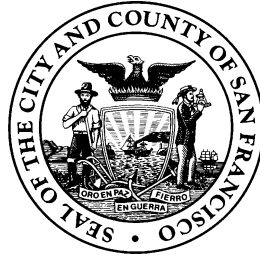


BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
**Small Business Commission, City Hall, Room 448**

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight Committee,  
Board of Supervisors

DATE: October 31, 2019

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Government Audit and Oversight Committee

The Board of Supervisors' Government Audit and Oversight Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 191078**

**Resolution declaring the intention to establish City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties) and a Future Annexation Area; determining other matters in connection therewith, as defined herein; and making findings under the California Environmental Quality Act.**

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

\*\*\*\*\*

**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

\_\_\_\_\_ **No Comment**

\_\_\_\_\_ **Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**

1 [Resolution of Intention - Establishing the Pier 70 Leased Properties Special Tax District No.  
2 2019-2]

3 **Resolution declaring the intention to establish City and County of San Francisco**  
4 **Special Tax District No. 2019-2 (Pier 70 Leased Properties) and a Future Annexation**  
5 **Area, determining other matters in connection therewith, as defined herein, and making**  
6 **findings under the California Environmental Quality Act.**

7  
8 WHEREAS, California Statutes of 1968, Chapter 1333 ("Burton Act") and San  
9 Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581, empower the  
10 City and County of San Francisco ("City"), acting through the San Francisco Port Commission  
11 ("Port" or "Port Commission"), with the power and duty to use, conduct, operate, maintain,  
12 manage, regulate, and control the lands within Port jurisdiction; and

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

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

22 WHEREAS, The DDA contemplates a project ("Project") under which the Port would  
23 initially lease the Project Site to the Master Developer for infrastructure development, and,  
24 ultimately, lease and sell parcels in the Project Site to vertical developers, for development of  
25 a mixed-use project described in the DDA; and

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

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

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

20           WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as  
21 it may be amended from time to time, "Code"), which Code incorporates by reference the  
22 Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), this Board of  
23 Supervisors is authorized to establish a special tax district and to act as the legislative body  
24 for a special tax district; and  
25

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

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

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

12 FURTHER RESOLVED, That the name proposed for the special tax district is "City and  
13 County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties)"  
14 ("Special Tax District"); and, be it

15 FURTHER RESOLVED, That the name proposed for the territory proposed to be  
16 annexed into the Special Tax District in the future is "City and County of San Francisco  
17 Community Facilities District No. 2019-2 (Pier 70 Leased Properties) (Future Annexation  
18 Area)" ("Future Annexation Area"); and, be it

19 FURTHER RESOLVED, That the proposed boundaries of the Special Tax District and  
20 the Future Annexation Area are as shown on the map of them on file with the Clerk of the  
21 Board of Supervisors, which boundaries are hereby preliminarily approved and to which map  
22 reference is hereby made for further particulars, and the Clerk of the Board of Supervisors is  
23 hereby directed to record, or cause to be recorded, the map of the boundaries of the Special  
24 Tax District and the Future Annexation Area in the office of the Assessor-Recorder for the City  
25

1 and County of San Francisco within 15 days of the date of adoption of this Resolution; and, be  
2 it

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

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

21 FURTHER RESOLVED, That the Director of the Controller's Office of Public Finance  
22 ("Director") is hereby directed, from time to time in her discretion, to cause to be recorded one  
23 or more consolidated maps of the Special Tax District reflecting all prior modifications,  
24 amendments, and annexations pursuant to Section 3113.5 of the Streets & Highways Code;  
25 and, be it

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

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

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

19 FURTHER RESOLVED, That the Director is hereby authorized and directed to enter  
20 into joint community facilities agreements with any entity that will own or operate any of the  
21 Facilities, as may be necessary to comply with the provisions of the Code, and this Board of  
22 Supervisors' approval of a joint community facilities agreement shall be conclusively  
23 evidenced by the execution and delivery thereof by the Director, and this Board of Supervisors  
24 hereby declares that such joint agreements will be beneficial to owners and lessees of  
25 property in the area of the Special Tax District; and, be it

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

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

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

20 FURTHER RESOLVED, That the Board of Supervisors expects the non-exempt real  
21 property to consist of leasehold or possessory interests in land owned by the City or the Port  
22 Commission, and hereby approves the levy of Special Taxes on such leasehold or  
23 possessory interests on the secured roll; and, be it

24 FURTHER RESOLVED, That the proposed rate and method of apportionment of the  
25 Special Tax among the parcels of real property within the Special Tax District, in sufficient

1 detail to allow each owner or lessee of property within the Special Tax District to estimate the  
2 maximum amount such owner or lessee will have to pay, is described in Exhibit B attached  
3 hereto and hereby incorporated herein ("Rate and Method"); and, be it

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

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

18 FURTHER RESOLVED, That as required by Mello-Roos Act, Section 53339.3(d), this  
19 Board of Supervisors hereby determines that the Special Tax proposed to pay for the costs of  
20 the Facilities to be supplied within the Future Annexation Area that are financed with bonds  
21 that have already been issued and that are secured by previously-existing areas of the  
22 Special Tax District will be equal to the Special Taxes levied to pay for the same Facilities in  
23 previously-existing areas of the Special Tax District, except that (i) a higher Special Tax may  
24 be levied within the Future Annexation Area to pay for the same Facilities to compensate for  
25 the interest and principal previously paid from Special Taxes in the original area of the Special



1 Tax District, less any depreciation allocable to the financed Facilities and (ii) a higher Special  
2 Tax may be levied in the Future Annexation Area to pay for new or additional Facilities, with or  
3 without bond financing; and, be it

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

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

1 FURTHER RESOLVED, That in the event that a portion of the property within the  
2 Special Tax District shall become for any reason exempt, wholly or in part, from the levy of the  
3 Special Tax, this Board of Supervisors will, on behalf of the Special Tax District, increase the  
4 levy to the extent necessary upon the remaining property within the Special Tax District which  
5 is not exempt in order to yield the required debt service payments and other annual expenses  
6 of the Special Tax District, if any, subject to the provisions of the Rate and Method; and, be it

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

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

16 FURTHER RESOLVED, That this Board of Supervisors has received and hereby  
17 approves, ratifies and accepts a Public Agency Statement and Consent executed by the Port  
18 Commission in which it declares that the City is a "landowner" in the Special Tax District (as  
19 defined in the Mello-Roos Act) and qualified elector for the Special Tax District because the  
20 property owned by the City within the proposed boundaries of the Special Tax District either  
21 will be (a) transferred by conveyance of the fee interest to private ownership for the  
22 construction of improvements, in which case the City agrees that such property will be subject  
23 to the special tax on the same basis as private property within the Special Tax District and  
24 affirmatively waives any defense based on the fact of public ownership to any action to  
25 foreclose on such property in the event of nonpayment of the special tax or (b) leased to a

1 nonexempt person or entity and, pursuant to Section 53340.1 of the Mello-Roos Act, the  
2 special tax will be levied on the leasehold interest and payable by the owner of the leasehold  
3 interest, a copy of which Public Agency Statement and Consent is on file with the Clerk of the  
4 Board of Supervisors in File No. 191078 and is incorporated herein by reference; and, be it

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

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

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

21 FURTHER RESOLVED, That the bonds and other debt shall be in the aggregate  
22 principal amount of not to exceed \$1,841,600,000 ("Limit"), shall be issued in such series and  
23 bear interest payable semi-annually or in such other manner as this Board of Supervisors  
24 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by  
25

1 applicable law at the time of sale of each series of bonds and other debt, and shall mature not  
2 later than 40 years from the date of the issuance thereof; and, be it

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

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

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

18 (b) An estimate of the fair and reasonable cost of the Facilities including the cost of  
19 acquisition of lands, rights-of-way and easements, any physical facilities required in  
20 conjunction therewith and incidental expenses in connection therewith, including the costs of  
21 the proposed bond financing and other debt and all other related costs as provided in Mello-  
22 Roos Act, Section 53345.3.

23 (c) An estimate of the fair and reasonable cost of the Services and incidental  
24 expenses in connection therewith, and all other related costs.  
25

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

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

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

18 FURTHER RESOLVED, Notwithstanding the foregoing, because of the complexity  
19 associated with the Project and the Financing Plan, the Board of Supervisors hereby  
20 authorizes the Clerk of the Board of Supervisors to determine that the public hearing should  
21 be held on a later date or time and to cause notice of such later date or time to be given by  
22 publication one time in a newspaper published in the area of the Special Tax District and the  
23 Future Annexation Area; and, be it

24 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either  
25 before or after formation of the Special Tax District, the City may accept advances of funds

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

12 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either  
13 before or after formation of the Special Tax District, the City may accept work in-kind from any  
14 source, including, but not limited to, private persons or private entities, may provide, by  
15 resolution, for the use of that work in-kind for any authorized purpose and this Board of  
16 Supervisors may enter into an agreement, by resolution, with the person or entity advancing  
17 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of  
18 the work in-kind, as determined by this Board of Supervisors, with or without interest, under  
19 the conditions specified in the Mello-Roos Act; any work in-kind must be performed or  
20 constructed as if the work had been performed or constructed under the direction and  
21 supervision, or under the authority of, the City and, in furtherance of Mello-Roos Act,  
22 Section 53314.9, the Board of Supervisors previously authorized the Port to enter into an  
23 acquisition and reimbursement agreement with the Master Developer and other entities  
24 responsible for developing the Project pursuant to Resolution No. 401-17, adopted by this  
25 Board of Supervisors on October 31, 2017 (which resolution was signed by the Mayor on

1 November 9, 2017); and, be it

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

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

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

17 FURTHER RESOLVED, That in accordance with the actions contemplated herein, this  
18 Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the  
19 Planning Commission's certification of the FEIR, and finds that the actions contemplated  
20 herein are within the scope of the Project described and analyzed in the FEIR; and, be it

21 FURTHER RESOLVED, That this Board of Supervisors hereby adopts and  
22 incorporates by reference as though fully set forth herein the Planning Commission's CEQA  
23 approval findings in the MMRP, including the statement of overriding considerations, and  
24 adopts and incorporates by reference as though fully set forth herein the Project's MMRP;  
25 and, be it

1 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of  
2 Supervisors to form the Special Tax District and the Future Annexation Area; the formation of  
3 the Special Tax District and the Future Annexation Area shall be subject to the approval of  
4 this Board of Supervisors by resolution following the holding of the public hearing referred to  
5 above; and, be it

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

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

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



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

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 

Mark D. Blake  
Deputy City Attorney

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

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

1. Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA.
2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements.
3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression.
4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants,

cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use.

5. Non-Potable Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, cathodic protection, tie-ins, blackwater treatment facility (whether publicly or privately owned), and any other components required for non-potable water supply network intended to provide treated wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings.
6. Combined Sanitary Sewer and Stormwater Management– includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment BMPs such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements.
7. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems.
8. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding. Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements.
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

1 foundations, signage, emergency services infrastructure, landscaping (including trees  
2 and silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike  
3 racks, shared bike parking facilities (whether publicly or privately owned), newspaper  
4 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.

5 11. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and  
6 treatment, sanitary sewer, low pressure water, park lighting, community wifi, security  
7 infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping,  
8 various concrete structures, site furnishings, public art, viewing platforms, retrofit of  
9 shoreline structures and slopes (including demolition, excavation, installation of  
10 revetment, structural repair, and any other components, e.g., Shoreline Improvements),  
11 and any other associated work in publicly accessible spaces such as parks, open  
spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas,  
mid-block passages and open space that is located on private property, but identified as  
public open space, mid-block passages, streets or streetscapes in the DDA or Design  
for Development.

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

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

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  
accordance with Pier 70 Financing Plan Section 4.7(f) (Determining Pier 70 Shoreline  
Protection Facilities).

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

16. Noonan Replacement Space, a space to accommodate the Noonan Space Lease in a new or rehabilitated building that meets the requirements of DDA § 7.13 (Noonan Replacement Space) for which the Port has issued a Temporary Certificate of Occupancy and Noonan moving costs related to relocating Noonan Tenants from the existing Noonan Building to the Noonan Replacement Space.
17. Arts Building, a new building on Parcel E4 with space dedicated and restricted to arts/light industrial uses in accordance with DDA § 7.12 (Arts Building) and the Arts Program, as well as community space that can be funded under the Financing Plan.
18. Historic Building Feasibility Gap as specified in Financing Plan Section 11.1 (Subsidy for Historic Buildings 12 and 21).
19. Deferred Infrastructure.
20. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development, incurred after the Reference Date to develop improvements authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.
21. Associated Public Benefits.
22. Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons; studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers; replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port.
23. Any other costs authorized to be financed by the STD under the DDA.
24. Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA, including developer management costs, construction management Fees, and asset management costs.

1 25. Developer Mitigation Measures, including the formation of the Transportation  
2 Management Association and dust, vibration and asbestos monitoring.

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

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

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

20 The facilities to be financed shall also include all incidental expenses, defined as follows:

- 21 (1) The cost of planning and designing facilities to be financed by the STD, including the cost  
22 of environmental evaluations of those facilities.
- 23 (2) The costs associated with the creation of the STD, issuance of bonds, determination of the  
24 amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order  
25 to carry out the authorized purposes of the STD.
- (3) Any other expenses incidental to the construction, completion, and inspection of the  
authorized work, including costs for temporary facilities with a useful life of at least 3 years  
that are required to construct an authorized facility.
- (4) Special taxes levied on a property in the STD and paid by the Master Developer on behalf  
of a local agency or other landowner prior to the development of the property.

