, architectural drawings, Development Approval Documents, information provided by the Port, Developer or Vertical Developer, and any other documents or data that estimate or identify the Square Footage within each Square Footage Category to determine Residential Square Footage or Non-Residential Square Footage anticipated within each building on the Taxable Parcel(s).

*Step 2.* Using the information from Step 1:

- For Tax Zone 2 only, multiply the applicable Base Arts Building Special Tax from Table 2 for Residential Square Footage by the total Residential Square Footage expected within each building on the Taxable Parcel(s).

- 1                   ▪ For Tax Zone 2 only, multiply the applicable Base Arts Building Special  
2                   Tax from Table 2 for Taxable Non-Residential Square Footage by the total  
3                   Taxable Non-Residential Square Footage expected on the Taxable  
4                   Parcel(s).
  
- 5
- 6                   ▪ If, based on the Expected Land Uses, the Administrator determines that  
7                   there is Expected Taxable Property within the building(s) in Tax Zone 2,  
8                   multiply the applicable Base Arts Building Special Tax from Table 2 based  
9                   on what had been anticipated on the Expected Taxable Property by the  
10                  Square Footage of the Expected Land Uses within each building.

11

12                  Prior to the First Bond Sale, the Maximum Arts Building Special Tax for the  
13                  Taxable Parcel(s) shall be the sum of the amounts calculated above, and  
14                  Steps 3 and 4 below shall not apply.

15

16                  After the First Bond Sale, the Administrator shall apply Steps 3 and 4 to  
17                  determine the Maximum Arts Building Special Tax for the Taxable  
18                  Parcel(s).

19

20                  *Step 3.* Sum the amounts calculated in Step 2 to determine the Estimated Base  
21                  Arts Building Special Tax Revenues for the Taxable Parcel(s).

22

23                  *Step 4.* Compare the Estimated Base Arts Building Special Tax Revenues from  
24                  Step 3 to the Expected Maximum Arts Building Special Tax Revenues, and  
25                  apply one of the following, as applicable:

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- *If the Estimated Base Arts Building Special Tax Revenues are: (i) greater than or equal to the Expected Maximum Arts Building Special Tax Revenues or (ii) less than the Expected Maximum Arts Building Special Tax Revenues, but the Maximum Arts Building Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Arts Building Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Arts Building Special Tax for each Taxable Parcel shall be determined by multiplying the applicable Base Arts Building Special Taxes by the Square Footage of each Square Footage Category expected within the building(s) on the Taxable Parcel(s). The Administrator shall update Attachment 3 to reflect the adjusted Expected Maximum Arts Building Special Tax Revenues and the new Maximum Arts Building Special Tax Revenues.*
  
- *If the Estimated Base Arts Building Special Tax Revenues are less than the Expected Maximum Arts Building Special Tax Revenues, and the Maximum Arts Building Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Arts Building Special Tax Revenues, are insufficient to provide Required Coverage, then the Base Arts Building Special Taxes that were applied in Step 4 shall be increased proportionately until the amount that can be levied on the Taxable Parcel(s), combined with the Expected Maximum Arts Building Special Tax Revenues from other Planning Parcels in the STD, is sufficient to maintain Required Coverage; provided, however, such*

1 increase cannot exceed, in the aggregate, the amount by which Expected  
2 Maximum Arts Building Special Tax Revenues from the Taxable Parcel  
3 exceeds the Estimated Base Arts Building Special Tax Revenues from  
4 the Taxable Parcel(s).

5  
6 After proportionately increasing the Base Arts Building Special Taxes to  
7 an amount that will maintain Required Coverage, the Administrator shall  
8 use the adjusted per-square foot rates to calculate the Maximum Arts  
9 Building Special Tax for each Taxable Parcel for which the increased  
10 Base Arts Building Special Tax was determined to be necessary  
11 pursuant to this Step 4. The Administrator shall also revise Attachment  
12 3 to reflect the new Expected Maximum Arts Building Special Tax  
13 Revenues.

14  
15 Unless and until individual Assessor's Parcels are created for Non-Residential Square  
16 Footage and Residential Square Footage within a building, the Administrator shall sum  
17 the Arts Building Special Tax that, pursuant to Section F below, would be levied on all  
18 land uses on a Parcel and levy this aggregate Arts Building Special Tax amount on the  
19 Parcel.

