

## MEMORANDUM

June 8, 2017

**TO:** MEMBERS, PORT COMMISSION  
Hon. Willie Adams, President  
Hon. Kimberly Brandon, Vice President  
Hon. Leslie Katz  
Hon. Doreen Woo Ho

**FROM:** Elaine Forbes  
Executive Director

**SUBJECT:** Informational presentation regarding the Financing Plan for the 28-Acre Site, located between 20th, Michigan, and 22nd Streets and San Francisco Bay (Assessor's Block 4052/Lot 001 and Lot 002 and Block 4111/Lot 003 and Lot 004) and the "20th/Illinois Parcel" along Illinois Street at 20th Street (Assessor's Block 4110/Lot 001) in Pier 70 and Pacific Gas and Electric ("PG&E") Company-owned parcel subject to a City option to purchase called the "Hoedown Yard," at Illinois and 22nd Streets (Assessor's Block 4120/Lot 002 and Block 4110/Lot 008A)

**DIRECTOR'S RECOMMENDATION:** Information Only; No Action Required

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### **EXECUTIVE SUMMARY**

On May 9, 2017, Port staff presented the proposed transaction structure for Forest City Development California, Inc.'s ("Forest City" or "Developer") development of Pier 70, including the 28-Acre Site (or the "Project Site") and the potential third party development of the "Illinois Street Parcels" that comprise the Port-owned parcel at Illinois & 20<sup>th</sup> Streets and the PG&E-owned Hoedown Yard, which is subject to a City option to purchase. The 28-Acre Site and Illinois Street Parcels are being rezoned as part of the Pier 70 Special Use District ("Pier 70 SUD").

On March 14, 2017, Forest City presented an overview of the Pier 70 SUD Design for Development including standards and guidelines for new and rehabilitated buildings and a waterfront parks design concept for the Pier 70 SUD.

On May 23, 2017, Port staff presented an overview of the other Pier 70 SUD master plan documents that will guide future development of the 28-Acre Site and the Illinois Street Parcels, including the Transportation Program, Streetscape Master Plan,

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Infrastructure Plan, and Sustainability Plan. Links to the staff reports for each of these presentations and other Pier 70-related staff reports are included in **Exhibit A**.

This staff report describes the financing plan (“Financing Plan”) that will be an exhibit to the Development and Disposition Agreement (“DDA”) between the City, acting through the Port, and Forest City, to guide future development of the 28-Acre Site and the Illinois Street Parcels (the “Project”). Port and City staff are currently negotiating the Financing Plan with Forest City. The plan will outline options to finance the new neighborhood at Pier 70, including new streets, parks and infrastructure, in accordance with adopted City policies and each Party’s financial objectives. The plan will also support the Port’s goal of creating non-trust land revenues to fund restoration and revitalization of the Union Iron Works Historic District at Pier 70 in compliance with Assembly Bill 418 (“AB 418”).<sup>1</sup>

## **STRATEGIC OBJECTIVES**

Subject to Port Commission and Board of Supervisors approval, the Financing Plan will realize several objectives of the Port’s 2016-2021 Strategic Plan including:

Livability – The Financing Plan will guide capital investment in new neighborhoods for uses including affordable housing and public amenities such as parks, bicycle routes, and facilities for the arts.

Stability – The Financing Plan will guide capital investment in Port assets that will improve current and projected financial performance without risking either the City’s General Fund or the Port’s Harbor Fund. In addition to addressing an estimated \$163 million in deferred maintenance and planned renewal requirements in the Port’s 10-Year Capital Plan, investments at the 28-Acre Site will generate new ongoing funding streams for future Port facility renewals and enhancements.

Climate Change – The project includes initial improvements to protect the project from projected sea level rise and the Financing Plan will establish a “Shoreline Reserve” to fund capital investments to address the threats of sea level rise to the Port’s shoreline.