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

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

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

## 5 **AUTHORIZED SERVICES**

6 Special taxes collected in the STD may finance, in whole or in part, the services authorized to  
7 be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and  
8 the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), in  
and, to the extent permitted by the DDA, outside the FC Project Area, including:

- 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 privately leased property but identified as  
13 public open space in the DDA or Design for Development.
- 14 • Maintenance, capital repair, replacement and operation of Public Right-of-Ways  
15 (ROWs), including public streets, sidewalks, shared public ways, mid-block passages,  
16 bicycle lanes, and other paths of travel, associated landscaping and furnishings,  
17 retaining walls within the ROWs and related amenities in the FC Project Area, including  
18 any portion of the Building 15 structure over 22nd Street, some of which may be located  
19 on privately leased property but identified as public open space in the DDA or Design for  
20 Development.
- 21 • Maintenance, capital repair, replacement and operation of Shoreline Improvements in  
22 and adjacent to the FC Project Area that were completed per the DDA, such as shoreline  
23 restoration, including installation of stone columns, pilings, secant walls, and other  
24 structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront  
25 public access to or environmental remediation of the San Francisco waterfront.
- Maintenance, capital repair, replacement and operation of landscaping and irrigation  
systems and other equipment, material, and supplies directly related to maintaining and  
replacing landscaped areas and water features in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation as needed of Public Spaces,  
including street cleaning and paving.

- 1 • Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash  
2 receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and  
3 corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs.
- 4 • Maintenance, capital repair, replacement and operation of utilities in Public Spaces and  
5 Public ROWs.
- 6 • General liability insurance for any Public ROWs or structures in Public ROWs that Public  
7 Works does not submit to the Board of Supervisors for City acceptance for City General  
8 Fund liability purposes and other commercially reasonable insurance coverages.
- 9 • Port, City, or third party personnel, administrative, and overhead costs related to  
10 maintenance or to contracting for and managing third-party maintenance, including rent  
11 for storage space needed to support the maintenance activities.
- 12 • Any other costs authorized to be financed by the STD under the DDA.

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

## 16 **INCIDENTAL COSTS**

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

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



well as reimbursement of any costs advanced by the City or any landowner(s) in the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD.

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CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2019-2  
(Pier 70 Leased Properties)

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to the Leasehold Interest in each Taxable Parcel in the City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Leasehold Interests in Taxable Parcels, as described below. The Leasehold Interest in all Taxable Parcels in the STD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the STD.

Special Taxes shall be levied only on Leasehold Interests in Taxable Parcels. In the event a Leasehold Interest in a Taxable Parcel is terminated, the Special Taxes shall be levied on any successor Leasehold Interest in the Taxable Parcel. If a Leasehold Interest terminates while a Special Tax that was previously levied remains unpaid, the owner of the successor Leasehold Interest will take the interest subject to the obligation to pay the unpaid Special Tax along with any applicable penalties and interest.

The City will covenant in each Indenture that, as long as any Bonds are outstanding, it will not terminate, and it will inhibit the Port from terminating, any Leasehold Interest in a Taxable Parcel unless the Port enters into a new lease the term of which ends on or after the final maturity date of the Bonds and that covers substantially the same real property and improvements as the terminated lease. It will not be a violation of this covenant if the City or the Port initiates judicial foreclosure of any such lease pursuant to the CFD Law.

1     **A.   DEFINITIONS**

2     The terms hereinafter set forth have the following meanings:

3     **“28-Acre Site”** is defined in the Appendix.

4  
5     **“Administrative Expenses”** means any or all of the following: the fees and expenses of any  
6     fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection  
7     with any Bonds, and the expenses of the City carrying out duties with respect to the STD and  
8     the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and  
9     expenses of legal counsel, charges levied by the City, including the Controller’s Office, the  
10    Treasurer and Tax Collector’s Office, the City Attorney, and the Port, costs related to property  
11    owner inquiries regarding the Special Taxes, costs associated with appeals or requests for  
12    interpretation associated with the Special Taxes and this RMA, costs associated with  
13    annexation of property into the STD, amounts needed to pay rebate to the federal government  
14    with respect to the Bonds, costs associated with complying with any continuing disclosure  
15    requirements for the City and any other major property owner (whether or not deemed to be an  
16    obligated person), costs associated with foreclosure and collection of delinquent Special Taxes,  
17    and all other costs and expenses of the City in any way related to the establishment or  
18    administration of the STD.

19  
20    **“Administrator”** means the Director of the Office of Public Finance or his/her designee who  
21    shall be responsible for administering the Special Taxes according to this RMA.

22  
23    **“Affordable Housing Project”** means a residential or primarily residential project, as  
24    determined by the Review Authority, within which 100% of the residential units are Affordable  
25    Units.

1 **"Affordable Unit"** means a Rental Unit for which a deed restriction has been recorded that (i)  
2 limits the rental rates on the unit or (ii) in any other way is intended to restrict the current or  
3 future value of the unit, as determined by the Review Authority.

4  
5 **"Affordable Unit Leasehold Interest"** means a Leasehold Interest associated exclusively  
6 with Affordable Units in a building that: (i) is not an Affordable Housing Project, and (ii) within  
7 which there is also a Market-Rate Unit Leasehold Interest.

8  
9 **"Appendix"** means the Appendix to Transaction Documents for the Pier 70 28-Acre Site  
10 Project.

11  
12 **"Arts Building Costs"** means up to \$20 million in costs (or such other amount identified in  
13 the Financing Plan) associated with the Arts Building, the Noonan Replacement Space and  
14 community facilities allocated under the Financing Plan, and authorized by the formation  
15 proceedings for the STD, the Condo STD No. 2019-1, and the Financing Plan to be financed  
16 by the Arts Building Special Tax and Arts Building Special Tax Bonds.

17  
18 **"Arts Building Special Tax"** means a special tax levied in any Fiscal Year on a Leasehold  
19 Interest in a Taxable Parcel to pay the Arts Building Special Tax Requirement.

20  
21 **"Arts Building Special Tax Bonds"** means any Bonds secured by the Arts Building Special  
22 Taxes that are issued to pay Arts Building Costs.

23  
24 **"Arts Building Special Tax Requirement"** means the amount necessary in any Fiscal Year  
25 to pay: (i) pay principal and interest on Arts Building Special Tax Bonds that are due in the

1 calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Arts Building Special  
2 Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate  
3 payments; (iii) replenish reserve funds created for Arts Building Special Tax Bonds under the  
4 Indenture to the extent such replenishment has not been included in the computation of the  
5 Arts Building Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies  
6 in the payment of principal or interest on Arts Building Special Tax Bonds which have  
7 occurred in the prior Fiscal Year; (v) pay Administrative Expenses; (vi) pay other obligations  
8 described in the Financing Plan; and (vii) pay directly for Arts Building Costs. The amount  
9 calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a)  
10 interest earnings on or surplus balances in funds and accounts for the Arts Building Special  
11 Tax Bonds to the extent that such earnings or balances are available to apply against such  
12 costs pursuant to the Indenture; (b) in the sole and absolute discretion of the Port, proceeds  
13 received by the STD from the collection of penalties associated with delinquent Arts Building  
14 Special Taxes; and (c) any other revenues available to pay such costs, as determined by the  
15 Administrator, the City, and the Port.

16  
17 **“Assessed Parcel”** means, in any Fiscal Year, any Taxable Parcel that meets all five of the  
18 following conditions: (i) there is a building on the Taxable Parcel for which a Certificate of  
19 Occupancy has been issued; (ii) based on all information available to the Administrator, the  
20 Baseline Assessed Value has been determined for the Taxable Parcel; (iii) ad valorem taxes  
21 have been levied on the Taxable Parcel based on the Baseline Assessed Value of the building;  
22 (iv) by the end of the prior Fiscal Year, at least one year of ad valorem taxes based upon the  
23 Baseline Assessed Value of the building have been paid; and (v) the Taxable Parcel does not  
24 have outstanding delinquencies in the payment of ad valorem property taxes or Special Taxes  
25 at the latest point at which the Administrator is able to receive delinquency information from the

1 County prior to submitting the Facilities Special Tax levy in any Fiscal Year. Once a Taxable  
2 Parcel has been categorized as an Assessed Parcel, such Taxable Parcel shall always be  
3 considered an Assessed Parcel regardless of increases or decreases in assessed value.  
4

5 **“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map  
6 with an assigned Assessor’s Parcel number.  
7

8 **“Assessor’s Parcel Map”** means an official map of the County Assessor designating Parcels  
9 by Assessor’s Parcel number.  
10

11 **“Authorized Expenditures”** means, separately with respect to the Facilities Special Tax, Arts  
12 Building Special Tax, Shoreline Special Tax, and Services Special Tax, those costs, facilities  
13 or public services authorized to be funded by the applicable Special Tax as set forth in the  
14 Financing Plan and the documents adopted by the Board at STD Formation, as may be  
15 amended from time to time.  
16

17 **“Base Arts Building Special Tax”** means, for any Square Footage Category, the per-square-  
18 foot Arts Building Special Tax for Square Footage within such Square Footage Category, as  
19 identified in Table 3 in Section C below, that can be levied on a Leasehold Interest in a Taxable  
20 Parcel.  
21

22 **“Base Facilities Special Tax”** means, for any Square Footage Category, the per-square-foot  
23 Facilities Special Tax for Square Footage within such Square Footage Category, as identified  
24 in Table 1 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.  
25

1     **“Base Services Special Tax”** means, for any Square Footage Category, the per-square-foot  
2     Services Special Tax for Square Footage within such Square Footage Category, as identified  
3     in Table 4 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.

4  
5     **“Base Shoreline Special Tax”** means, for any Square Footage Category, the per-square-  
6     foot Shoreline Special Tax for Square Footage within such Square Footage Category, as  
7     identified in Table 2 in Section C below, that can be levied on a Leasehold Interest in a  
8     Taxable Parcel.

9  
10    **“Base Special Tax”** means, collectively, the Base Facilities Special Tax, the Base Shoreline  
11    Special Tax, the Base Arts Building Special Tax, and the Base Services Special Tax.

12  
13    **“Baseline Assessed Value”** means, after a Certificate of Occupancy has been issued for a  
14    Taxable Parcel, the assessed value that the Port and Vertical Developer mutually agree is the  
15    final, unappealable value for the Taxable Parcel.

16  
17    **“Board”** means the Board of Supervisors of the City, acting as the legislative body of STD  
18    No. 2019-2.

19  
20    **“Bond Sale”** means, for the Facilities Special Tax, issuance of the any Facilities Special Tax  
21    Bonds, for the Arts Building Special Tax, issuance of any Arts Building Special Tax Bonds,  
22    and, for the Shoreline Special Tax, issuance of any Shoreline Special Tax Bonds.

23  
24    **“Bonds”** means bonds or other debt (as defined in the CFD Law), whether in one or more  
25    series, that are issued or assumed by or for the STD to finance Authorized Expenditures

1 including any Arts Building Special Tax Bonds, Facilities Special Tax Bonds, and Shoreline  
2 Special Tax Bonds. The term "Bonds" includes any promissory note executed by or on behalf  
3 of STD No. 2019-2 for the benefit of the Port.  
4

5 **"Building Height"** means the proposed height of a Rental Residential Building, as set forth  
6 on the Building Permit issued for the building, or if the height is not clearly indicated on the  
7 Building Permit, the height determined by reference to the Vertical DDA, condominium plan,  
8 or architectural drawings for the Rental Residential Building. If there is any question as to the  
9 Building Height of any Rental Residential Building in the STD, the Administrator shall  
10 coordinate with the Review Authority to make the determination, and such determination shall  
11 be conclusive and binding.  
12

13 **"Building Permit"** means (i) for Historic Buildings 2, 12 and 21, a permit issued by the Port  
14 that allows for rehabilitation of the existing historic structures, and (ii) for all other structures, a  
15 permit issued by the Port that allows for vertical construction of a building or buildings,  
16 including any addendum to a site permit, but excluding a separate permit issued for  
17 construction of building foundations.

18 **"Capitalized Interest"** means funds in any capitalized interest account available to pay debt  
19 service on Bonds.  
20

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



1 certificates of occupancy that are issued for new construction, historic rehabilitation, or  
2 expansion of a building shall be deemed a Certificate of Occupancy and the Special Taxes  
3 shall apply to the associated Square Footage. For Historic Building 2, Historic Building 12,  
4 and Historic Building 21, only a certificate of occupancy issued in association with the  
5 permanent reuse of the building (as determined by the Port) shall qualify as a "Certificate of  
6 Occupancy" for purposes of this RMA.

7  
8 **"CFD Law"** means the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art.  
9 X), which incorporates the Mello-Roos Act.

10  
11 **"City"** means the City and County of San Francisco, California.

12  
13 **"Condo STD No. 2019-1"** means the City and County of San Francisco Special Tax District  
14 No. 2019-1 (Pier 70 Condominiums).

15  
16 **"County"** means the City and County of San Francisco, California.

17  
18 **"D4D"** means the Pier 70 Special Use District Design for Development, dated May 22, 2018,  
19 and as amended from time to time.

20  
21 **"D4D Gross Floor Area"** means the square footage of a building determined pursuant to the  
22 definition of "Gross Floor Area" in the D4D.

23  
24 **"DDA"** means the Disposition and Development Agreement between the Port and the  
25 Developer, including all exhibits and attachments, as may be amended from time to time.

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

3  
4     **“Developed Property”** means, in any Fiscal Year, the following:

5             *For levy of the Facilities Special Tax and Arts Building Special Tax:* all Taxable Parcels  
6             for which the 24-month anniversary of the VDDA Execution Date has occurred in a  
7             preceding Fiscal Year, regardless of whether a Building Permit has been issued. For any  
8             Taxable Parcel on which a structure is built and occupied without execution of a VDDA,  
9             such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in  
10            which a Certificate of Occupancy was issued on or prior to June 30 of the preceding  
11            Fiscal Year.

12  
13           *For levy of the Shoreline Special Tax and Services Special Tax:* all Taxable Parcels in a  
14           building for which a Certificate of Occupancy was issued on or prior to June 30 of the  
15           preceding Fiscal Year, but not prior to January 1, 2018.

