

1 [Levying Special Taxes - Special Tax District No. 2020-1 (Mission Rock Facilities and
2 Services)]

3 **Ordinance levying special taxes within the City and County of San Francisco Special**
4 **Tax District No. 2020-1 (Mission Rock Facilities and Services).**

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

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

13 Section 1. Background and Findings. The Board of Supervisors of the City and
14 County of San Francisco (“Board of Supervisors” or “Board”) hereby finds, determines, and
15 declares, based on the record before it, that:

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

21 (b) Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“Master
22 Developer”) and the City, acting by and through the Port, are parties to a Disposition and
23 Development Agreement (as amended from time to time, “DDA”), including a Financing Plan
24 (as amended from time to time, “Financing Plan”), that governs the disposition and
25 development of certain parcels in the jurisdiction of the Port, including Seawall Lot 337, 3.53
26 acres located at Terry A. Francois Boulevard from Third Street to Mission Rock Street, China

1 Basin Park and 1/2 acre to the east of Terry A. Francois Boulevard between Pier 48 and Pier
2 50 (“Project Site”), and also provides for development of Pier 48, which DDA was approved by
3 the Board by Resolution No. 42-18, adopted on February 13, 2018, signed by the Mayor on
4 February 23, 2018, and a copy of which is in Board File No. 180092 (“Mission Rock Project
5 Resolution”).

6 (c) The Port collaborated with the State Lands Commission and the Legislature,
7 resulting in an amendment of the Burton Act to lift or suspend its statutory trust use
8 restrictions that impede the Port’s ability to realize the development potential of Port lands.
9 Under Senate Bill 815 (Stats. 2007, ch. 660, as amended by Stats. 2016, ch. 529) (“SB 815”),
10 the Port is authorized to lease certain seawall lots south of Market Street, including the Project
11 Site, for non-trust purposes, providing revenues for rehabilitation of historic wharves and piers
12 and other trust uses; SB 815 allows long-term non-trust uses that are otherwise not
13 permissible under the Burton Act as a primary mechanism to generate Port revenues for trust
14 purposes, including the construction of infrastructure needed for development.

15 (d) On November 3, 2015, San Francisco voters approved the Mission Rock
16 Affordable Housing, Parks, Jobs and Historic Preservation Initiative (“Proposition D”), which
17 authorized increased height limits on the Project Site, subject to environmental review, and
18 established a City policy to encourage development of the Project Site. Proposition D
19 specifically provides that it is intended to encourage and implement the lease and
20 development of the Project Site as described in SB 815 to support the purposes of the Burton
21 Act, especially the preservation of historic piers and historic structures and construction of
22 waterfront plazas and open space.

23 (e) The proposed development of the Project Site, which is commonly referred to as
24 the Mission Rock project (“Project”), will be a new mixed-use neighborhood that is proposed
25 to include a mix of commercial/office, retail, parking, and market rate and affordable

1 residential uses and approximately eight acres of new and expanded parks and shoreline
2 access.

3 (f) Under the DDA, (1) the Master Developer is responsible for master development of
4 the Project Site, including construction of public infrastructure, (2) the Port and Master
5 Developer will enter into a master lease for all of the Project Site, (3) the Port will convey
6 development parcels to vertical developers and those parcels will be released from the master
7 lease, and (4) the Port may enter into a separate lease with the Master Developer (or an
8 affiliate of Master Developer) for development of Pier 48.

9 (g) The City anticipates that, in addition to the infrastructure and private development
10 described above, future improvements will be necessary to ensure that the shoreline, public
11 facilities, and public access improvements will be protected should sea level rise in the vicinity
12 of the Project Site, and the Board of Supervisors desires to provide a mechanism to pay for
13 the costs of such improvements.

14 (h) At its hearing on October 5, 2017, and prior to recommending proposed Planning
15 Code amendments for approval, by Motion No. M-20017, the Planning Commission certified a
16 Final Environmental Impact Report (“FEIR”) for the Project pursuant to the California
17 Environmental Quality Act (“CEQA”) (California Public Resources Code Sections 21000 et
18 seq.), the CEQA Guidelines (14 Cal. Code Reg. Sections 15000 et seq.), and Administrative
19 Code Chapter 31. A copy of said Motion is on file with the Clerk of the Board in File No.
20 171117, and is incorporated herein by reference.