## **OVERVIEW OF FINANCING PLAN MAJOR GOALS**

The DDA between the Port and Developer will include a Financing Plan to establish the framework for financing new publicly-owned infrastructure, streets and parks (“Horizontal Development”) in the Project as well as significant new public benefits. The Financing Plan’s primary goals include:

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<sup>1</sup> For a copy of AB 418 (Assemblymember Ammiano; 2012), see: [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201120120AB418](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120AB418)

1. Construct horizontal improvements in coordination with vertical improvements to minimize financing costs;
2. Rely on Developer's private risk capital to create the development opportunity at Pier 70 and structure the financing plan so that neither the City's General Fund nor the Port Harbor Fund are at risk if the project does not perform as well as projected;
3. Use public financing sources to leverage land revenues and other sources and enhance the Port's ability to satisfy its obligation to use public financing sources generated by the development itself to reimburse both parties' horizontal development costs<sup>2</sup> with the agreed returns on their respective investments ("Project Payment Obligation") and share of any remaining Port land revenues ("Project Surplus");
4. Provide the Developer with an opportunity to achieve a market-rate return on its capital investment ("Developer Capital") in horizontal development costs;
5. Provide the Port with an opportunity, but not the obligation, to invest Port capital in the Project and, if the Port elects to do so, to achieve a market-rate return on its capital investments in horizontal development costs;
6. Meet affordable housing goals established by San Francisco voters;
7. Provide the Port with fair market value for Pier 70, including for its conveyances of Parcel K North and each Option Parcel;
8. Use tax-exempt debt to the extent reasonably feasible;
9. Provide a funding source for the Project's ongoing maintenance costs;
10. Provide a funding source for San Francisco to adapt to rising sea levels after full build-out of the Project Site; and
11. Implement sound and prudent municipal fiscal policies that protect the City's and Port's funding streams, respective financial standings, and fiduciary obligations.

## **SOURCES OF FUNDING FOR THE PROJECT**

It will be costly to build the infrastructure to support a new neighborhood at Pier 70. Due to other competing capital needs, such as the Seawall Resiliency Project, neither the Port nor the City has the capacity in their respective 10-Year Capital Plans to finance these costs. Building on the City's practice in recent master-planned developments, the

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<sup>2</sup> "Horizontal development" includes site grading, installing utilities (water lines, sewer lines, power lines, telecommunication lines, etc.), constructing roads, sidewalks and gutters and building new parks.

Financing Plan describes how Forest City will supply Developer Capital and be repaid from Project-generated sources to develop the new public infrastructure and provide public benefits to support the new neighborhood at Pier 70.

**Table 1: Primary Funding Sources Detailed in the Financing Plan**

<b>FUNDING SOURCE</b>	<b>DESCRIPTION</b>
Community Facilities District (“CFD”)	An area the City will establish in accordance with the City’s CFD ordinance within which special taxes are levied to fund capital improvements and provide services
Infrastructure Financing District (“IFD”)	An area the City will establish in accordance with state IFD law that permits the City to capture growth in City and/or State property tax revenue (“tax increment”) to pay for public improvements and historic rehabilitation
Infrastructure and Revitalization Financing District (“IRFD”)	An area the City will establish in accordance state IRFD law that permits the City to capture growth in the City’s share of tax revenue to pay for public improvements and historic rehabilitation, including affordable housing
Developer Capital	Funds advanced to the Project by the Developer (18% annual return)
Port Capital	Funds advanced to the Project by the Port from the Harbor Fund (10% annual return)
Land Proceeds	Revenues generated from the sale or lease of Port land

The Project relies on private risk capital that may only be paid back from Project revenues, thus protecting the City’s General Fund and the Port Harbor Fund in the event the Project does not perform as well as projected. Because the Developer’s capital is at the greatest risk and Developer is obligated to fund all horizontal improvements if no other sources are available, Developer Capital will earn a market rate, risk-adjusted return of 18 percent annually (“Developer Return”)<sup>3</sup>.

If and when the Project achieves an 18 percent Developer Return, the Project Surplus will be split 45 percent to Forest City and 55 percent to the Port.

**MAJOR GOAL DETAILS**

The details of each Financing Plan goal are provided below.

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<sup>3</sup> Port staff researched market rate returns for risk capital in master planned projects of this type, both in San Francisco and outside of San Francisco and determined that an 18% is a market rate return.