16  
17     **“Developer”** means FC Pier 70, LLC, or any successor or assign that takes over as tenant  
18     under the Master Lease.

19  
20     **“Development Approval Documents”** means, collectively, the DDA, any Vertical DDA, any  
21     Final Maps, Review Authority approvals, or other such approved or recorded document or  
22     plan that identifies the type of structures, acreage, and Square Footage approved for  
23     development on Taxable Parcels.

1     **“Escalator”** means the lesser of the following: (i) the annual increase, if any, in the Consumer  
2     Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region  
3     (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States  
4     Department of Labor, or, if such index is no longer published, a similar escalator that is  
5     determined by the Port and City to be appropriate, and (ii) five percent (5%).  
6

7     **“Estimated Base Arts Building Special Tax Revenues”** means, at any point in time, the  
8     amount calculated by the Administrator by multiplying the Base Arts Building Special Tax by  
9     Square Footage within each Square Footage Category proposed for development and, if  
10    applicable, already in completed buildings on a Taxable Parcel.  
11

12    **“Estimated Base Facilities Special Tax Revenues”** means, at any point in time, the amount  
13    calculated by the Administrator by multiplying the Base Facilities Special Tax by Square  
14    Footage within each Square Footage Category proposed for development and, if applicable,  
15    already in completed buildings on a Taxable Parcel.  
16

17    **“Estimated Base Shoreline Special Tax Revenues”** means, at any point in time, the  
18    amount calculated by the Administrator by multiplying the Base Shoreline Special Tax by  
19    Square Footage within each Square Footage Category proposed for development and, if  
20    applicable, already in completed buildings on a Taxable Parcel.  
21

22    **“Exempt Child Care Square Footage”** means, for any building on a Parcel of Developed  
23    Property, the square footage of child care uses that qualifies for exemption from the Special  
24    Taxes, as determined by the Review Authority after review and consideration of the criteria  
25    and requirements set forth in the D4D, VDDA, and DDA. After the First Bond Sale and

1 notwithstanding the foregoing, the designation of Exempt Child Care Square Footage shall  
2 only be permitted to the extent such designation does not cause debt service coverage on  
3 outstanding Bonds to be reduced below the Required Coverage. The Administrator and the  
4 Review Authority will maintain a record of the amount and location of Exempt Child Care  
5 Square Footage within each building in the STD. If, in any Fiscal Year, the Administrator  
6 determines that square footage that had been designated as Exempt Child Care Square  
7 Footage no longer meets the definition set forth above, such square footage shall be assigned  
8 by the Review Authority to the appropriate Square Footage Category and taxed accordingly  
9 pursuant to this RMA.

10  
11 **“Exempt Parking Square Footage”** means, prior to the First Bond Sale, any square footage  
12 in or expected in a building on a Parcel of Developed Property that is determined by the  
13 Review Authority to be reserved for automobile or bicycle parking. After the First Bond Sale,  
14 “Exempt Parking Square Footage” for any building on a Parcel of Developed Property shall be  
15 the sum of following, as determined by the Review Authority:

16  
17 1. Square footage in or expected in the building that, at the time the Parcel became  
18 Developed Property, was determined by the Review Authority to be reserved for automobile  
19 or bicycle parking; and

20  
21 2. Square footage in or expected in the building that (i) exceeds the original Exempt  
22 Square Footage determined when the Parcel became Developed Property, and (ii) if  
23 exempted from Special Taxes, would not reduce coverage on outstanding Bonds below the  
24 Required Coverage.

1 The Administrator and the Review Authority will maintain a record of the amount and location  
2 of Exempt Parking Square Footage within each building in the STD. If, in any Fiscal Year, the  
3 Administrator determines that square footage that had been designated as Exempt Parking  
4 Square Footage no longer meets the definition set forth above, such square footage shall be  
5 assigned by the Review Authority to the appropriate Square Footage Category and taxed  
6 accordingly pursuant to this RMA.

7  
8 **“Expected Land Uses”** means the total Square Footage in each Square Footage Category  
9 expected on each Planning Parcel in the STD. The Expected Land Uses at STD Formation  
10 are identified in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

11  
12 **“Expected Maximum Arts Building Special Tax Revenues”** means the aggregate Arts  
13 Building Special Tax that can be levied based on application of the Base Arts Building Special  
14 Tax to the Expected Land Uses. The Expected Maximum Arts Building Special Tax  
15 Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be  
16 revised pursuant to Sections B, C, D, and E below.

17  
18 **“Expected Maximum Facilities Special Tax Revenues”** means the aggregate Facilities  
19 Special Tax that can be levied based on application of the Base Facilities Special Tax to the  
20 Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for each  
21 Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to  
22 Sections B, C, D, and E below.

23 **“Expected Maximum Shoreline Special Tax Revenues”** means the aggregate Shoreline  
24 Special Tax that can be levied based on application of the Base Shoreline Special Tax to the  
25 Expected Land Uses. The Expected Maximum Shoreline Special Tax Revenues for each

1 Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to  
2 Sections B, C, D, and E below.

3  
4 **“Facilities Special Tax”** means a special tax levied in any Fiscal Year on a Leasehold  
5 Interest in a Taxable Parcel to pay the Facilities Special Tax Requirement.

6  
7 **“Facilities Special Tax Bonds”** means any Bonds secured by Facilities Special Taxes.

8  
9 **“Facilities Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i)  
10 pay principal and interest on Facilities Special Tax Bonds that are due in the calendar year  
11 that begins in such Fiscal Year; (ii) pay periodic costs on Facilities Special Tax Bonds,  
12 including but not limited to, credit enhancement, liquidity support and rebate payments; (iii)  
13 replenish reserve funds created for Facilities Special Tax Bonds under the Indenture to the  
14 extent such replenishment has not been included in the computation of the Facilities Special  
15 Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of  
16 principal or interest on Facilities Special Tax Bonds which have occurred in the prior Fiscal  
17 Year; (v) in any Fiscal Year in which there is a Facilities Special Tax levied on one or more  
18 Parcels pursuant to Step 1d. in Section F below, pay the fee imposed by the City for levying  
19 such Facilities Special Tax on the County tax roll; (vi) pay other obligations described in the  
20 Financing Plan; and (vii) pay directly for Authorized Expenditures, so long as such levy under  
21 this clause (vii) does not increase the Facilities Special Tax levied on Undeveloped Property.  
22 The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year  
23 by: (a) interest earnings on or surplus balances in funds and accounts for the Facilities  
24 Special Tax Bonds to the extent that such earnings or balances are available to apply against  
25 such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the Port,

1 proceeds received by the STD from the collection of penalties associated with delinquent  
2 Facilities Special Taxes; and (c) any other revenues available to pay such costs, as  
3 determined by the Administrator, the City, and the Port.  
4

5 **“FC Project Area”** is defined in the Appendix.  
6

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

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

16 **“First Bond Sale”** means, (i) for the Facilities Special Tax, a Bond Sale of the first series of  
17 Facilities Special Tax Bonds, (ii) for the Arts Building Special Tax, a Bond Sale of the first series  
18 of Arts Building Special Tax Bonds, and (iii) for the Shoreline Special Tax, a Bond Sale of the  
19 first series of Shoreline Special Tax Bonds.  
20

21 **“Fiscal Year”** means the period starting July 1 and ending on the following June 30.  
22

23 **“Future Annexation Area”** means that geographic area that, at STD Formation, was  
24 considered potential annexation area for the STD and which was, therefore, identified as “future  
25 annexation area” on the recorded STD boundary map. Such designation does not mean that

1 any or all of the Future Annexation Area will annex into the STD, but should owners of property  
2 designated as Future Annexation Area choose to annex, the annexation may be processed  
3 pursuant to the annexation procedures in the CFD Law for territory included in a future  
4 annexation area, as well as the procedures established by the Board and any other applicable  
5 provisions of the CFD Law.

6  
7 **“Historic Building 2”** means Building 2, which is classified as a significant contributing historic  
8 resource to the Union Iron Works Historic District.

9  
10 **“Historic Building 12”** means Building 12, which is classified as a significant contributing  
11 historic resource to the Union Iron Works Historic District.

12  
13 **“Historic Building 21”** means Building 21, which is classified as a significant contributing  
14 historic resource to the Union Iron Works Historic District.

15  
16 **“Indenture”** means any indenture, fiscal agent agreement, resolution, or other instrument  
17 pursuant to which Bonds are issued, as modified, amended, or supplemented from time to time,  
18 and any instrument replacing or supplementing the same.

19  
20 **“Land Use Change”** means a change to the Expected Land Uses after STD  
21 Formation.

22  
23 **“Leasehold Interest”** means a Master Lease, ground lease, or any other lease  
24 arrangement of a Parcel or Parcels against which Special Taxes may be levied in any  
25 current or future Fiscal Year. The Review Authority shall make the final determination as to



1 whether a Parcel or building in the STD is subject to a Leasehold Interest for purposes of this  
2 RMA.

3  
4 **"Market-Rate Unit"** means a Rental Unit that is not an Affordable Unit.

5  
6 **"Market-Rate Unit Leasehold Interest"** means a Leasehold Interest associated exclusively  
7 with Market-Rate Units in a building within which there is also an Affordable Unit Leasehold  
8 Interest.

9  
10 **"Master Lease"** means a lease for all or part of the 28-Acre Site that, with licenses for other  
11 portions of Pier 70, allows the Developer to take possession of the FC Project Area and  
12 construct horizontal improvements approved under the DDA.

13 **"Maximum Arts Building Special Tax"** means the greatest amount of Arts Building Special  
14 Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year  
15 determined in accordance with Sections C, D, and E below.

16  
17 **"Maximum Arts Building Special Tax Revenues"** means, at any point in time, the aggregate  
18 Maximum Arts Building Special Tax that can be levied on all Leasehold Interests in all Taxable  
19 Parcels.

20  
21 **"Maximum Facilities Special Tax"** means the greatest amount of Facilities Special Tax that  
22 can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in  
23 accordance with Sections C, D, and E below.

1     **“Maximum Facilities Special Tax Revenues”** means, at any point in time, the aggregate  
2     Maximum Facilities Special Tax that can be levied on all Leasehold Interests in all Taxable  
3     Parcels.

4  
5     **“Maximum Services Special Tax”** means the greatest amount of Services Special Tax that  
6     can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in  
7     accordance with Sections C, D, and E below.

8  
9     **“Maximum Services Special Tax Revenues”** means, at any point in time, the aggregate  
10    Maximum Services Special Tax that can be levied on all Leasehold Interests in all Taxable  
11    Parcels.

12  
13    **“Maximum Shoreline Special Tax”** means the greatest amount of Shoreline Special Tax that  
14    can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in  
15    accordance with Sections C, D, and E below.

16  
17    **“Maximum Shoreline Special Tax Revenues”** means, at any point in time, the aggregate  
18    Maximum Shoreline Special Tax that can be levied on all Leasehold Interests in all Taxable  
19    Parcels.

20  
21    **“Maximum Special Tax”** means, for any Leasehold Interest in a Taxable Parcel in any Fiscal  
22    Year, the sum of the Maximum Facilities Special Tax, Maximum Shoreline Special Tax,  
23    Maximum Arts Building Special Tax, and Maximum Services Special Tax.

1     **“Maximum Special Tax Revenues”** means, collectively, the Maximum Facilities Special Tax  
2     Revenues, Maximum Shoreline Special Tax Revenues, Maximum Arts Building Special Tax  
3     Revenues, and Maximum Services Special Tax Revenues.

4  
5     **“Mello-Roos Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being  
6     Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government  
7     Code of the State of California.

8  
9     **“Non-Residential Building”** means any building within the STD that is not a Rental Residential  
10    Building, Historic Building 2, Historic Building 12, Historic Building 21, or part of an Affordable  
11    Housing Project, as determined by the Review Authority.

12    **“Parcel Increment”** means, in any Fiscal Year, the amount of Tax Increment and funds from  
13    any tax increment reserve fund maintained by the City that the Deputy Director has determined,  
14    pursuant to the Financing Plan, is available to reduce the amount of Facilities Special Tax levied  
15    against Assessed Parcels.

16  
17    **“Planning Code”** means the Planning Code of the City and County of San Francisco, as it may  
18    be amended from time to time.

19  
20    **“Planning Parcel”** means a geographic area within the STD that, for planning and entitlement  
21    purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-numeric  
22    identifier to be used for reference until an Assessor’s Parcel is created and an Assessor’s Parcel  
23    number is assigned. The Planning Parcels at STD Formation are identified in Attachment 1  
24    hereto.

1     **“Port”** means the Port of San Francisco.

2  
3     **“Proportionately”** means, for Developed Property, that the ratio of the actual Services  
4     Special Tax levied in any Fiscal Year to the Maximum Services Special Tax authorized to be  
5     levied in that Fiscal Year is equal for all Parcels of Developed Property. For Undeveloped  
6     Property, “Proportionately” means that the ratio of the actual Facilities Special Tax levied to  
7     the Maximum Facilities Special Tax is equal for all Parcels of Undeveloped Property.

8  
9     **“Public Property”** means any property within the boundaries of the STD that is owned by or  
10    leased to the federal government, State of California, City, or public agency other than the Port.  
11    Parcels of Public Property, and/or Leasehold Interests in Public Property, shall be taxed as  
12    Developed Property or Undeveloped Property, as determined by the Administrator pursuant to  
13    the definitions set forth in this RMA.