21 (i) In recommending proposed Planning Code Amendments for approval by the Board
22 at its hearing on October 5, 2017, by Motion No. M-20018, the Planning Commission also
23 adopted findings under CEQA, including a statement of overriding consideration, and a
24 Mitigation Monitoring and Reporting Program (“MMRP”). Copies of said Motion and MMRP
25

1 are on file with the Clerk of the Board in File No. 171117, and are incorporated herein by
2 reference.

3 (j) Under Chapter 43, Article X of the Administrative Code ("Code"), which Code
4 incorporates by reference the Mello-Roos Community Facilities Act of 1982, as amended
5 ("Mello-Roos Act"), the Board is authorized to establish special tax districts and to act as the
6 legislative body for each such district.

7 (k) On February 25, 2020, the Board adopted Resolution No. 84-20, entitled
8 "Resolution declaring the intention to establish City and County of San Francisco Special Tax
9 District No. 2020-1 (Mission Rock Facilities and Services) and a future annexation area;
10 ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting
11 as a Committee of the Whole, on April 14, 2020, at 3:00 p.m.; determining other matters in
12 connection therewith, as defined herein; and making findings under the California
13 Environmental Quality Act" ("Resolution of Intention"), which Resolution of Intention was
14 signed by the Mayor on March 6, 2020, a complete copy of which is on file with the Clerk of
15 the Board in File No. 200117, stating its intention to form (1) the "City and County of San
16 Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)" ("Special
17 Tax District") and (2) a "City and County of San Francisco Special Tax District No. 2020-1
18 (Mission Rock Facilities and Services) (Future Annexation Area)" ("Future Annexation Area"),
19 pursuant to the Code.

20 (l) On February 25, 2020, the Board also adopted Resolution No. 85-20, entitled
21 "Resolution declaring the intention to incur bonded indebtedness and other debt in an
22 aggregate principal amount not to exceed \$3,700,000,000 for the City and County of San
23 Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services); ordering
24 and setting a time and place for a public hearing of the Board of Supervisors, sitting as a
25 Committee of the Whole, on April 14, 2020, at 3:00 p.m.; and determining other matters

1 related thereto, as defined herein” (“Resolution of Intention to Incur Indebtedness”), which
2 Resolution of Intention to Incur Indebtedness was signed by the Mayor on March 6, 2020, a
3 complete copy of which is on file with the Clerk of the Board in File No. 200118, stating its
4 intention to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act)
5 within the boundaries of the Special Tax District for the purpose of financing the costs of
6 certain facilities specified in the Resolution of Intention.

7 (m) Notice was published as required by the Code of the intention of the Board to form
8 the Special Tax District and the Future Annexation Area, to levy a special tax to provide for
9 certain facilities, services, and incidental expenses, and to incur bonded indebtedness and
10 other debt for the Special Tax District in an amount not to exceed \$3,700,000,000.

11 (n) On April 14, 2020, the Board held noticed public hearings as required by the Code.
12 At said hearings, all persons desiring to be heard on all matters pertaining to the formation of
13 the Special Tax District and the Future Annexation Area, the levy of said special taxes, and
14 the incurrence of bonded indebtedness and other debt were heard, substantial evidence was
15 presented and considered by the Board, and full and fair hearings were held.

16 (o) Subsequent to the hearings, the Board adopted resolutions entitled “Resolution of
17 formation of the City and County of San Francisco Special Tax District No. 2020-1 (Mission
18 Rock Facilities and Services) and a future annexation area; determining other matters in
19 connection therewith, as defined herein; and making findings under the California
20 Environmental Quality Act” (“Resolution of Formation”), “Resolution determining necessity to
21 incur bonded indebtedness and other debt in an aggregate principal amount not to exceed
22 \$3,700,000,000 for the City and County of San Francisco Special Tax District No. 2020-1
23 (Mission Rock Facilities and Services); and determining other matters in connection therewith,
24 as defined herein” (“Resolution of Necessity”) and “Resolution calling a special election in the
25 City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and

1 Services); and determining other matters in connection therewith, as defined herein”
2 (“Resolution of Special Election”), which resolutions were signed by the Mayor on April 24,
3 2020, and which resolutions defined the facilities, services, and incidental expenses to be
4 financed by the Special Tax District, established the Special Tax District, authorized the levy
5 of special taxes within the Special Tax District, determined the necessity to incur bonded
6 indebtedness and other debt in the Special Tax District and called an election within the
7 Special Tax District on the propositions of incurring indebtedness, levying the special taxes,
8 and establishing an appropriations limit within the Special Tax District.