20  
21 If, in any Fiscal Year, the Maximum Arts Building Special Tax is determined for any  
22 Parcels of Developed Property for which a Building Permit had not yet been issued  
23 and, if, when a Building Permit is issued on the Parcel, the Residential Square Footage  
24 or Non-Residential Square Footage is different than the Residential Square Footage or  
25 Non-Residential Square Footage that was used to determine the Maximum Arts



1 Building Special Tax, then the Administrator shall once again apply Steps 1 through 4  
2 in this Section C.2b to recalculate the Maximum Arts Building Special Tax for the  
3 Parcel(s) based on the Residential Square Footage or Non-Residential Square  
4 Footage that was determined when the Building Permit was issued. The Administrator  
5 shall do a final check of the Residential Square Footage and Non-Residential Square  
6 Footage within the building when a Certificate of Occupancy is issued. Once again, if  
7 the Residential Square Footage or Non-Residential Square Footage is different than  
8 the Residential Square Footage or Non-Residential Square Footage that was used to  
9 determine the Maximum Arts Building Special Tax after the Building Permit was issued,  
10 then the Administrator shall apply Steps 1 through 4 in this Section C.2b to recalculate  
11 the Maximum Arts Building Special Tax for the Parcel.

12  
13 If one or more Building Permits have been issued for development of structures on a  
14 Taxable Parcel, and additional structures are anticipated to be built on the Taxable  
15 Parcel as shown in the Development Approval Documents, the Administrator shall,  
16 regardless of the definitions set forth herein, categorize the buildings for which Building  
17 Permits have been issued as Developed Property and, if the 36-month anniversary of  
18 the VDDA Execution Date has not occurred in a previous Fiscal Year, any remaining  
19 buildings for which Building Permits have not yet been issued shall not be subject to the  
20 Arts Building Special Tax until either: (i) a Building Permit is issued for such remaining  
21 buildings, or (ii) the Fiscal Year in which the 36-month anniversary of the VDDA  
22 Execution Date. To determine the Arts Building Special Tax for any such Parcel, the  
23 Administrator shall take the sum of the Arts Building Special Taxes determined for each  
24 building.



1 Square Footage and Non-Residential Square Footage anticipated within  
2 each building.

3  
4 . Step 2. Using the information from Step 1:

5  
6 ■ After consideration of the Tax Zone for the building and the Transition  
7 Year, multiply the applicable Base Services Special Tax from Table 3 for  
8 Residential Square Footage by the total Residential Square Footage  
9 within each building.

10  
11 ■ Based on the Tax Zone in which the building is located and the Transition  
12 Year, multiply the applicable Base Services Special Tax from Table 3 for  
13 Taxable Non-Residential Square Footage by the total Taxable Non-  
14 Residential Square Footage expected in the building.

15  
16 The Maximum Services Special Tax for the Parcel shall be the sum of the amounts  
17 calculated pursuant to this Step 2.

18  
19 If additional structures are anticipated to be built on the Parcel as shown in the  
20 Development Approval Documents, the Administrator shall, regardless of the definitions  
21 set forth herein, categorize each building for which a Certificate of Occupancy has been  
22 issued as Developed Property, and any remaining buildings for which Certificates of  
23 Occupancy have not yet been issued shall not be subject to a Services Special Tax until  
24 a Certificate of Occupancy is issued for such remaining buildings. To determine the  
25

1 Services Special Tax for any such Parcel, the Administrator shall take the sum of the  
2 Services Special Taxes determined for each building.

3  
4 **3. *Expected Taxable Property***

5  
6 Depending on the Tax Zone in which a Parcel of Expected Taxable Property is located, the  
7 Maximum Facilities Special Tax and, if applicable, Maximum Arts Building Special Tax assigned  
8 to the Parcel shall be the Expected Maximum Facilities Special Tax Revenues and, if applicable,  
9 Expected Maximum Arts Building Special Tax Revenues that were assigned to the Parcel (as  
10 determined by the Administrator) based on the Expected Land Uses prior to the Administrator  
11 determining that such Parcel had become Expected Taxable Property. In the Transition Year  
12 and each Fiscal Year thereafter, no Arts Building Special Tax shall be levied on Expected  
13 Taxable Property.