14  
15    **“Remainder Special Taxes”** means, as calculated between September 1<sup>st</sup> and December 31<sup>st</sup>  
16    of any Fiscal Year, any Facilities Special Tax, Shoreline Special Tax, and Arts Building Special  
17    Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i) pay debt  
18    service on the applicable Facilities Special Tax Bonds, Shoreline Special Tax Bonds, or Arts  
19    Building Special Tax Bonds that was due in the calendar year that begins in the Fiscal Year in  
20    which the Remainder Special Taxes were levied; (ii) pay periodic costs on the applicable  
21    Facilities Special Tax Bonds, Shoreline Special Tax Bonds, or Arts Building Special Tax Bonds,  
22    including but not limited to, credit enhancement, liquidity support and rebate payments (iii)  
23    replenish reserve funds created for the applicable Facilities Special Tax Bonds, Shoreline  
24    Special Tax Bonds, or Arts Building Special Tax Bonds under the applicable Indenture; (iv) cure  
25

1 any delinquencies in the payment of principal or interest on applicable Facilities Special Tax  
2 Bonds, Shoreline Special Tax Bonds, or Arts Building Special Tax Bonds which have occurred  
3 in the prior Fiscal Year; or (v) pay Administrative Expenses that have been incurred, or are  
4 expected to be incurred, by the City or Port prior to the receipt of Facilities Special Tax,  
5 Shoreline Special Tax or Arts Building Special Tax proceeds.

6 **“Rental Residential Building”** means any building in the STD within which any of the Square  
7 Footage is used or is expected to be used for one or more of the following uses: (i) Rental Units,  
8 (ii) any type of group or student housing that provides lodging for a week or more and may or  
9 may not have individual cooking facilities, including but not limited to boarding houses,  
10 dormitories, housing operated by medical institutions, and single room occupancy units, or (iii)  
11 a residential care facility that is not staffed by licensed medical professionals. The Review  
12 Authority shall make the determination as to whether a building in the STD is a Rental  
13 Residential Building.

14  
15 **“Rental Unit”** means an individual residential housing unit in a residential or mixed-use building  
16 within which all of the residential units are offered for rent to the general public and are not  
17 available for sale to or ownership by individual homebuyers.

18  
19 **“Required Coverage”** means (i) for Arts Building Special Tax Bonds, the amount by  
20 which the Maximum Arts Building Special Tax Revenues must exceed the Arts Building  
21 Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in  
22 the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation  
23 Proceedings or Bond document that sets forth the minimum required debt service coverage;  
24 (ii) for Facilities Special Tax Bonds, the amount by which the Maximum Facilities Special Tax  
25 Revenues must exceed the Facilities Special Tax Bond debt service, as set forth in the

1 applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation  
2 Proceedings or Bond document that sets forth the minimum required debt service coverage;  
3 and (iii) for Shoreline Special Tax Bonds, the amount by which the Maximum Shoreline  
4 Special Tax Revenues must exceed the Shoreline Special Tax Bond debt service and priority  
5 Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of  
6 Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets  
7 forth the minimum required debt service coverage.

8  
9 **“Review Authority”** means the Deputy Director of Real Estate & Development for the Port or  
10 an alternate designee from the Port or the City who is responsible for approvals and  
11 entitlements of a development project.

12  
13 **“RMA”** means this Rate and Method of Apportionment of Special Taxes.

14  
15 **“Services Special Tax”** means a special tax levied in any Fiscal Year on a Leasehold Interest  
16 in a Taxable Parcel to pay the Services Special Tax Requirement.

17  
18 **“Services Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i)  
19 pay the costs of operations and maintenance or other public services that are included as  
20 Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in  
21 the prior Fiscal Year; and (iii) pay Administrative Expenses.

22  
23 **“Shoreline Special Tax”** means a special tax levied in any Fiscal Year to pay the Shoreline  
24 Special Tax Requirement.

1     **“Shoreline Special Tax Bonds”** means any Bonds secured by Shoreline Special Taxes that  
2     have been levied and are available after dividing the Shoreline Special Taxes as set forth in  
3     Financing Plan Section 4.7(b), and factoring in debt service coverage and related Indenture  
4     requirements, as determined by the Administrator

5  
6     **“Shoreline Special Tax Requirement”** means the amount necessary in any Fiscal Year to  
7     pay: (i) pay principal and interest on Shoreline Special Tax Bonds that are due in the calendar  
8     year that begins in such Fiscal Year; (ii) pay periodic costs on Shoreline Special Tax Bonds,  
9     including but not limited to, credit enhancement, liquidity support and rebate payments; (iii)  
10    replenish reserve funds created for Shoreline Special Tax Bonds under the Indenture to the  
11    extent such replenishment has not been included in the computation of the Shoreline Special  
12    Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of  
13    principal or interest on Shoreline Special Tax Bonds which have occurred in the prior Fiscal  
14    Year; (v) pay Administrative Expenses; (vi) pay directly for the costs of shoreline improvements;  
15    and (vii) pay other obligations described in the Financing Plan. The amount calculated to pay  
16    items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest earnings on or  
17    surplus balances in funds and accounts for the Shoreline Special Tax Bonds to the extent that  
18    such earnings or balances are available to apply against such costs pursuant to the Indenture;  
19    (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the  
20    collection of penalties associated with delinquent Shoreline Special Taxes; and (c) any other  
21    revenues available to pay such costs, as determined by the Administrator, the City, and the  
22    Port.

1     **“Special Taxes”** means:

2             *For Tax Zones 1 and 2:* the Facilities Special Tax, Shoreline Special Tax, Arts Building  
3             Special Tax, and Services Special Tax.

4  
5             *For Tax Zone 3:* the Facilities Special Tax.

6  
7     **“Square Footage”** means the square footage within a building on a Taxable Parcel determined  
8     by the Review Authority pursuant to the following steps:

9  
10            *Step 1.* Determine the D4D Gross Floor Area for the building.

11  
12            *Step 2.* Subtract all Exempt Child Care Square Footage.

13  
14            *Step 3.* Subtract all Exempt Parking Square Footage.

15  
16            *Step 4.* Add the square footage of all retail (including retail on the same floor as a rooftop  
17            park), cultural, educational, recreational, religious, and social service uses.

18  
19            If a Building Permit is issued that will increase the Square Footage on a Taxable Parcel,  
20            the Administrator shall, in the first Fiscal Year after the final Building Permit inspection  
21            has been conducted in association with such expansion, work with the Review Authority  
22            to recalculate (i) the Square Footage on the Taxable Parcel, and (ii) the Maximum  
23            Special Taxes for the Taxable Parcel based on the increased Square Footage. If an  
24            Affordable Unit Leasehold Interest is established within a Rental Residential Building,  
25            the Square Footage of that Rental Residential Building shall be calculated using, for



1 purposes of Step 1 above, the D4D Gross Floor Area of the entire Rental Residential  
2 Building, including the floor area associated with the Affordable Unit Leasehold Interest  
3

4 The final determination of Square Footage within each building in the STD shall be made by  
5 the Review Authority. After the First Bond Sale, the Square Footage within a building shall  
6 never be revised in a manner that reduces Special Tax revenues such that debt service  
7 coverage on outstanding Bonds is lower than the Required Coverage. "Square Foot" means a  
8 single square-foot unit of Square Footage.  
9

10 **"Square Footage Category"** means, individually, Square Footage within a Rental  
11 Residential Building, Non-Residential Building, Historic Building 2, Historic Building 12, or  
12 Historic Building 21.  
13

14 **"STD"** or **"STD No. 2019-2"** means the City and County of San Francisco Special Tax  
15 District No. 2019-2 (Pier 70 Leased Properties).  
16

17 **"STD Formation"** means the date on which the Board approved documents to form the STD.  
18

19 **"STD Formation Proceedings"** means the proceedings to form the STD, including all  
20 resolutions, reports, and notices.  
21

22 **"Sub-Project Area"** means a specific geographic area within the City and County of San  
23 Francisco Infrastructure Financing District No. 2 (Port of San Francisco).  
24  
25

1 **"Taxable Child Care Square Footage"** means, after the First Bond Sale, any square footage  
2 in a building that: (i) is used for operations of a licensed child care facility, and (ii) is not  
3 Exempt Child Care Square Footage, as determined by the Review Authority.

4  
5 **"Taxable Parking Square Footage"** means, after the First Bond Sale, any square footage in  
6 a building that: (i) is used for parking, and (ii) is not Exempt Parking Square Footage, as  
7 determined by the Review Authority.

8  
9 **"Tax-Exempt Port Parcels"** means Port-owned Parcels that are or are intended to be used  
10 as streets, walkways, alleys, rights of way, parks, open space, or other similar uses. The final  
11 determination as to whether a Parcel is a Tax-Exempt Port Parcel shall be made by the  
12 Review Authority.

13  
14 **"Tax Increment"** means the tax increment generated from Sub-Project Areas G-2, G-3, and  
15 G-4, as further defined in the Appendix.

16 **"Taxable Parcel"** means any Parcel within the STD that is not a Tax-Exempt Port Parcel or a  
17 Parcel for which the Special Tax has been prepaid pursuant to Sections 53317.3 or 53317.5  
18 of the Mello-Roos Act.

19  
20 **"Taxpayer"** means the lessee of a Taxable Parcel within the STD.

21  
22 **"Tax Zone"** means a separate and distinct geographic area in the STD within which one or  
23 more Special Taxes are applied at a rate or in a manner that is different than in other areas  
24 within the STD. The three Tax Zones at STD Formation are identified in Attachment 2 hereto.  
25 The Port will designate the Tax Zone in which Parcels that annex into the STD will be placed.

1     **“Undeveloped Property”** means, in any Fiscal Year, all Taxable Parcels that are not  
2     Developed Property.

3  
4     **“VDDA Execution Date”** means the effective date of a Vertical DDA that was fully executed  
5     by the Port and a Vertical Developer.

6  
7     **“Vertical DDA”** means, for a Taxable Parcel, an executed Vertical Disposition and  
8     Development Agreement between the Port and a Vertical Developer.

9  
10     **“Vertical Developer”** means a developer that has entered into a Vertical DDA for  
11     construction of vertical improvements or rehabilitation of an historic building on a Taxable  
12     Parcel.

13  
14     **B.     DATA FOR STD ADMINISTRATION**

15  
16     On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's  
17     Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether  
18     each Taxable Parcel is Developed Property or Undeveloped Property; (ii) the Planning Parcel  
19     within which each Assessor's Parcel is located; (iii) for Developed Property, the Building  
20     Height and Square Footage of each Rental Residential Building and the Square Footage of  
21     Historic Building 2, Historic Building 12, Historic Building 21, and each Non-Residential  
22     Building; (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel; (v) if there are  
23     Affordable Unit Leasehold Interests in any buildings within the STD; and (vi) the Facilities  
24     Special Tax Requirement, Arts Building Special Tax Requirement, Shoreline Special Tax  
25     Requirement, and Services Special Tax Requirement for the Fiscal Year.

1 The Administrator shall also: (i) coordinate with the Deputy Director to confirm Parcel Increment;  
2 (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any  
3 Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years; (iii)  
4 review the Development Approval Documents and communicate with the Developer and  
5 Vertical Developers regarding proposed Land Use Changes; and (iv) upon each annexation,  
6 Land Use Change, and notification of Vertical DDA Execution Dates, update Attachment 3 to  
7 reflect the then-current Expected Land Uses, Expected Maximum Facilities Special Tax  
8 Revenues, Expected Maximum Shoreline Special Tax Revenues, and Expected Maximum Arts  
9 Building Special Tax Revenues. The Developer, Port, or Vertical Developer shall notify the  
10 Administrator each time a Vertical DDA is executed in order for the Administrator to keep track  
11 of VDDA Execution Dates. In addition, the Port will: (i) provide the Administrator with copies of  
12 all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases  
13 that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage  
14 subject to such leases that establish a Leasehold Interest. Any time a lease on property within  
15 the STD is terminated, the Port will immediately notify the Administrator of such termination.

16  
17 Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers  
18 shall coordinate to review the Expected Land Uses and determine if changes should be made  
19 to reflect more current estimates for land uses on each Planning Parcel. Based on this review,  
20 the Administrator shall update Attachment 3 with the then-current Expected Land Uses and  
21 Expected Maximum Facilities Special Tax Revenues, Expected Maximum Arts Building Special  
22 Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used  
23 to size the sale of Bonds unless and until there are additional updates of Attachment 3.

1 In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded  
2 after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not  
3 incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the  
4 map or plan was recorded, the Assessor does not yet recognize the newly-created Parcels, and  
5 (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the  
6 Administrator shall calculate the Special Taxes for the property affected by recordation of the  
7 map or plan by determining the Special Taxes that applies separately to each newly-created  
8 Parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided  
9 by recordation of the parcel map or condominium plan.

10  
11 **C. MAXIMUM SPECIAL TAXES**

12  
13 In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in which  
14 the boundaries of the Planning Parcels are not identical to the boundaries of the then-current  
15 Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning  
16 Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The  
17 Maximum Special Tax Revenues after such allocation shall not be less than the Maximum  
18 Special Tax Revenues prior to the allocation.

19  
20 **1. *Undeveloped Property***

21 **1a. Facilities Special Tax**

22  
23 The Maximum Facilities Special Tax for Leasehold Interests in Undeveloped Property in  
24 all Tax Zones shall be the Expected Maximum Facilities Special Tax Revenues shown  
25 in Attachment 3 of this RMA, as it may be amended as set forth herein.