9 (p) In the Resolution of Formation, the Board made certain findings under CEQA about
10 the FEIR for the disposition and development of the Project Site, and those findings are
11 incorporated in this Ordinance as if set forth in their entirety herein.

12 (q) In the Resolution of Formation, the Board determined that in order to advance the
13 public purposes of the City, the type of facilities proposed to be financed by the Special Tax
14 District and pursuant to the Code shall consist of those items listed as facilities in Exhibit A
15 hereto and by this reference incorporated herein (“Facilities”). The list of Facilities in Exhibit A
16 is included in this Ordinance in order to comply with Section 43.10.15 of the Code.

17 (r) In the Resolution of Formation, the Board also determined that in order to advance
18 the public purposes of the City, the type of services proposed to be financed by the Special
19 Tax District and pursuant to the Code shall consist of those items listed as services in Exhibit
20 A hereto and by this reference incorporated herein (“Services”). The list of Services in Exhibit
21 A is included in this Ordinance in order to comply with Section 43.10.16 of the Code.

22 (s) In the Resolution of Formation, the Board also determined that in order to advance
23 the public purposes of the City, the type of incidental expenses proposed to be financed by
24 the Special Tax District and pursuant to the Code shall consist of those items listed as
25

1 incidental expenses in Exhibit A hereto and by this reference incorporated herein (“incidental
2 expenses”).

3 (t) On April 20, 2020, a special election was held within the Special Tax District at
4 which the qualified electors approved the propositions of incurring indebtedness, levying the
5 special taxes, and establishing an appropriations limit within the Special Tax District by the
6 two-thirds vote required by the Code.

7
8 Section 2. The Board hereby authorizes and levies special taxes within the Special
9 Tax District pursuant to the Code, at the rate and in accordance with the formula ("Rate and
10 Method") set forth in the Resolution of Formation, which Resolution of Formation is by this
11 reference incorporated herein, a complete copy of which is on file with the Clerk of the Board
12 in File No. 200120. The special taxes are hereby levied commencing in fiscal year 2020-21
13 and in each fiscal year thereafter until payment in full of any bonds or other debt (as defined in
14 the Mello-Roos Act) issued by the City for the Special Tax District (“Bonds”) or such longer
15 period provided in the Rate and Method, as contemplated by the Resolution of Formation and
16 the Resolution of Necessity, and all costs of administering the Special Tax District.

17
18 Section 3. The Board hereby authorizes and directs the Director of the Office of Public
19 Finance of the City to determine each fiscal year the specific special tax rate and amount to
20 be levied for the next ensuing fiscal year for each parcel of real property within the Special
21 Tax District, in the manner and as provided in the Resolution of Formation and the Rate and
22 Method.

1 Section 4. In no event shall the special taxes be levied on any parcel within the Special
2 Tax District in excess of the maximum special taxes specified in the Resolution of Formation
3 and the Rate and Method.

4
5 Section 5. All of the collections of the special taxes shall be used as provided for in the
6 Code, in the Resolution of Formation, and in the Financing Plan, including, but not limited to,
7 the payment of principal and interest on the Bonds, the replenishment of one or more debt
8 service reserve funds for the Bonds, the payment of the costs of the Facilities, the Services,
9 and the incidental expenses, the payment of the costs of the City in administering the Special
10 Tax District, and the costs of collecting and administering the special taxes.

11
12 Section 6. The special taxes shall be collected in the same manner as ordinary ad
13 valorem taxes are collected and shall have the same lien priority, and be subject to the same
14 penalties and the same procedure and sale in cases of delinquency as provided for ad
15 valorem taxes; provided, however, that the Board hereby expressly approves the use of hand
16 billing for collection of special taxes in the Special Tax District and may provide for other
17 appropriate methods of collection by resolutions of the Board. In addition, the provisions of
18 Section 53356.1 of the Mello-Roos Act shall apply to delinquent special tax payments.