14  
15  
16 **D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

17  
18 **1. *Annual Escalation of Facilities Special Tax and Arts Building Special Tax***

19  
20 Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall  
21 be increased by 2% of the amount in effect in the prior Fiscal Year: the Base Facilities Special  
22 Tax for each Tax Zone in Table 1; the Base Arts Building Special Tax for Tax Zone 2 in Table  
23 2; the Expected Maximum Facilities Special Tax Revenues in Attachment 3, the Expected  
24 Maximum Arts Building Special Tax Revenues in Attachment 3, and the Maximum Facilities  
25 Special Tax and Maximum Arts Building Special Tax assigned to each Taxable Parcel.

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**2. Annual Escalation of Services Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, the Base Services Special Tax for each Tax Zone in Table 3 and the Maximum Services Special Tax assigned to each Taxable Parcel shall be adjusted by the Escalator.

**3. Changes in Square Footage Category on a Parcel of Developed Property**

If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise has a Land Use Change, the Administrator shall, separately for each of the Special Taxes, multiply the applicable Base Special Tax by the total Residential Square Footage and Taxable Non-Residential Square Footage on the Parcel after the Land Use Change; if the First Bond Sale has not yet occurred, the combined amount of the applicable Special Taxes shall be the Maximum Special Tax for the Parcel. If the First Bond Sale has taken place, the Administrator shall apply the remainder of this Section D.3.

If the Maximum Special Tax that would apply to the Parcel after the Land Use Change is greater than the Maximum Special Tax that applied to the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Special Tax for the Parcel to the amount calculated based on the Land Use Change. If the Maximum Special Tax after the Land Use Change is less than the Maximum Special Tax that applied prior to the Land Use Change, there shall be no change to the Maximum Special Tax for the Parcel. Under no circumstances shall the Maximum Special Tax on any Parcel of Developed Property be reduced, regardless of changes

1 in Square Footage Category or Square Footage on the Parcel, including reductions in Square  
2 Footage that may occur due to demolition, fire, water damage, or acts of God.

3  
4 **4. Changes to Planning Parcels and Expected Land Uses**

5  
6 If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes changes  
7 to the boundaries of the Planning Parcels or the Expected Land Uses within one or more  
8 Planning Parcels, the Administrator shall update the Expected Land Uses and Expected  
9 Maximum Facilities Special Tax Revenues and Expected Maximum Arts Building Special Tax  
10 Revenues, which will be reflected on an updated Attachment 3. In addition, the Administrator  
11 will request updated Attachments 1 and 2 from the Developer.

12  
13 If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make changes  
14 to the boundaries of the Planning Parcels or the Expected Land Uses within one or more  
15 Planning Parcels, the Administrator shall meet with the Port, Developer, and any affected  
16 Vertical Developers to review the proposed changes and evaluate the impact on the Expected  
17 Maximum Facilities Special Tax Revenues and Expected Maximum Arts Building Special Tax  
18 Revenues. If the Administrator determines that such changes will not reduce Required  
19 Coverage on Bonds that have been issued, the Port will decide whether to allow the proposed  
20 changes and corresponding redistribution of the Maximum Facilities Special Tax Revenues and  
21 Maximum Arts Building Special Tax Revenues. If such changes are permitted, the  
22 Administrator will update Attachment 3 and request updated Attachments 1 and 2 from the  
23 Developer. If the Administrator determines that the proposed changes will reduce Required  
24 Coverage on Bonds that have been issued, the Port will not permit the changes.

1 **5. Reduction in Maximum Facilities Special Taxes Prior to First Bond Sale**

2  
3 Prior to the First Bond Sale, as set forth in the Financing Plan, the Port, Developer, and any  
4 affected Vertical Developer in Tax Zone 1 may agree to a proportional or disproportional  
5 reduction in the Base Facilities Special Tax. If the parties agree to such a reduction, the Port  
6 will direct the Administrator to use the reduced Base Facilities Special Tax for purposes of  
7 levying the taxes pursuant to this RMA, and such reduction shall be codified by recordation of  
8 an amended Notice of Special Tax Lien against all Taxable Parcels within the STD. The  
9 reduction shall be made without a vote of the qualified STD electors.