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

2  
3 No Shoreline Special Tax, Arts Building Special Tax, or Services Special Tax shall be levied  
4 on Parcels of 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 becomes Developed Property, the Administrator shall use the Base  
11 Facilities Special Taxes shown in Table 1 below and apply the steps set forth in this Section  
12 2a to determine the Maximum Facilities Special Tax for Leasehold Interests in the Taxable  
13 Parcel:

14  
15 **Table 1**  
16 **Base Facilities Special Tax**

| 17<br>18<br>19<br>20<br>21<br>22<br>23<br>24<br>25<br>Square Footage Category                            | Base<br>Facilities<br>Special Tax<br>Tax Zone 1<br>(FY 2019-20) * | Base<br>Facilities<br>Special Tax<br>Tax Zone 2<br>(FY 2019-20) * | Base<br>Facilities<br>Special Tax<br>Tax Zone 3<br>(FY 2019-20) * |
|--|---|---|---|
| Square Footage in Rental Residential<br>Buildings with Building Heights greater<br>than 70 feet          | \$3.96 per<br>square foot   | \$3.96 per<br>square foot   | N/A   |
| Square Footage in Rental Residential<br>Buildings with Building Heights less than or<br>equal to 70 feet | \$3.73 per<br>square foot   | \$3.73 per<br>square foot   | N/A   |
| Square Footage in Non-Residential<br>Buildings   | \$3.74 per<br>square foot   | \$3.74 per<br>square foot   | N/A   |
| Square Footage in Historic Building 2  | \$3.73 per<br>square foot   | N/A   | N/A   |

|  |     |     |                        |
|--|-----|-----|------------------------|
| Square Footage in Historic Building 12 | N/A | N/A | \$3.52 per square foot |
| Square Footage in Historic Building 21 | N/A | N/A | \$3.64 per square foot |

**\* The Base Facilities Special Tax shown above for each Tax Zone 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 building on the Taxable Parcel.

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

- After consideration of the Building Height and Tax Zone for the Taxable Parcel, multiply the applicable Base Facilities Special Tax from Table 1 by the actual and/or expected Square Footage in each Rental Residential Building on the Taxable Parcel.
- Based on the Tax Zone in which the Taxable Parcel is located, multiply the applicable Base Facilities Special Tax from Table 1 by the actual and/or expected Square Footage in each Non-Residential Building on the Taxable Parcel.
- Multiply the applicable Base Facilities Special Tax from Table 1 by the actual and/or expected Square Footage of Historic Building 2, Historic Building 12, and Historic Building 21.

1 Prior to the First Bond Sale, the Maximum Facilities Special Tax for Leasehold Interests in the  
2 Taxable Parcel shall be the sum of the amounts calculated above, and Steps 3 and 4 below  
3 shall not apply.

4  
5 After the First Bond Sale, the Administrator shall apply Steps 3 and 4 to determine the  
6 Maximum Facilities Special Tax for Leasehold Interests in the Taxable Parcel.

7  
8 *Step 3.* Sum the amounts calculated in Step 2 to determine the Estimated Base  
9 Facilities Special Tax Revenues for Leasehold Interests in the Taxable Parcel.

10  
11 *Step 4.* Compare the Estimated Base Facilities Special Tax Revenues  
12 from Step 3 to the Expected Maximum Facilities Special Tax Revenues, and, apply one of the  
13 following, as applicable:

14  
15 *▪ If the Estimated Base Facilities Special Tax Revenues are: (i) greater than or equal to*  
16 *the Expected Maximum Facilities Special Tax Revenues or (ii) less than the Expected*  
17 *Maximum Facilities Special Tax Revenues, but the Maximum Facilities Special Tax*  
18 *Revenues, assuming the same land uses that went into the calculation of the Estimated Base*  
19 *Facilities Special Tax Revenues, are still sufficient to provide Required Coverage, then the*  
20 *Maximum Facilities Special Tax for Leasehold Interests in the Taxable Parcel shall be*  
21 *determined by multiplying the applicable Base Facilities Special Taxes by the actual and/or*  
22 *expected Square Footage within each building on the Taxable Parcel. The Administrator shall*  
23 *update Attachment 3 to reflect the change in the Expected Maximum Facilities Special Tax*  
24 *Revenues and the change in Maximum Facilities Special Tax Revenues.*



1       ▪       *If the Estimated Base Facilities Special Tax Revenues are less than the Expected*  
2 *Maximum Facilities Special Tax Revenues, and the Maximum Facilities Special Tax*  
3 *Revenues, assuming the same land uses that went into the calculation of the Estimated Base*  
4 *Facilities Special Tax Revenues, are insufficient to provide Required Coverage, then the Base*  
5 *Facilities Special Taxes that were applied in Step 2 shall be increased proportionately until the*  
6 *amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the*  
7 *Expected Maximum Facilities Special Tax Revenues from all other Taxable Parcels in the*  
8 *STD, is sufficient to maintain Required Coverage.*

9  
10       After proportionately increasing the Base Facilities Special Taxes to an amount that will  
11       maintain Required Coverage, the Administrator shall use these adjusted per-square-foot rates  
12       to calculate the Maximum Facilities Special Tax for each building on the Taxable Parcel. The  
13       Administrator shall also revise Attachment 3 to reflect the new Expected Maximum Facilities  
14       Special Tax Revenues.

15  
16       If, in any Fiscal Year, the Maximum Facilities Special Tax is determined for Leasehold  
17       Interests in any Parcel of Developed Property for which a Building Permit had not yet been  
18       issued, and if, when a Building Permit is issued for a building(s) on the Parcel, the Square  
19       Footage of such building(s) is different than the Square Footage that was used to determine  
20       the Maximum Facilities Special Tax, then the Administrator shall once again apply Steps 1  
21       through 4 in this Section C.2a to recalculate the Maximum Facilities Special Tax for Leasehold  
22       Interests in the Parcel based on the Square Footage that was determined when the Building  
23       Permit was issued. The Administrator shall do a final check of the Square Footage within  
24       each building when a Certificate of Occupancy is issued. Once again, if the Square Footage  
25       is different than the Square Footage that was used to determine the Maximum Facilities

Special Tax after the Building Permit was issued, then the Administrator shall apply Steps 1 through 4 in this Section C.2a to recalculate the Maximum Facilities Special Tax for Leasehold Interests in the Parcel.

## **2b. Shoreline Special Tax**

Upon issuance of the first Certificate of Occupancy for a building on a Taxable Parcel, the Administrator shall reference Table 2 and apply the steps below to determine the Maximum Shoreline Special Tax for that particular building on the Taxable Parcel:

| <b>Table 2</b><br><b>Base Shoreline Special Tax</b>  |   |   |   |
|--|---|---|---|
| <b>Square Footage Category</b>   | <b>Base<br/>Shoreline<br/>Special Tax<br/>Tax Zone 1<br/>(FY 2019-20) *</b> | <b>Base<br/>Shoreline<br/>Special Tax<br/>Tax Zone 2<br/>(FY 2019-20) *</b> | <b>Base<br/>Shoreline<br/>Special Tax<br/>Tax Zone 3<br/>(FY 2019-20) *</b> |
| Square Footage in Rental Residential Buildings with Building Heights greater than 70 feet          | \$0.60 per square foot  | \$0.91 per square foot  | \$0.00 per square foot  |
| Square Footage in Rental Residential Buildings with Building Heights less than or equal to 70 feet | \$0.57 per square foot  | \$0.84 per square foot  | \$0.00 per square foot  |
| Square Footage in Non-Residential Buildings  | \$0.57 per square foot  | \$0.86 per square foot  | \$0.00 per square foot  |
| Square Footage in Historic Building 2  | \$0.57 per square foot  | \$0.00 per square foot  | \$0.00 per square foot  |

\* The Base Shoreline Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

1     *Step 1.*       Review the Certificate of Occupancy, Building Permit, Vertical DDA,  
2     condominium plan, Development Approval Documents, architectural drawings, information  
3     provided by the Port, Developer, or Vertical Developer, and coordinate with the Review  
4     Authority to determine the Square Footage anticipated within the building for which a  
5     Certificate of Occupancy was issued.

6  
7     *Step 2.*   Using the information from Step 1:

8  
9     ▪       If the building for which a Certificate of Occupancy was issued is a Rental Residential  
10    Building, after consideration of the Building Height and Tax Zone for the building, multiply the  
11    applicable Base Shoreline Special Tax from Table 2 by the Square Footage expected within  
12    the building.

13  
14    ▪       If the building for which a Certificate of Occupancy was issued is a Non-Residential  
15    Building, based on the Tax Zone within which the Taxable Parcel is located, multiply the  
16    applicable Base Shoreline Special Tax from Table 2 by the Square Footage within the  
17    building.

18  
19    ▪       If the building for which a Certificate of Occupancy was issued is Historic Building 2,  
20    multiply the applicable Base Shoreline Special Tax from Table 2 by the Square Footage within  
21    Historic Building 2.

22  
23    Prior to the First Bond Sale, the Maximum Shoreline Special Tax for Leasehold Interests in  
24    the Taxable Parcel shall be the sum of the amounts calculated pursuant to the steps above for  
25

1 each building on the Taxable Parcel for which a Certificate of Occupancy has been issued,  
2 and Steps 3 and 4 below shall not apply.

3  
4 After the First Bond Sale, the Administrator shall apply Steps 3 and 4 to determine the  
5 Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel.

6  
7 *Step 3.* Sum the amounts calculated pursuant to the steps above for all buildings on the  
8 Taxable Parcel for which Certificates of Occupancy have been issued, and estimate the  
9 Shoreline Special Taxes to be generated from any remaining buildings expected to be  
10 constructed on the Taxable Parcel, to determine the Estimated Base Shoreline Special Tax  
11 Revenues for the Taxable Parcel.

12  
13 *Step 4.* Compare the Estimated Base Shoreline Special Tax Revenues from Step 3 to  
14 the Expected Maximum Shoreline Special Tax Revenues, and, apply one of the following, as  
15 applicable:

16  
17 ■ *If the Estimated Base Shoreline Special Tax Revenues are: (i) greater than or equal to*  
18 *the Expected Maximum Shoreline Special Tax Revenues or (ii) less than the Expected*  
19 *Maximum Shoreline Special Tax Revenues, but the Maximum Shoreline Special Tax*  
20 *Revenues, assuming the same land uses that went into the calculation of the Estimated Base*  
21 *Shoreline Special Tax Revenues, are still sufficient to provide Required Coverage and to meet*  
22 *the requirements of Financing Plan Section 4.7, then the Maximum Shoreline Special Tax for*  
23 *Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable*  
24 *Base Shoreline Special Taxes by the Square Footage expected on each building on the*  
25 *Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the*

Expected Maximum Shoreline Special Tax Revenues and the change in Maximum Shoreline Special Tax Revenues.

▪ *If the Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues, and the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are insufficient to provide Required Coverage and to meet the requirements of Financing Plan Section 4.7, then the Base Shoreline Special Taxes that were applied in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Shoreline Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage.*

After proportionately increasing the Base Shoreline Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use these adjusted per-square-foot rates to calculate the Maximum Shoreline Special Tax for each building on the Taxable Parcel. The Administrator shall also revise Attachment 3 to reflect the new Expected Maximum Shoreline Special Tax Revenues.

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

for Leasehold Interests in any such Taxable Parcel, the Administrator shall take the sum of the Shoreline Special Taxes determined for each building.

#### **2c. Arts Building Special Tax**

When a Taxable Parcel becomes Developed Property, the Administrator shall use the Base Arts Building Special Taxes shown in Table 3 below and apply the steps set forth in this Section 2c to determine the Maximum Arts Building Special Tax for Leasehold Interests in the Taxable Parcel:

| <b>Table 3<br/>Base Arts Building Special Tax</b>  |   |   |   |
|--|---|---|---|
| <b>Square Footage Category</b>   | <b>Base Arts Building Special Tax<br/>Tax Zone 1<br/>(FY 2019-20) *</b> | <b>Base Arts Building Special Tax<br/>Tax Zone 2<br/>(FY 2019-20) *</b> | <b>Base Arts Building Special Tax<br/>Tax Zone 3<br/>(FY 2019-20) *</b> |
| Square Footage in Rental Residential Buildings with Building Heights greater than 70 feet          | \$0.43 per square foot  | \$0.43 per square foot  | \$0.00 per square foot  |
| Square Footage in Rental Residential Buildings with Building Heights less than or equal to 70 feet | \$0.43 per square foot  | \$0.43 per square foot  | \$0.00 per square foot  |
| Square Footage in Non-Residential Buildings  | \$0.53 per square foot  | \$0.53 per square foot  | \$0.00 per square foot  |
| Square Footage in Historic Building 2  | \$0.43 per square foot  | \$0.00 per square foot  | \$0.00 per square foot  |

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

1     *Step 1.*       The Administrator shall review the Building Permit, Certificate of Occupancy,  
2     Vertical DDA, condominium plan, architectural drawings, Development Approval Documents,  
3     information provided by the Port, Developer, or Vertical Developer, and any other documents  
4     or data that estimate or identify the Square Footage within each building anticipated on the  
5     Taxable Parcel.

6  
7         *Step 2.*     Using the information from Step 1:

8  
9     ▪       After consideration of the Building Height and Tax Zone for the Taxable Parcel, multiply  
10    the applicable Base Arts Building Special Tax from Table 3 by the actual and/or expected  
11    Square Footage in each Rental Residential Building on the Taxable Parcel

12  
13    ▪       Based on the Tax Zone in which the Taxable Parcel is located, multiply the applicable  
14    Base Arts Building Special Tax from Table 3 by actual and/or expected the Square Footage  
15    within each Non-Residential Building on the Taxable Parcel.

16    ▪       Multiply the applicable Base Arts Building Special Tax from Table 3 by the Square  
17    Footage within Historic Building 2.

18  
19    Prior to the First Bond Sale, the Maximum Arts Building Special Tax for the Taxable Parcel  
20    shall be the sum of the amounts calculated above, and Steps 3 and 4 below shall not apply.

21  
22    After the First Bond Sale, the Administrator shall apply Steps 3 and 4 to determine the  
23    Maximum Arts Building Special Tax for Leasehold Interests in the Taxable Parcel.