19 In the Resolution of Formation, the Board declared that it expects that the real property
20 in the Special Tax District that will be subject to the special taxes will consist of leasehold or
21 possessory interests in land owned by the City or by the City acting by and through the Port
22 Commission, and approved the levy of Special Taxes on such leasehold or possessory
23 interests on the secured property tax roll of the City and County of San Francisco.

24 The Board hereby authorizes and directs the Director of the Office of Public Finance of
25 the City to provide all necessary information to the appropriate officers of the City in order to

1 effect proper billing and collection of the special taxes, so that the special taxes shall be
2 included on the secured property tax roll of the City for fiscal year 2020-21 and for each fiscal
3 year thereafter until the Bonds and all costs of administering the Special Tax District are paid
4 in full or such longer period of time provided in the Rate and Method.

5
6 Section 7. As permitted by the Code, the provisions of this Ordinance shall apply not
7 only to the initial territory included in the Special Tax District but also to parcels included in the
8 Future Annexation Area that are annexed to the Special Tax District at the rate or rates to be
9 approved unanimously by the owner or owners of each parcel or parcels to be annexed to the
10 Special Tax District.

11
12 Section 8. Severability. If for any reason any portion of this Ordinance is found by a
13 court of competent jurisdiction to be invalid, or if the special taxes are found by a court of
14 competent jurisdiction inapplicable to any particular parcel within the Special Tax District, the
15 balance of this Ordinance and the application of the special taxes to the remaining parcels
16 within the Special Tax District shall not be affected. Furthermore, if any section, subsection,
17 sentence, clause, phrase, or word of this Ordinance, or any application thereof to any person
18 or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent
19 jurisdiction, such decision shall not affect the validity of the remaining portions or applications
20 of this Ordinance. This Board hereby declares that it would have passed this Ordinance and
21 each and every section, subsection, sentence, clause, phrase, and word not declared invalid
22 or unconstitutional without regard to whether any other portion of this Ordinance or application
23 thereof would be subsequently declared invalid or unconstitutional.

1 Section 9. Effective Date. This Ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the Ordinance, the Mayor returns the
3 Ordinance unsigned or does not sign the Ordinance within 10 days of receiving it, or the
4 Board overrides the Mayor’s veto of the Ordinance.

5
6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

8
9
10 By: _____
11 MARK D. BLAKE
12 Deputy City Attorney
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1 **EXHIBIT A**

2 CITY AND COUNTY OF SAN FRANCISCO

3 Special Tax District No. 2020-1
4 (Mission Rock Facilities and Services)

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

7 City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and
8 Services) (as originally configured and as expanded through annexation of property in the
9 future, the “**STD**”), is authorized to finance the Facilities, Services and Incidental Costs
10 described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have
11 the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-
12 Acre Site Project, attached as an appendix to the Disposition and Development Agreement
13 (“**DDA**”), dated as of August 15, 2018, by and between the Port and the Developer, including
14 all exhibits and attachments, as may be amended from time to time. When used in this Exhibit
15 A, “including” has the meaning given to it in the DDA.

16
17 **Authorized Facilities**

18 The STD is authorized to finance the purchase, construction, reconstruction, expansion,
19 improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by
20 the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos
21 Community Facilities Act of 1982 (Cal. Gov’t Code Section 53311 et seq.), including:

- 22
23 1. Land Acquisition – includes, but is not limited to, acquisition of land for public
24 improvements or for other requirements under the DDA.
25

- 1 2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs,
2 including abatement of hazardous materials, removal of below-grade, at-grade, and
3 above-grade facilities, and recycling or disposal of waste, including demolition and
4 abatement within future vertical sites that is necessary for Horizontal Improvements.
5
- 6 3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves,
7 fire hydrants, cathodic protection, tie-ins, and any other components required for onsite
8 and offsite high pressure water supply network intended for fire suppression.
9
- 10 4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters,
11 water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants,
12 cathodic protection, tie-ins, and any other components required for onsite and offsite low
13 pressure water supply network intended for domestic use.
14
- 15 5. Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited
16 to, water recycling production equipment such as buffer and treatment tanks, reverse
17 osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as
18 pumps, valves, and electrical equipment; distribution facilities such as main pipes,
19 laterals, and valves; customer interface equipment such as water meters, back flow
20 preventers, and valves; along with financing costs and any other components required
21 for non-potable water supply system (whether publicly or privately owned) intended to
22 provide treated wastewater for use in, among other things, irrigation of parks,
23 landscaping, and non-potable uses within buildings, and any other components or
24 administrative costs required for non-potable water system.
25