10  
11  
12 **E. ANNEXATIONS**

13  
14 If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex  
15 property into Zone 2 of the STD, the Administrator shall apply the following steps as part of the  
16 annexation proceedings:

17  
18 *Step 1.* Working with Port staff, the Administrator shall determine the Expected Land  
19 Uses for the area to be annexed.

20  
21 *Step 2.* The Administrator shall prepare or have prepared updated Attachments 1, 2,  
22 and 3 to reflect the annexed property and identify the revised Expected Land  
23 Uses, Expected Maximum Facilities Special Tax Revenues and Expected  
24 Maximum Arts Building Special Tax Revenues. After the annexation is  
25 complete, the application of this RMA shall be based on the adjusted Expected

1 Land Uses and Maximum Facilities Special Tax Revenues and Maximum Arts  
2 Building Special Tax Revenues, as applicable, including the newly annexed  
3 property.

4  
5 *Step 3.* The Administrator shall ensure that a Notice of Special Tax Lien is recorded  
6 against all Parcels that are annexed to the STD.

7  
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9 **F. METHOD OF LEVY OF THE SPECIAL TAXES**

10  
11 **1. *Facilities Special Tax***

12  
13 Each Fiscal Year, the Administrator shall determine the Facilities Special Tax Requirement for  
14 the Fiscal Year, and the Facilities Special Tax shall be levied according to the steps outlined  
15 below:

16  
17 **a. In Any Fiscal Year in Which There is No Developer Private Agreement or**  
18 **Developer Public Agreement in Place**

19  
20 *Step 1.* In all Fiscal Years, the Maximum Facilities Special Tax shall be levied on all  
21 Parcels of Developed Property regardless of debt service on Bonds (if any),  
22 and any Remainder Special Taxes collected shall be applied as set forth in  
23 the Indenture and the Financing Plan.



1           *Step 2.*    After the First Bond Sale, if additional revenue is needed after Step 1 in order  
2                   to meet the Facilities Special Tax Requirement after Capitalized Interest has  
3                   been applied to reduce the Facilities Special Tax Requirement, the Facilities  
4                   Special Tax shall be levied Proportionately on each Parcel of Expected  
5                   Taxable Property, up to 100% of the Maximum Facilities Special Tax for each  
6                   Parcel of Expected Taxable Property.  
7

8           **b.    In Any Fiscal Year in Which There is Either or Both a Developer Private**  
9                   **Agreement and/or a Developer Public Agreement in Place**  
10

11           *Step 1.*    In all Fiscal Years, the Maximum Facilities Special Tax shall be levied on all  
12                   Parcels of Developed Property regardless of debt service on Bonds (if any),  
13                   and any Remainder Special Taxes collected shall be applied as set forth in  
14                   the Indenture and the Financing Plan.  
15

16           *Step 2.*    After the First Bond Sale, but only if a Developer Private Agreement is in place,  
17                   if additional revenue is needed after Step 1 in order to meet the Facilities  
18                   Special Tax Requirement after Capitalized Interest has been applied to reduce  
19                   the Facilities Special Tax Requirement, the Facilities Special Tax shall be  
20                   levied Proportionately on each Parcel of Undeveloped Property that is not a  
21                   Port-Owned Development Parcel, up to 100% of the Maximum Facilities  
22                   Special Tax for each Parcel of Undeveloped Property that is not a Port-Owned  
23                   Development Parcel for such Fiscal Year.  
24  
25

1            *Step 3.* After the First Bond Sale, but only if a Developer Public Agreement is in place,  
2            if additional revenue is needed after Step 2 in order to meet the Facilities  
3            Special Tax Requirement after Capitalized Interest has been applied to reduce  
4            the Facilities Special Tax Requirement, the Facilities Special Tax shall be  
5            levied Proportionately on each Port-Owned Development Parcel, up to 100%  
6            of the Maximum Facilities Special Tax for each Port-Owned Development  
7            Parcel for such Fiscal Year.

8  
9            *Step 4:* After the First Bond Sale, if additional revenue is needed after Step 3 in order  
10           to meet the Facilities Special Tax Requirement, the Facilities Special Tax shall  
11           be levied Proportionately on each Parcel of Expected Taxable Property, up to  
12           100% of the Maximum Facilities Special Tax for each Parcel of Expected  
13           Taxable Property.