1 Step 3. Sum the amounts calculated in Step 2 to determine the Estimated Base Arts  
2 Building Special Tax Revenues for each Taxable Parcel

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

7  
8 ■ *If the Estimated Base Arts Building Special Tax Revenues are: (i) greater than or equal  
9 to the Expected Maximum Arts Building Special Tax Revenues or (ii) less than the Expected  
10 Maximum Arts Building Special Tax Revenues, but the Maximum Arts Building Special Tax  
11 Revenues, assuming the same land uses that went into the calculation of the Estimated Base  
12 Arts Building Special Tax Revenues, are still sufficient to provide Required Coverage, then the  
13 Maximum Arts Building Special Tax for Leasehold Interests in the Taxable Parcel shall be  
14 determined by multiplying the applicable Base Arts Building Special Taxes by the actual  
15 and/or expected Square Footage of each building on the Taxable Parcel. The Administrator  
16 shall update Attachment 3 to reflect the change in Expected Maximum Arts Building Special  
17 Tax Revenues and the change in Maximum Arts Building Special Tax Revenues.*

18  
19 ■ *If the Estimated Base Arts Building Special Tax Revenues are less than the Expected  
20 Maximum Arts Building Special Tax Revenues, and the Maximum Arts Building Special Tax  
21 Revenues, assuming the same land uses that went into the calculation of the Estimated Base  
22 Arts Building Special Tax Revenues, are insufficient to provide Required Coverage, then the  
23 Base Arts Building Special Taxes that were applied in Step 2 shall be increased  
24 proportionately until the amount that can be levied on Leasehold Interests in the Taxable  
25*



1 Parcel, combined with the Expected Maximum Arts Building Special Tax Revenues from all  
2 other Taxable Parcels in the STD, is sufficient to maintain Required Coverage.

3  
4 After proportionately increasing the Base Arts Building Special Taxes to an amount that will  
5 maintain Required Coverage, the Administrator shall use these adjusted per-square foot rates  
6 to calculate the Maximum Arts Building Special Tax for each building on the Taxable Parcel.  
7 The Administrator shall also revise Attachment 3 to reflect the new Expected Maximum Arts  
8 Building Special Tax Revenues.

9  
10 If, in any Fiscal Year, the Maximum Arts Building Special Tax is determined for Leasehold  
11 Interests in any Parcels of Developed Property for which a Building Permit had not yet been  
12 issued and, if, when a Building Permit is issued for a building(s) on the Parcel, the Square  
13 Footage of such building(s) is different than the Square Footage that was used to determine  
14 the Maximum Arts Building Special Tax, then the Administrator shall once again apply Steps 1  
15 through 4 in this Section C.2c to recalculate the Maximum Arts Building Special Tax for  
16 Leasehold Interests in the Parcel based on the Square Footage that was determined when  
17 the Building Permit was issued. The Administrator shall do a final check of the Square  
18 Footage within each building when a Certificate of Occupancy is issued. Once again, if the  
19 Square Footage is different than the Square Footage that was used to determine the  
20 Maximum Arts Building Special Tax after the Building Permit was issued, then the  
21 Administrator shall apply Steps 1 through 4 in this Section C.2c to recalculate the Maximum  
22 Arts Building Special Tax for Leasehold Interests in the Parcel.

2d. **Services Special Tax**

Upon issuance of the first Certificate of Occupancy for a building on a Taxable Parcel, the Administrator shall reference Table 4 and apply the steps below to determine the Maximum Services Special Tax for that particular building on the Taxable Parcel:

| Table 4<br>Base Services Special Tax   |  |   |   |
|--|--|---|---|
| Square Footage Category  | Base Services<br>Special Tax<br>Tax Zone 1<br>(FY 2019-20) * | Base<br>Services<br>Special Tax<br>Tax Zone 2<br>(FY 2019-20) * | Base<br>Services<br>Special Tax<br>Tax Zone 3<br>(FY 2019-20) * |
| Square Footage in Rental Residential<br>Buildings with Building Heights greater<br>than 70 feet          | \$0.87 per<br>square foot                                    | \$0.87 per<br>square foot                                       | \$0.00 per<br>square foot                                       |
| Square Footage in Rental Residential<br>Buildings with Building Heights less than<br>or equal to 70 feet | \$0.87 per<br>square foot                                    | \$0.87 per<br>square foot                                       | \$0.00 per<br>square foot                                       |
| Square Footage in Non-Residential<br>Buildings   | \$1.07 per<br>square foot                                    | \$1.07 per<br>square foot                                       | \$0.00 per<br>square foot                                       |
| Square Footage in Historic Building 2  | \$0.87 per<br>square foot                                    | \$0.00 per<br>square foot                                       | \$0.00 per<br>square foot                                       |

\* The Base Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.

*Step 1.* Review the Certificate of Occupancy, Building Permit, Vertical DDA, condominium plan, Development Approval Documents, architectural drawings, information provided by the Port, Developer, or Vertical Developer, and coordinate with the Review Authority to determine the Square Footage anticipated within the building for which a Certificate of Occupancy was issued.

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

3  
4       ▪       If the building for which a Certificate of Occupancy was issued is a Rental Residential  
5 Building, after consideration of the Building Height and Tax Zone for the building, multiply the  
6 applicable Base Services Special Tax from Table 4 by the Square Footage expected within  
7 the building.

8  
9       ▪       If the building for which a Certificate of Occupancy was issued is a Non-Residential  
10 Building, based on the Tax Zone within which the Taxable Parcel is located, multiply the  
11 applicable Base Services Special Tax from Table 4 by the Square Footage within the building.

12  
13       ▪       If the building for which a Certificate of Occupancy was issued is Historic Building 2,  
14 multiply the applicable Base Services Special Tax from Table 4 by the Square Footage within  
15 Historic Building 2.

16  
17       The Maximum Services Special Tax for Leasehold Interests in the Taxable Parcel shall be the  
18 sum of the amount calculated pursuant to this Step 2 for each building on the Taxable Parcel  
19 for which a Certificate of Occupancy has been issued.

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

Occupancy is issued for such remaining buildings. To determine the Services Special Tax for any such Taxable Parcel, the Administrator shall take the sum of the Services Special Taxes determined for each building.

**D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

**1. *Annual Escalation of Facilities Special Tax, Shoreline Special Tax, and Arts Building Special Tax***

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

**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 4 and the Maximum Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel shall be adjusted by the Escalator.

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

2     If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or  
3     otherwise has a Land Use Change, the Administrator shall, separately for each of the Special  
4     Taxes, multiply the applicable Base Special Tax by the Square Footage within each new  
5     Square Footage Category; if the First Bond Sale has not yet occurred, this amount shall be  
6     the Maximum Special Tax for Leasehold Interests in the Parcel. If the First Bond Sale has  
7     taken place, the Administrator shall apply the remainder of this Section D.3.

8  
9     If the Maximum Special Tax that would apply to Leasehold Interests in the Parcel after the  
10    Land Use Change is greater than the Maximum Special Tax that applied to Leasehold  
11    Interests in the Parcel prior to the Land Use Change, the Administrator shall increase the  
12    Maximum Special Tax for the Parcel to the amount calculated for each new Square Footage  
13    Category. If the Maximum Special Tax after the Land Use Change is less than the Maximum  
14    Special Tax that applied prior to the Land Use Change, there will be no change to the  
15    Maximum Special Tax for Leasehold Interests in the Parcel. Under no circumstances shall  
16    the Maximum Special Tax on Leasehold Interests in any Parcel of Developed Property be  
17    reduced, regardless of changes in Square Footage Category or Square Footage on the  
18    Parcel, including reductions in Square Footage that may occur due to demolition, fire, water  
19    damage, or acts of God.

20  
21    **4.     *Changes to Planning Parcels and Expected Land Uses***

22  
23    If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes  
24    changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or  
25    more Planning Parcels, the Administrator shall update the Expected Land Uses and Expected

1 Maximum Facilities Special Tax Revenues, Expected Maximum Shoreline Special Tax  
2 Revenues, and Expected Maximum Arts Building Special Tax Revenues, which will be  
3 reflected on an updated Attachment 3. In addition, the Administrator will request updated  
4 Attachments 1 and 2 from the Developer.

5  
6 If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make changes  
7 to the boundaries of the Planning Parcels or the Expected Land Uses within one or more  
8 Planning Parcels, the Administrator shall meet with the Port, Developer, and any affected  
9 Vertical Developers to review the proposed changes and evaluate the impact on the Expected  
10 Maximum Facilities Special Tax Revenues, Expected Maximum Shoreline Special Tax  
11 Revenues, and Expected Maximum Arts Building Special Tax Revenues. If the Administrator  
12 determines that such changes will not reduce Required Coverage on Bonds that have been or  
13 will be issued, the Port will decide whether to allow the proposed changes and corresponding  
14 redistribution of the Expected Maximum Facilities Special Tax Revenues, Expected Maximum  
15 Shoreline Special Tax Revenues, and Expected Maximum Arts Building Special Tax  
16 Revenues. If such changes are permitted, the Administrator will update Attachment 3 and  
17 request updated Attachments 1 and 2 from the Developer. If the Administrator determines that  
18 the proposed changes will reduce Required Coverage on Bonds that have been issued, the  
19 Port will not permit the changes.

20  
21 **5. Reduction in Maximum Facilities Special Taxes and Shoreline Special Taxes**  
22 **Prior to First Bond Sale**

23  
24 Prior to the First Bond Sale, if the City, Port and Developer determine that assumptions that  
25 were factored into estimates of Tax Increment at STD Formation have changed, and the

1 estimated Tax Increment is expected to be lower than the original estimates, the Port and  
2 Developer may agree to a proportional or disproportional reduction in the Base Facilities  
3 Special Tax or Base Shoreline Special Tax as set forth in Section 4.5(d) of the Financing  
4 Plan. If the parties agree to such a reduction, the Port will direct the Administrator to use the  
5 reduced Base Facilities Special Tax or Base Shoreline Special Tax for purposes of levying the  
6 taxes pursuant to this RMA, and an amended Notice of Special Tax Lien reflecting the  
7 reduction will be recorded against all Taxable Parcels within the STD. The reduction shall be  
8 made without a vote of the qualified STD electors.

9  
10 **6. *Affordable Leasehold Interests***

11  
12 If an Affordable Unit Leasehold Interest is established within a Rental Residential Building, the  
13 Expected Maximum Facilities Special Tax Revenues, Expected Maximum Shoreline Special  
14 Tax Revenues, and Expected Maximum Arts Building Special Tax Revenues that were  
15 assigned to the Rental Residential Building prior to such Affordable Unit Leasehold Interest  
16 being established shall continue to apply regardless of the actual square footage included  
17 within the Market-Rate Unit Leasehold Interest. The Expected Maximum Facilities Special  
18 Tax Revenues, Expected Maximum Shoreline Special Tax Revenues, and Expected  
19 Maximum Arts Building Special Tax Revenues assigned to the Market-Rate Unit Leasehold  
20 Interest will be escalated pursuant to Section D.1 above.

21 A.

22  
23 **B. E. ANNEXATIONS**

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

4  
5 *Step 1.* Working with Port staff, the Administrator shall determine the Expected Land  
6 Uses for the area to be annexed and the Tax Zone into which the property will be placed.

7  
8 *Step 2.* The Administrator shall prepare or have prepared updated Attachments 1, 2,  
9 and 3 to reflect the annexed property and identify the revised Expected Land  
10 Uses, Expected Maximum Facilities Special Tax Revenues, Expected  
11 Maximum Shoreline Special Tax Revenues, and Expected Maximum Arts  
12 Building Special Tax Revenues. After the annexation is complete, the  
13 application of this RMA shall be based on the adjusted Expected Land Uses  
14 and Maximum Facilities Special Tax Revenues, Maximum Shoreline Special  
15 Tax Revenues, and Maximum Arts Building Special Tax Revenues, as  
16 applicable, including the newly annexed property.

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

19  
20 **F. METHOD OF LEVY OF THE SPECIAL TAXES**

21  
22 **1. *Facilities Special Tax***



1 Each Fiscal Year, the Administrator shall determine the Facilities Special Tax Requirement for  
2 the Fiscal Year, and the Facilities Special Tax shall be levied according to the steps outlined  
3 below:

4  
5 *Step 1.* The Administrator shall determine the Facilities Special Tax to be levied on  
6 Leasehold Interests in each Taxable Parcel of Developed Property, as follows:

7  
8 **Step 1a.** Calculate the Maximum Facilities Special Tax for each Leasehold Interest in each  
9 Parcel of Developed Property.

10  
11 **Step 1b.** In consultation with the City, determine which Parcels of Developed Property are  
12 Assessed Parcels.

13  
14 **Step 1c.** For all Parcels of Developed Property that are not Assessed Parcels, levy the  
15 Maximum Facilities Special Tax on Leasehold Interests in such Parcels. Any Remainder  
16 Special Taxes collected shall be applied pursuant to the Financing Plan.

17  
18 **Step 1d.** For all Assessed Parcels:

19  
20 **Step 1dA.** Determine the amount of the Parcel Increment.

21  
22 **Step 1dB.** If the total amount of Parcel Increment available is equal to or greater than the  
23 total aggregate Maximum Facilities Special Taxes for all Assessed Parcels, then the levy on  
24 each Assessed Parcel shall be zero (\$0).