1. Construct Horizontal Improvements in Coordination with Vertical Development – The Financing Plan will guide the flow and distribution of funds for the construction of an estimated \$200 million in horizontal improvements over three phases. The horizontal development must be closely coordinated with percent vertical development to minimize the financing cost of horizontal development and maximize the flow of revenues from the Project Site.

2. Use Public Financing Sources Whenever Possible – Since the Port shares in revenues after the risk capital has been re-paid, it is in the Port’s interests to limit the amount of required private risk capital by substituting lower-cost public financing sources whenever feasible. As further described below, these public financing sources include infrastructure financing districts (“IFDs”) and community facilities districts (“CFDs”). Both of these sources are designed to protect the City’s General Fund and the Port’s Harbor Fund. In the event that there is a failure to pay debt service on bonds issued to finance the Project using these public financing sources, bondholders will have recourse to land (or, as described below in most cases, a leasehold interest in land) or public financing revenues from the Project, but no recourse to the General Fund or the Harbor Fund.

The primary public financing sources utilized within the Financing Plan include:

- **Mello-Roos Special Taxes and Bond Proceeds.** The state Mello-Roos Act authorizes a form of financing that can be used by cities, counties, and special districts in California by establishing CFDs. If approved by 2/3 of land owners in a CFD without registered voters (in this case, the Port), special taxes may be levied to fund capital improvements or provide services. The City has adopted a local CFD ordinance largely mirroring the Mello-Roos Act but providing for flexibility to address local concerns.

Mello Roos bonds are an attractive credit in the municipal debt market because the bonds are secured by both a pledge of special taxes and by a lien against the property that is taxed in the district.

If the Port Commission and the Board of Supervisors approve the DDA, including the Financing Plan, the City will concurrently<sup>4</sup> establish one or more CFDs over the Project Site and approve related documents setting the rates and methods for levying special taxes. Under a proposed MOU regarding the allocation of taxes (“Tax Allocation MOU”), the City would levy special taxes and allocate the revenue to development of infrastructure and other public facilities. Under the proposed Financing Plan, the Port may ask the City to issue Mello-Roos bonds that will be secured and payable by a pledge of special taxes as well as IFD tax

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<sup>4</sup> References to City agreements for the Project Site in this staff report are conceptual and conditioned on the City’s completion of review of the environmental impacts of proposed development at the Project Site, certification of a final environmental impact report, and adoption of special findings and a mitigation, monitoring, and reporting program.

increment generated from the Project Site, enabling the Port and Developer to capture special taxes in advance of the completion of vertical development. This approach will allow bonds to be sold early in each phase of the Project as agreed under a phase budget and significantly reduce the need for Developer Capital, in turn reducing the overall cost of the project and increasing revenue share returns between Forest City and the Port.

- **Project Tax Increment.** State law authorizes the City to form an IFD over Pier 70 to pay for public improvements and historic rehabilitation funded by both the City's share and the State's share of property tax revenue growth ("tax increment"). In 2016, the Board of Supervisors formed an IFD project area covering all Port property and approved a portwide infrastructure financing plan ("IFP"). At the same time, the Board of Supervisors approved a sub-project area within the Pier 70 project area for the Orton Development Inc. leasehold. If the DDA and Financing Plan are approved by the Port Commission and the Board of Supervisors, the City will concurrently establish a new sub-project area in the Pier 70 project area over the 28-Acre Site and approve a Project-specific appendix to the IFP. Under the proposed Tax Allocation MOU, the City would allocate the City's and State's shares of tax increment to finance public improvements at the Project Site.

Under a typical Mello Roos financing approach, property owners pay both underlying property taxes and special taxes. These additive special taxes decrease land value by increasing the carrying cost of the land.

Under the Financing Plan, Port and City staff and Forest City have developed a proposed approach that combines the benefits of Mello Roos bonds (attractive, secure credit), but largely avoids the negative impacts on land value of an additive special tax.

Under this approach, the Port would use IFD tax increment revenue from improved property values at the Project Site (in lieu of special taxes) to pay debt service on Mello-Roos bonds issued to fund horizontal improvements. Using tax increment to service debt on Mello-Roos bonds would lower the rates at which special taxes would be levied and mitigate the negative impact that special taxes otherwise would have on Port land values.