14  
15    2.    ***Arts Building Special Tax***

16  
17           *Step 1.* Each Fiscal Year the Maximum Arts Building Special Tax shall be levied on  
18           each Taxable Parcel of Developed Property. Any Remainder Special Taxes  
19           collected shall be applied as set forth in the Financing Plan. The Arts Building  
20           Special Tax may not be levied on Undeveloped Property.

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*Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Arts Building Special Tax Requirement, the Arts Building Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Arts Building Special Tax for each Parcel of Expected Taxable Property.

3. ***Services Special Tax***

Each Fiscal Year, the Administrator shall coordinate with the City and the Port to determine the Services Special Tax Requirement for the Fiscal Year. The Services Special Tax shall then be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Services Special Tax for each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement. The Services Special Tax may not be levied on Undeveloped Property or Expected Taxable Property.

**G. COLLECTION OF SPECIAL TAXES**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on leasehold interests to be levied on the secured roll. The Special Tax bill for any Parcel subject

1 to a leasehold interest will be sent to the same party that receives the possessory interest tax  
2 bill associated with the leasehold.

3

4 In calculating the Facilities Special Tax Requirement, under no circumstances may the Facilities  
5 Special Tax that is levied on a Taxable Parcel in a Fiscal Year be increased by more than ten  
6 percent (10%) of the Maximum Facilities Special Tax for that Parcel (or such lesser amount  
7 required by the CFD Law) as a consequence of delinquency or default in payment of Facilities  
8 Special Taxes levied on another Parcel(s) in the STD.

9

10 The Facilities Special Tax shall be levied and collected on a Taxable Parcel until the Fiscal Year  
11 that is the 120<sup>th</sup> Fiscal Year in which the Facilities Special Tax has been levied on the Taxable  
12 Parcel.

13

14 The Arts Building Special Tax shall be levied and collected until the earlier of: (i) the Transition  
15 Year, and (ii) the 120<sup>th</sup> Fiscal Year in which the Arts Building Special Tax has been levied on  
16 the Taxable Parcel.

17

18 The Services Special Tax shall be levied and collected in perpetuity.

19

20

21 **H. EXEMPTIONS**

22

23 Notwithstanding any other provision of this RMA, no Special Taxes shall be levied on Affordable  
24 Housing Projects, Tax-Exempt Port Parcels, or Exempt Association Square Footage unless  
25 such uses are Expected Taxable Property.

1 **I. INTERPRETATION OF SPECIAL TAX FORMULA**

2  
3 The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or  
4 ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision  
5 does not materially affect the levy and collection of the Special Taxes and any security for any  
6 Bonds.

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9 **J. SPECIAL TAX APPEALS**

10  
11 Any taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any  
12 Fiscal Year may file an application with the Administrator. The Administrator, in consultation  
13 with the City Attorney, shall promptly review the taxpayer's application. If the Administrator  
14 concludes that the computation of the Special Taxes was not correct, the Administrator shall  
15 correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the  
16 Administrator concludes that the computation of the Special Taxes was correct, then such  
17 determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board  
18 from the decision of the Administrator.