1 **Step 1dC.** If the total amount of Parcel Increment available is less than the aggregate  
2 Maximum Facilities Special Taxes for all Assessed Parcels, the Administrator shall apply the  
3 appropriate sub-step below:  
4

5 **Substep 1dC(i).** *If, after coordination with the City and Port, the Administrator is*  
6 *provided with a breakdown of Parcel Increment on a Parcel-by-Parcel basis in time for*  
7 *submission of the Special Tax levy,* the Administrator shall determine the net tax levy on  
8 Leasehold Interests in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by taking  
9 the following steps in the following order of priority: (i) subtract from the Maximum Facilities  
10 Special Tax for each Assessed Parcel the amount of Parcel Increment generated from the  
11 applicable Assessed Parcel, and (ii) for each Assessed Parcel whose tax levy was not  
12 reduced to \$0 pursuant to item (i) in this paragraph, apply any remaining Parcel Increment  
13 that was not applied pursuant to item (i) in this paragraph to each such Assessed Parcel on a  
14 pro rata basis (based on the Parcel's net remaining tax levy as a percentage of the aggregate  
15 net remaining tax levy for all Parcels for which Parcel Increment was insufficient to pay the  
16 Parcel's Maximum Facilities Special Tax). The Administrator shall levy on Leasehold  
17 Interests in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed  
18 Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing  
19 Plan. In making the calculation pursuant to item (i) above for a Market-Rate Unit Leasehold  
20 Interest in a building in the STD, the Parcel Increment to be subtracted from the Maximum  
21 Facilities Special Tax assigned to the Market-Rate Unit Leasehold Interest shall be the  
22 combined Parcel Increment generated from the Market-Rate Unit Leasehold Interest and the  
23 Affordable Unit Leasehold Interest in the building.  
24  
25

1     **Substep 1dC(ii). *If, after coordination with the City and Port, the Administrator***  
2     ***determines that a breakdown of Parcel Increment on a Parcel-by-Parcel basis cannot***  
3     ***be provided in time for submission of the Special Tax levy,*** the Administrator shall  
4     determine the net tax levy on the Leasehold Interest in each Assessed Parcel (the "Net  
5     Assessed Parcel Tax Levy") by subtracting from the Maximum Facilities Special Tax for each  
6     Assessed Parcel a pro rata share of the Parcel Increment, with such pro rata share  
7     determined based on each Parcel's Maximum Facilities Special Tax as a percentage of the  
8     aggregate Maximum Facilities Special Tax for all Parcels in the STD. The Administrator shall  
9     levy on the Leasehold Interest in each Assessed Parcel the Net Assessed Parcel Tax Levy for  
10    such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to  
11    the Financing Plan. In making the calculation pursuant to item (i) in Substep 1dC(i) above for  
12    a Market-Rate Unit Leasehold Interest in a building in the STD, the Parcel Increment to be  
13    subtracted from the Maximum Facilities Special Tax assigned to the Market-Rate Unit  
14    Leasehold Interest shall be the combined Parcel Increment generated from the Market-Rate  
15    Unit Leasehold Interest and the Affordable Unit Leasehold Interest in the building.  
16    The Review Authority shall make the final determination regarding available Parcel Increment,  
17    the Maximum Facilities Special Tax that applies to a Parcel based on the Leasehold Interests  
18    in the Parcel, and the application of Parcel Increment pursuant to Substeps 1dC(i). and 1dC(ii)  
19    above.

20  
21    **Step 2.**       After the First Bond Sale, if additional revenue is needed after Step 1 in order to  
22    meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to  
23    reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied  
24    Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an  
25

1 amount up to 100% of the Maximum Facilities Special Tax for Leasehold Interests in each  
2 Taxable Parcel of Undeveloped Property for such Fiscal Year.

3  
4 **2. Shoreline Special Tax**

5  
6 Each Fiscal Year, the Maximum Shoreline Special Tax shall be levied on Leasehold Interests  
7 in each Taxable Parcel of Developed Property. Any Remainder Special Taxes collected shall  
8 be applied as set forth in the Financing Plan. The Shoreline Special Tax may not be levied on  
9 Undeveloped Property.

10  
11 **3. Arts Building Special Tax**

12  
13 Each Fiscal Year, the Maximum Arts Building Special Tax shall be levied on Leasehold  
14 Interests in each Taxable Parcel of Developed Property. Any Remainder Special Taxes  
15 collected shall be applied as set forth in the Financing Plan. The Arts Building Special Tax  
16 may not be levied on Undeveloped Property.

17  
18 **4. Services Special Tax**

19  
20 Each Fiscal Year, the Administrator shall coordinate with the City and the Port to determine  
21 the Services Special Tax Requirement for the Fiscal Year. The Services Special Tax shall  
22 then be levied Proportionately on Leasehold Interests in each Taxable Parcel of Developed  
23 Property, in an amount up to 100% of the Maximum Services Special Tax for Leasehold  
24 Interests in each Parcel of Developed Property for such Fiscal Year until the amount levied is  
25

1 equal to the Services Special Tax Requirement. The Services Special Tax may not be levied  
2 on Undeveloped Property.

3  
4  
5 **G. COLLECTION OF SPECIAL TAXES**

6  
7 Special Taxes shall be collected in the same manner and at the same time as ordinary ad  
8 valorem property taxes on the regular tax roll, provided, however, that the City may directly bill  
9 Special Taxes, may collect Special Taxes at a different time or in a different manner, and may  
10 collect delinquent Special Taxes through foreclosure or other available methods as authorized  
11 by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on  
12 Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable  
13 Parcel subject to a Leasehold Interest will be sent to the same party that receives the  
14 possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to  
15 the Taxpayer.

16  
17 In calculating the Facilities Special Tax Requirement, under no circumstances may the  
18 Facilities Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal  
19 Year be increased by more than ten percent (10%) of the Maximum Facilities Special Tax for  
20 that Parcel (or such lesser amount required by the CFD Law) as a consequence of  
21 delinquency or default in payment of Facilities Special Taxes levied on Leasehold Interests in  
22 another Parcel(s) in the STD (the "Delinquency Levy").

23  
24 The Delinquency Levy, if any, is determined when calculating the Facilities Special Tax  
25 Requirement. Accordingly, when determining the levy of Facilities Special Taxes on

1 Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1, the Delinquency  
2 Levy, if any, has already been applied and, therefore, the Administrator shall not levy any  
3 additional Delinquency Levy on an Assessed Parcel that has its Facilities Special Tax levy  
4 reduced or eliminated by Parcel Increment.

5  
6 The Facilities Special Tax shall be levied and collected on Leasehold Interests in each  
7 Taxable Parcel until the earlier of: (i) the Fiscal Year in which the Port determines that all  
8 Authorized Expenditures that will be funded by the STD have been funded and all Facilities  
9 Special Tax Bonds have been fully repaid; (ii) the Fiscal Year after the Fiscal Year in which  
10 Tax Increment is no longer collected within the Sub-Project Area within which the Taxable  
11 Parcel is located and all Facilities Special Tax Bonds have been fully repaid, as determined by  
12 the Administrator with direction from the Deputy Director; and (iii) Fiscal Year 2093-94.

13  
14 The Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each  
15 Taxable Parcel for 120 Fiscal Years.

16  
17 The Arts Building Special Tax shall be levied and collected until the earlier of: (i) the Fiscal  
18 Year in which the Port determines that all Arts Building Costs have been funded and all Arts  
19 Building Special Tax Bonds have been fully repaid; and (ii) Fiscal Year 2080-81.

20  
21 The Services Special Tax shall be levied and collected in perpetuity.  
22  
23  
24  
25

1     **H.   EXEMPTIONS**

2  
3     Notwithstanding any other provision of this RMA, no Special Taxes will be levied on fee  
4     simple interests in the STD, including Tax-Exempt Port Parcels. In addition, no Special Taxes  
5     shall be levied on Affordable Unit Leasehold Interests.  
6

7  
8     **I.   INTERPRETATION OF SPECIAL TAX FORMULA**

9     The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness,  
10    or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or  
11    revision does not materially affect the levy and collection of the Special Taxes and any  
12    security for any Bonds.  
13

14    **J.   SPECIAL TAX APPEALS**

15  
16    Any Taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in  
17    any Fiscal Year may file an application with the Administrator. The Administrator, in  
18    consultation with the City Attorney, shall promptly review the Taxpayer's application. If the  
19    Administrator concludes that the computation of the Special Taxes was not correct, the  
20    Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall  
21    be granted. If the Administrator concludes that the computation of the Special Taxes was  
22    correct, then such determination shall be final and conclusive, and the Taxpayer shall have no  
23    appeal to the Board from the decision of the Administrator.  
24  
25

1 The filing of an application or an appeal shall not relieve the Taxpayer of the obligation to pay  
2 the Special Taxes when due.

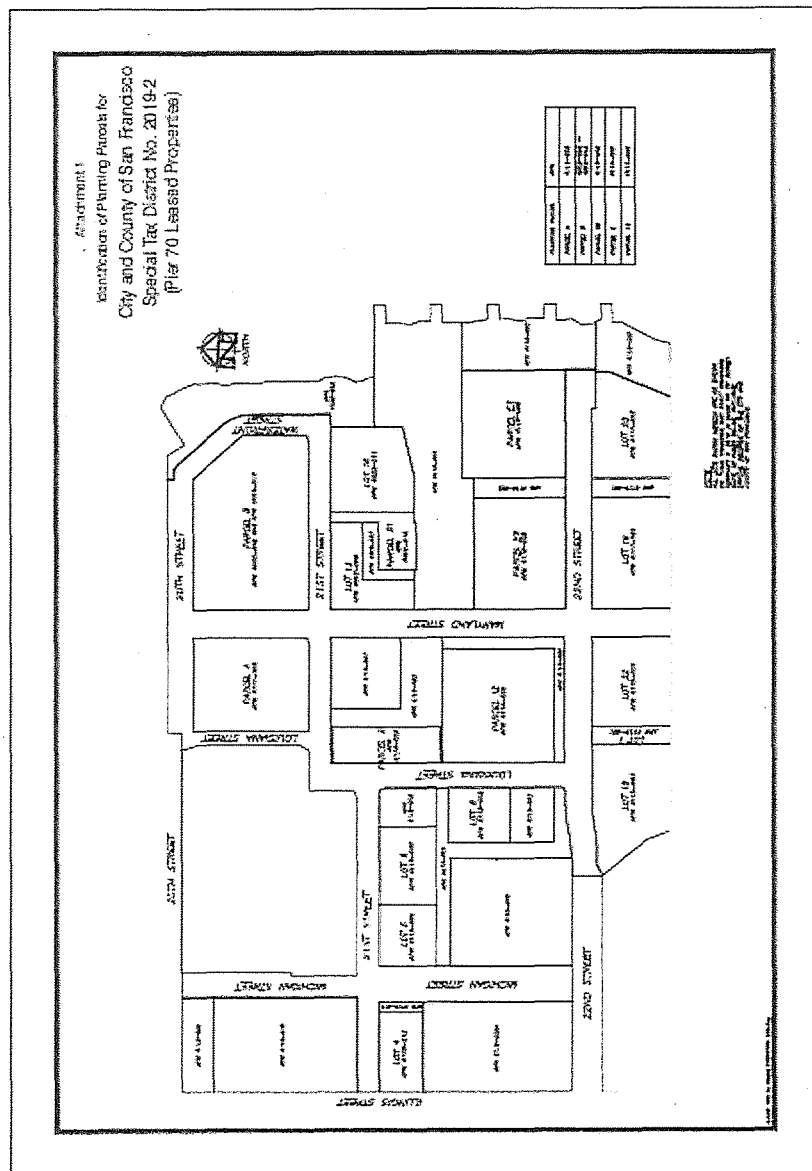
3  
4 Nothing in this Section J shall be interpreted to allow a Taxpayer to bring a claim that would  
5 otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere  
6 in applicable law.  
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# ATTACHMENT 1

## CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT No. 2019-2 (PIER 70 LEASED PROPERTIES)

### IDENTIFICATION OF PLANNING PARCELS



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ATTACHMENT 3

CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT No. 2019-2  
(PIER 70 LEASED PROPERTIES)

EXPECTED LAND USES, EXPECTED MAXIMUM FACILITIES SPECIAL TAX REVENUES, EXPECTED  
MAXIMUM SHORELINE SPECIAL TAX REVENUES, AND  
EXPECTED MAXIMUM ARTS BUILDING SPECIAL TAX REVENUES

| Planning Parcel | Expected Land Uses   | Expected Square Footage | Expected Maximum Facilities Special Tax Revenues (FY 2019-20)* | Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)* | Expected Maximum Arts Building Special Tax Revenues (FY 2019-20)* |
|-----------------|--|-------------------------|--|---|---|
| TAX ZONE 1      |  |                         |  |   |   |
| Parcel A        | Non-Residential Building   | 265,743                 | \$993,879  | \$151,473   | \$140,844   |
| Parcel 2        | Historic Building 2  | 87,300                  | \$325,629  | \$49,761  | \$37,539  |
| Parcel E2       | Rental Residential Buildings with Building Heights less than or equal to 70 feet | 254,931                 | \$950,893  | \$145,311   | \$109,620   |
| TAX ZONE 2      |  |                         |  |   |   |
| Parcel B        | Non-Residential Building   | 450,709                 | \$1,685,652  | \$387,610   | \$238,876   |
| TAX ZONE 3      |  |                         |  |   |   |
| Parcel 12       | Historic Building 12   | 141,300                 | \$497,376  | \$0   | \$0   |
| TOTAL           | N/A  | 1,199,983               | \$4,453,429  | \$734,155   | \$526,879   |

\*Beginning July 1, 2020 and each July 1 thereafter the Base Facilities Special Tax, the Base Shoreline Special Tax, and the Base Arts Building Special Tax shall be escalated as set forth in Section D.1.

**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2019-2  
(PIER 70 LEASED PROPERTIES)**

**PUBLIC AGENCY STATEMENT AND CONSENT**

\_\_\_\_\_, 2019

Board of Supervisors of the  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Members of the Board of Supervisors:

The Board of Supervisors of the City and County of San Francisco (the "City") has initiated formation of City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties) (the "Special Tax District") under Chapter 43, Article X of the San Francisco Administrative Code (as it may be amended from time to time, the "Code"), which Code incorporates by reference the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act"). This Public Agency Statement and Consent (this "Statement") is submitted in connection with the formation of the Special Tax District pursuant to Sections 53317(f)(1), 53317(f)(3) and 53326(a) of the Mello-Roos Act.