1 6. District Energy System - includes, but is not limited to, whether publicly or privately-
2 owned, district energy production equipment such as boilers, chillers, heat pumps,
3 cooling towers, bay water interface equipment and piping, and plant auxiliary equipment
4 such as pumps, valves, and electrical equipment; distribution facilities such as main
5 pipes, laterals, and valves; customer interface equipment such as energy meters and
6 energy transfer stations; along with financing costs and any other components or
7 administrative costs required for district energy system intended to provide heating and
8 cooling or domestic hot water within buildings.

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

18
19 8. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and
20 secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas
21 main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and
22 information systems, as well as any payment obligations related to providing such
23 services.

1 9. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities
2 including importation of clean fill materials, clearing and grubbing, slope stabilization,
3 ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock
4 fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill,
5 compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-
6 construction stabilization such as hydroseeding. Also, includes, but is not limited to,
7 excavation of future vertical development sites if the excavated soils is used on site for
8 purposes of raising Horizontal Improvements.

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

19
20 11. Streetscape – includes, but is not limited to, subgrade preparation, aggregate base,
21 sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations,
22 signage, emergency services infrastructure, landscaping (including trees and Silva cells
23 and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared
24 bike parking facilities (whether publicly or privately owned), newspaper stands, any other
25 components or appurtenant features as required in the approved Improvement Plan

1 details and specifications through the permitting process, and wayfinding and
2 interpretative signage and facilities.

3
4 12. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and
5 treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed
6 antenna systems, security infrastructure, low-voltage electrical, various hardscaping,
7 irrigation, landscaping, various concrete structures, site furnishings, public art,
8 wayfinding, interpretive and other park signage, viewing platforms, water access facilities
9 (including boat launch), retrofit of shoreline structures and slopes (including demolition,
10 excavation, installation of revetment, structural repair, construction and occupancy costs
11 of park structures, and any other components, e.g., Shoreline Improvements), and any
12 other associated work in publicly accessible spaces such as parks, open spaces, plazas,
13 and mid-block passages, including publicly-accessible parks, plazas, mid-block
14 passages and open space that is located on private property, but identified as public
15 open space in the DDA, Design Controls documents, or Subdivision Map.

16
17 13. Water-based Transportation Improvements – includes, but not limited to, modes of
18 water-based transportation and all infrastructure, design, and permitting costs related to
19 providing water-based transportation facilities at the Project.

20
21 14. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not
22 limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic
23 Pier 48.

1 15. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of
2 contaminated soil which cannot be reused on site in accordance with the Mission Rock
3 Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated
4 November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other
5 related documents, and associated with public improvements.

6
7 16. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to
8 characterize the preferred Shoreline Protection Project and alternatives, including pre-
9 entitlement planning and design work, environmental review, negotiation, and
10 Regulatory Approvals related to the Shoreline Protection Facilities.

11
12 17. Shoreline Protection Facilities includes, but is not limited to, waterfront Improvements at
13 the San Francisco Bay shoreline to provide stability, to protect the area from perils
14 associated with seismic events and climate change, including sea level rise and floods,
15 and other public improvements approved by the Port Commission and the Board of
16 Supervisors.

17
18 18. Deferred Infrastructure.

19
20 19. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary
21 to proceed with development incurred after the Reference Date, such as the cost to
22 comply with the California Environmental Quality Act, negotiate transaction documents,
23 permitting of Horizontal Improvements, subdivision mapping, conduct community
24 outreach, and prepare development design and land use requirements, but not expenses
25 related to any campaign or ballot measure or any other expenses prohibited by law.

1 Entitlement costs may include interim costs as approved from time to time by the Board
2 of Supervisors.

3
4 20. Associated Public Benefits – including, but not limited to, costs required to provide
5 Associated Public Benefits related to transportation, childcare, public open space,
6 sustainability, community meeting space and programs, and other public-benefitting
7 improvements and expenditures.