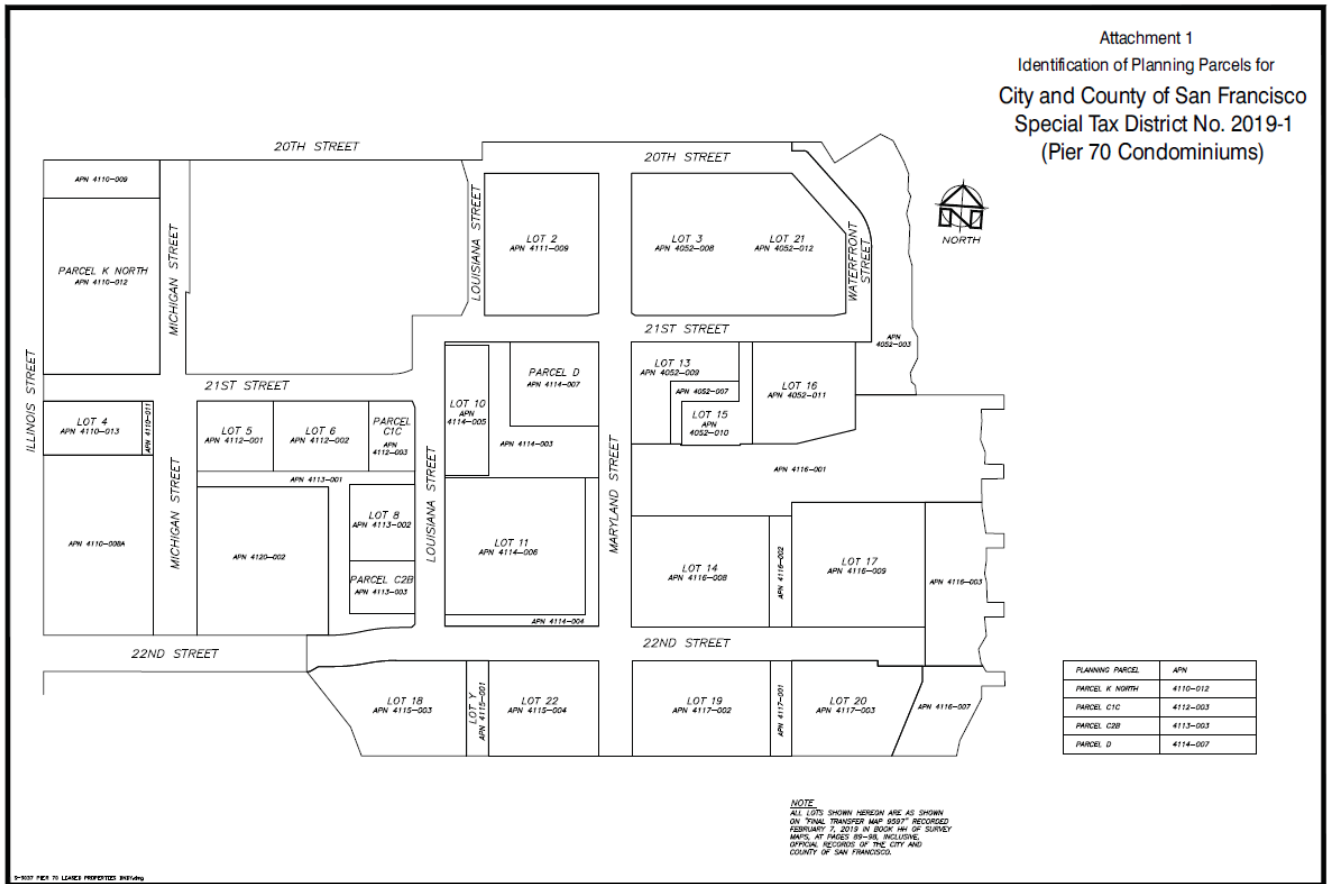
19  
20 The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay  
21 the Special Taxes when due.

22  
23 Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would  
24 otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere  
25 in applicable law.