1. Property Owner. This Statement is submitted by the entity identified below (the "Property Owner"), which is the owner of the fee simple title of the parcels of land identified by the Assessor Parcel Numbers listed on Exhibit B attached hereto and incorporated herein by reference (the "Property"). The undersigned warrants to the City with respect to the Property that it is authorized to execute this Statement and that the submission of this Statement and participation in the proceedings to form the Special Tax District will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of the State of California or the United States of America, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, fiscal agent agreement, contract, agreement or other instrument to which the Property Owner is a party or is otherwise subject or bound.

2. Consent to Proceedings. The Property Owner hereby consents to proceedings under the Code to create the Special Tax District. The Property Owner acknowledges that a two-thirds vote of the qualified electors in the Special Tax District that vote on the issues is required for (i) the levy of special taxes in the Special Tax District pursuant to the Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be prepared by the City, (ii) the issuance of special tax bonds and the incurrence of other debt (as defined in the Mello-Roos Act) for the Special Tax District in an amount to be determined during the formation proceedings and (iii) the establishment of an appropriations limit for the Special Tax District in an amount to be determined during the formation proceedings.

The Property Owner hereby declares that it is a "landowner" (as defined in Section 53317(f) of the Mello-Roos Act) for purposes of the formation proceedings for the Special Tax District because the Property either will be (a) transferred by conveyance of the fee interest to private ownership for the construction of improvements, in which case the Property Owner hereby agrees that the Property will be subject to the special tax on the same basis as private property within the Special Tax District and affirmatively waives any defense based on the fact of public ownership to any action to foreclose on the Property in the event of nonpayment of the special tax or (b) leased to a nonexempt person or entity and, pursuant to Section 53340.1 of the Mello-Roos Act, the special tax will be levied on the leasehold interest and payable by the owner of the leasehold interest.

3. Boundaries of CFD. The Property Owner hereby consents to the Property being included within the boundaries of the Special Tax District.

4. Purpose of CFD. The Property Owner acknowledges that the Special Tax District will be created for the purpose of financing the facilities, public services and other costs described in Exhibit A attached hereto and incorporated herein by reference.


5. Elections. The Property Owner hereby consents to a special election being held under the Code to authorize the special taxes and the issuance of the bonds and other debt and to establish an appropriations limit for the Special Tax District, to the consolidation of the matters into a single election and to the election being conducted by the City and its officials, using mailed or hand-delivered ballots, with such ballots being opened and canvassed and the results certified at the same meeting of the Board of Supervisors as the public hearings on the Special Tax District under the Code or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for the Special Tax District, all notices of hearings and all notices of election, applicable waiting periods under the Code for the election and all ballot analyses and arguments for the election are hereby waived. The Property Owner also waives any requirement as to the specific form of the ballot to be used for the election, whether under the Code, the California Elections Code or otherwise.

This Statement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this Statement, the Property Owner agrees to all of the above.

CITY AND COUNTY OF SAN FRANCISCO,  
ACTING BY AND THROUGH THE SAN  
FRANCISCO PORT COMMISSION

By:   
Elaine Forbes  
Executive Director  
San Francisco Port Commission

**EXHIBIT A**

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

## EXHIBIT A

City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties) (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 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. 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 the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), including:

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

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

6. Combined Sanitary Sewer and Stormwater Management– includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment BMPs such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements.
7. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems.
8. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding. Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements.
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), and any other associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space, mid-block passages, streets or streetscapes in the DDA or Design for Development.

12. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic buildings associated with horizontal public improvements, such as Building 12 lifting, Building 21 relocation, Building 108 reuse for blackwater treatment, and Building 15 structural frame.
13. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Pier 70 Risk Management Plan, Pier 70 Master Plan Area, dated July 25, 2013, and associated with Horizontal Improvements.
14. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities, conducted in accordance with Pier 70 Financing Plan Section 4.7(f) (Determining Pier 70 Shoreline Protection Facilities).
15. Shoreline Protection Facilities includes, but is not limited to, future waterfront Improvements at the San Francisco shoreline to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.
16. Noonan Replacement Space, a space to accommodate the Noonan Space Lease in a new or rehabilitated building that meets the requirements of DDA § 7.13 (Noonan Replacement Space) for which the Port has issued a Temporary Certificate of Occupancy and Noonan moving costs related to relocating Noonan Tenants from the existing Noonan Building to the Noonan Replacement Space.
17. Arts Building, a new building on Parcel E4 with space dedicated and restricted to arts/light industrial uses in accordance with DDA § 7.12 (Arts Building) and the Arts Program, as well as community space that can be funded under the Financing Plan.
18. Historic Building Feasibility Gap as specified in Financing Plan Section 11.1 (Subsidy for Historic Buildings 12 and 21).
19. Deferred Infrastructure.

20. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development, incurred after the Reference Date to develop improvements authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.

21. Associated Public Benefits.

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

23. Any other costs authorized to be financed by the STD under the DDA.

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

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

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

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

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

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and

observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the STD.

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

- (1) The cost of planning and designing facilities to be financed by the STD, including the cost of environmental evaluations of those facilities.
- (2) The costs associated with the creation of the STD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the STD.
- (3) Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- (4) Special taxes levied on a property in the STD and paid by the Master Developer on behalf of a local agency or other landowner prior to the development of the property.

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

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

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

## **AUTHORIZED SERVICES**

Special taxes collected in the STD may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), in and, to the extent permitted by the DDA, outside the FC Project Area, including:

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, and other public amenities, some of which may be rooftop facilities or located on privately leased property but identified as public open space in the DDA or Design for Development.

- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, retaining walls within the ROWs and related amenities in the FC Project Area, including any portion of the Building 15 structure over 22nd Street, some of which may be located on privately leased property but identified as public open space in the DDA or Design for Development.
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the FC Project Area that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront.
- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving.
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs.
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages.
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities.
- Any other costs authorized to be financed by the STD under the DDA.

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

## INCIDENTAL COSTS

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

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

## EXHIBIT B

### ASSESSOR PARCEL NUMBERS

#### Assessor's Parcel Nos.

#### Names of Property Owners

|          |                               |
|----------|-------------------------------|
| 4111-009 | San Francisco Port Commission |
| 4052-008 | San Francisco Port Commission |
| 4052-012 | San Francisco Port Commission |
| 4114-005 | San Francisco Port Commission |
| 4114-006 | San Francisco Port Commission |
| 4116-008 | San Francisco Port Commission |



CITY AND COUNTY OF SAN FRANCISCO  
**DEPARTMENT OF ELECTIONS**

John Arntz, Director

October 19, 2019

Honorable Members  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102

Re: Registered Voters within Boundaries of Proposed "City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties)"

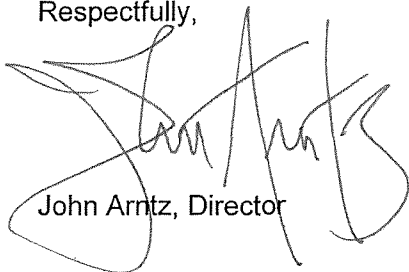
Honorable Members of the Board of Supervisors:

This letter confirms that on October 18, 2019, I reviewed the records of registered voters for the territory that is encompassed within the proposed boundaries of the City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties) (the "Special Tax District"), as such territory is (a) shown on the boundary map for the Special Tax District, reference to which maps is hereby made and by this reference incorporated herein and (b) identified by the following list of Assessor Parcel Numbers and landowners:

| Block | Lot | Owner per Assessor's Roll     | Current Owner (if different) |
|-------|-----|-------------------------------|------------------------------|
| 4111  | 009 | San Francisco Port Commission |                              |
| 4052  | 008 | San Francisco Port Commission |                              |
| 4052  | 012 | San Francisco Port Commission |                              |
| 4114  | 005 | San Francisco Port Commission |                              |
| 4114  | 006 | San Francisco Port Commission |                              |
| 4116  | 008 | San Francisco Port Commission |                              |

Based on this review, I hereby certify that on the date hereof, there were no registered voter within the boundaries of the Special Tax District.

Respectfully,



John Arntz, Director

English (415) 554-4375  
Fax (415) 554-7344  
TTY (415) 554-4386

sselections.org  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 48, San Francisco, CA 94102

中文 (415) 554-4367  
Español (415) 554-4366  
Filipino (415) 554-4310

Proposed Boundaries of  
City and County of San Francisco  
Special Tax District No. 2019-2  
(Pier 70 Leased Properties)  
City and County of San Francisco  
State of California



1. FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_.

ANGELA CALVILLO  
CLERK OF THE BOARD OF SUPERVISORS

2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2019-2 (PIER 70 LEASED PROPERTIES), CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

ANGELA CALVILLO  
CLERK OF THE BOARD OF SUPERVISORS

3. FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M., IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY ASSESSOR-RECORDER IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

COUNTY ASSESSOR-RECORDER,  
CITY AND COUNTY OF SAN FRANCISCO

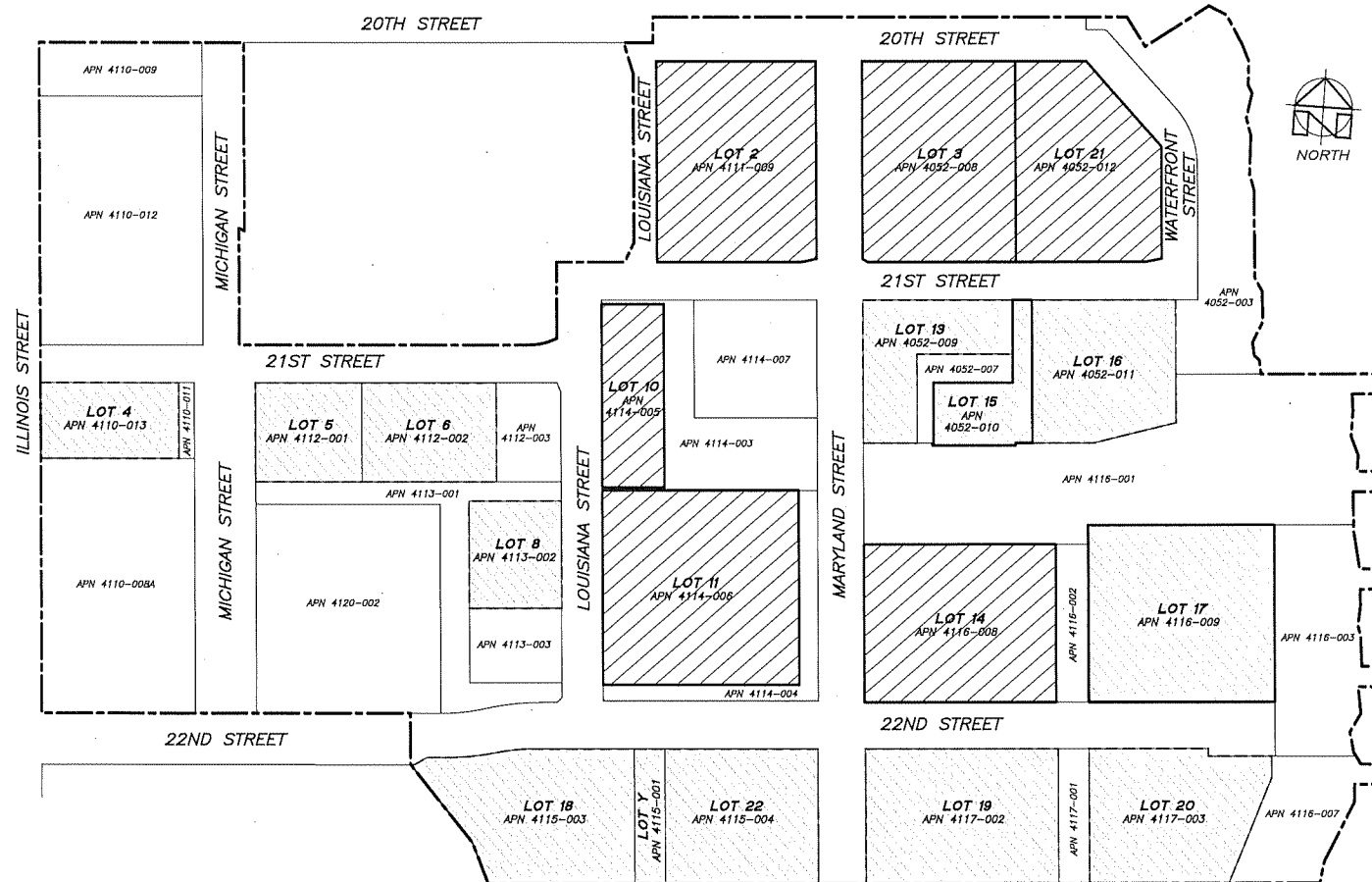
| LEGEND |   |
|--------|---|
| APN    | ASSESSOR'S PARCEL NUMBER                                    |
| -----  | PIER 70 SUD BOUNDARY  |
|        | SPECIAL TAX DISTRICT NO. 2019-2 (PIER 70 LEASED PROPERTIES) |
|        | FUTURE ANNEXATION AREA                                      |

NOTE

ALL LOTS SHOWN HEREON ARE AS SHOWN ON "FINAL TRANSFER MAP 9597" RECORDED FEBRUARY 7, 2019 IN BOOK HH OF SURVEY MAPS, AT PAGES 89-98, INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
859 HARRISON STREET, SUITE 200  
San Francisco, California 94107

SEPTEMBER 13, 2019 SHEET 1 OF 1





OFFICE OF THE MAYOR  
SAN FRANCISCO



LONDON N. BREED  
MAYOR

RECEIVED  
10/22/19 5:42 pm  
SL

SK

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Sophia Kittler  
RE: Resolution of Intention to Establish City and County of San Francisco  
Special Tax District No. 2019-2 (Pier 70 Leased Properties)  
DATE: Tuesday, October 22, 2019

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**Resolution of Intention to establish City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties) and a Future Annexation Area, determining other matters in connection therewith and making findings under the California Environmental Quality Act.**

Please note that Supervisor Walton is a co-sponsor of this legislation.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.