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

17
18 22. Any other costs authorized to be financed by the STD under the DDA.

19
20 23. Interim improvements required for the use of the Project Site including temporary bike
21 lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other
22 improvements required for the interim use of the remaining Project Site.

1 24. Soft Costs required to support the construction of the Horizontal Improvements and
2 implementation of the DDA, including developer management costs, third party
3 professional services, construction management Fees, and asset management costs.
4

5 25. Developer Mitigation Measures, including the formation of the Transportation
6 Management Association and dust, vibration, asbestos and settlement monitoring.
7

8 26. Insurance, Bonding and Warranty costs as required by the City in connection with the
9 authorized improvements.
10

11 27. Miscellaneous Costs, such as costs associated with implementing the DDA, including
12 any additional costs that the Parties have agreed shall be incurred by the Developer for
13 the Project, such as master planning for each phase, audits, appraisals, workforce
14 development costs (such as a liaison), cash payments and community outreach
15 initiatives.
16

17 Any facility authorized to be financed by the STD may be financed through the construction and
18 acquisition of the facility or through the payment of fees for such facility.
19

20 The facilities authorized to be financed may be located within or outside the boundaries of the
21 STD.
22

23 The facilities to be financed shall include all Hard Costs and Soft Costs associated with the
24 facilities, including the costs of the acquisition of land and rights-of-way, the costs of design,
25 engineering and planning, the costs of any environmental or traffic studies, surveys or other

1 reports, costs related to landscaping and irrigation, soils and other environmental testing and
2 observation, permits, plan check, and inspection fees, insurance, legal and related overhead
3 costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any
4 other costs or appurtenances related to any of the foregoing as further defined in one or more
5 acquisition agreements with the developer of the property in the STD.

6
7 The facilities to be financed shall also include all incidental expenses, defined as follows:

- 8
9 (1) The cost of planning and designing facilities to be financed by the STD, including the cost
10 of environmental evaluations of those facilities.
11 (2) The costs associated with the creation of the STD, issuance of bonds, determination of the
12 amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order
13 to carry out the authorized purposes of the STD.
14 (3) Any other expenses incidental to the construction, completion, and inspection of the
15 authorized work, including costs for temporary facilities with a useful life of at least 3 years
16 that are required to construct an authorized facility.
17 (4) Special taxes levied on a property in the STD and paid by the Developer on behalf of a
18 local agency or other landowner prior to the development of the property.

19
20 The facilities to be financed also includes the interim cost of the facilities, which shall mean the
21 Developer Return or Port Return, as applicable, and any interest payable on any promissory
22 note payable to the STD.

23
24 The STD may also apply bond proceeds and special taxes to repay the Port Commission for
25 advances made to pay for authorized costs, under any promissory note or otherwise.

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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 the STD and, to the extent permitted by the DDA, outside the STD, 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, public paseos 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 Controls or Subdivision Map.
- 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, maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete infrastructure, retaining walls within the ROWs and related amenities in the STD, some of which may be located on privately leased property but identified as public open space in the DDA or Design Controls.
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the STD that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to

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

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

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

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1 **INCIDENTAL COSTS**

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

- 5
- 6 1. Administrative expenses and fees including costs incurred to form the STD, to
7 annex territory to the STD, to annually administer the STD, to levy and collect
8 special taxes for the STD, and any other costs incurred in standard administration
9 of the STD by the City or their authorized consultants;
- 10
- 11 2. Any amounts needed to cure actual or estimated delinquencies in special taxes
12 for the current or previous fiscal years;
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- 14 3. Bond related expenses, including underwriters discount, reserve fund, capitalized
15 interest, bond, disclosure, and underwriter counsel fees and all other incidental
16 expenses; and
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- 18 4. Reimbursement of costs related to the formation of the STD advanced by the City
19 and any landowner(s) in the STD, or any party related to any of the foregoing, as
20 well as reimbursement of any costs advanced by the City or any landowner(s) in
21 the STD or any party related to any of the foregoing, for facilities, fees or other
22 purposes or costs of the STD.
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COMPLIANCE WITH CFD GOALS

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The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this Exhibit A.