# ATTACHMENT 1

## CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT No. 2019-1 (PIER 70 CONDOMINIUMS)

### IDENTIFICATION OF PLANNING PARCELS

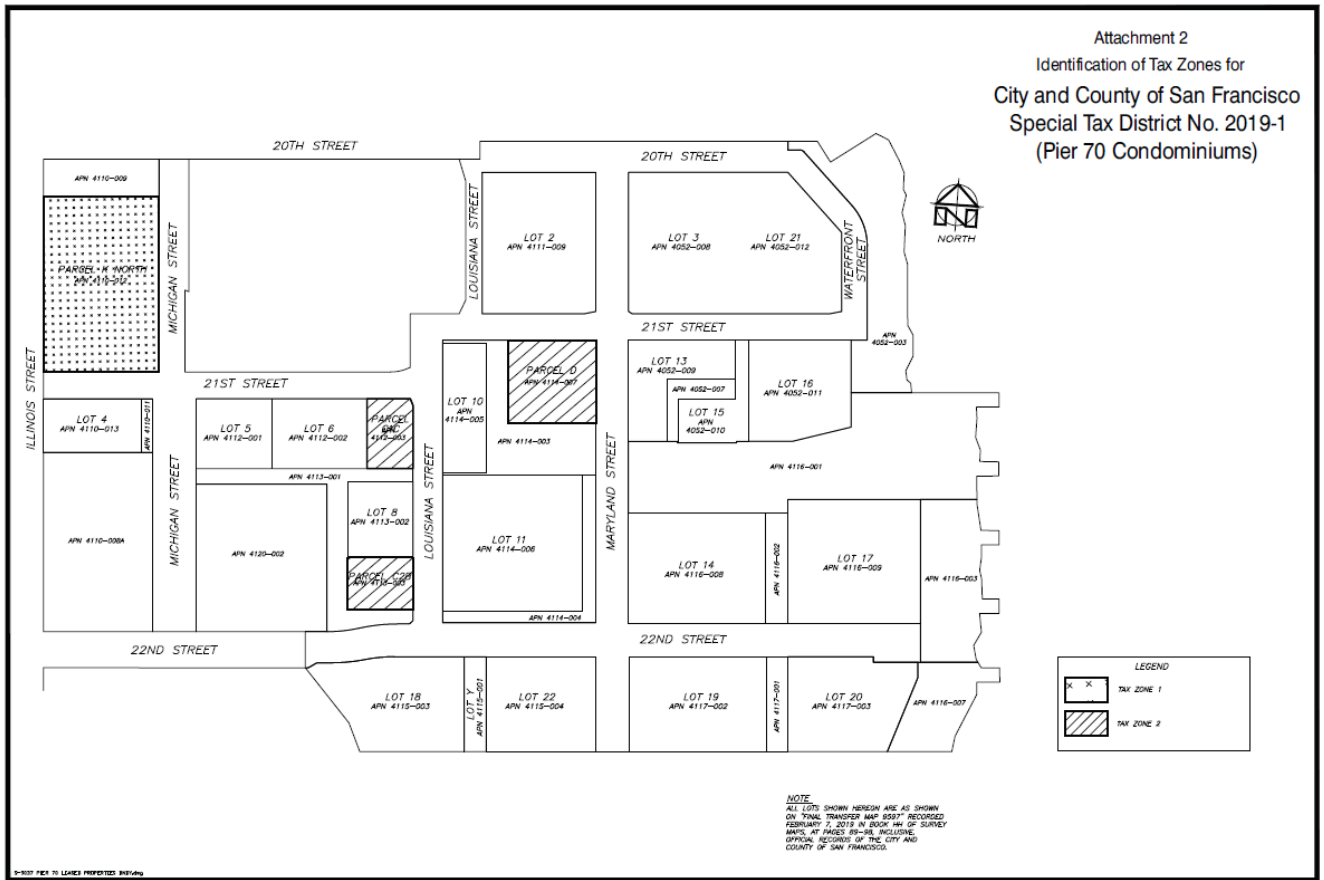


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# ATTACHMENT 2

## CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT No. 2019-1 (PIER 70 CONDOMINIUMS)

### IDENTIFICATION OF TAX ZONES



1 **ATTACHMENT 3**

2  
3 **CITY AND COUNTY OF SAN FRANCISCO**

4 **SPECIAL TAX DISTRICT No. 2019-1**

5 **(PIER 70 CONDOMINIUMS)**

6  
7 **EXPECTED LAND USES, EXPECTED MAXIMUM FACILITIES SPECIAL TAX REVENUES,**  
8 **AND EXPECTED MAXIMUM ARTS BUILDING SPECIAL TAX REVENUES**

9

10 <b>Planning Parcel</b>	<b>Square Footage Category</b>	<b>Expected Square Footage</b>	<b>Expected Maximum Facilities Special Tax Revenues (FY 2019-20)*</b>	<b>Expected Maximum Arts Building Special Tax Revenues (FY 2019-20)</b>
<b>TAX ZONE 1</b>				
16 Parcel K North	Residential Square Footage	209,000	\$1,090,980	N/A
<b>TAX ZONE 2</b>				
19 Parcel C1C	Residential Square Footage	50,529	\$247,087	\$33,349
21 Parcel C2B	Residential Square Footage	52,632	\$257,370	\$34,737
23 Parcel D	Residential Square Footage	107,282	\$524,609	\$70,806
24 <b>TOTAL</b>	N/A	419,443	<b>\$2,120,046</b>	<b>\$138,892</b>

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