- **Housing Tax Increment.** Under Proposition F, approved by voters in the November 2014 election, at least 30 percent of the housing developed at the Project Site must be affordable. The Developer will meet that requirement in part by delivering development-ready parcels in the SUD to the Port ("Affordable Housing Parcels"), in addition to an inclusionary housing component. This affordable housing requirement will be met in several ways, as set forth in the Affordable Housing Plan (an exhibit to the DDA).

One of the primary strategies to meet the affordable housing goals requires Forest City to prepare up to three dedicated parcels ("Affordable Housing

Parcels”) on which the Mayor’s Office of Housing and Community Development (“MOHCD”) will develop affordable housing developments in which 100% of units are at below-market rates, with approximately 320 affordable housing units collectively. Three primary sources will be used to finance these affordable developments: affordable housing fees from office development in the Project, affordable housing fees from market-rate for-sale condominium development in the Project, and tax increment from development of the Hoedown Yard.

The Port will lease the Affordable Housing Parcels rent-free to MOHCD for development of affordable housing buildings. If the Port Commission and the Board of Supervisors approve the DDA and its Financing Plan, the City will concurrently establish an Infrastructure and Revitalization Financing District (“IRFD”) over the Hoedown Yard and allocate tax increment from the IRFD to MOHCD for that purpose. The Port will work with the Public Finance Division of the Controller’s Office to issue bonds secured by the IRFD tax increment and provide bond proceeds to MOHCD for affordable housing development on the Affordable Housing Parcels.

3. Provide Developer with the Opportunity to Achieve a Market-Rate Return for Developer Investments on Horizontal Development and Entitlement Costs – The Developer has used and will use Developer Capital to pay for costs related to project approval and entitlement and horizontal developments. Under the Financing Plan, Developer Capital will not be used when land proceeds, public financing sources, and Port capital are available to ensure the lowest cost of capital. Under the DDA, Developer is entitled to a market-rate 18 percent Developer Return on its capital investments. The Port must satisfy the Project Payment Obligation, which will be the City’s purchase price for horizontal improvements that Developer has built, before distributing any Project Surplus. However, the Port’s obligation is limited to financing sources generated by the Project itself, including the sale or lease of parcels improved by the Developer. The Port is not obligated to pay for any Project shortfalls or losses or to pay from any sources other than those generated by the Development itself.

4. Provide the Port with the Opportunity to Achieve a Market-Rate Return for Port Capital Investments on Horizontal Development Costs – The Port Commission has the right (but not the obligation) at its sole discretion to invest Port Capital in the Project, and thereby accelerate Port profit-sharing in the Project. These funds may be used to pay any outstanding Developer balance or to directly invest in horizontal improvements and will earn a 10 percent return. Under the Financing Plan, the Port could commit to capital advances to fund specific horizontal improvements for a project phase after Port Commission approval of a phase budget, including projected spending dates.

5. Meet Affordable Housing Goals Established By San Francisco Voters – Proposition F requires at least 30 percent of the housing developed at the Project Site be affordable. The Financing Plan supports the Developer’s Affordable Housing Plan, which outlines how the Developer intends to meet its obligations to:

- Deliver construction-ready Affordable Housing Parcels;

- Offer at least 20 percent of the units in any rental residential building at rates that are affordable to persons of low and moderate income;
- Pay project-specific affordable housing impact fees, which will be allocated to MOHCD for development of the Affordable Housing Parcels, in lieu of providing onsite affordable units in residential condominium buildings; and
- Pay project-specific jobs housing linkage impact fees, which will be allocated to MOHCD for development of the Affordable Housing Parcels, in lieu of fees under the Jobs/Housing Linkage Program.

6. Provide the Port with Fair Market Values on Parcels – The Project is designed to provide the Port with fair market value for Pier 70. The Project provides significant financial benefits to the Port by reducing the capital backlog and creating new ongoing revenue streams to support future operations and capital investments. The Port maximizes these benefits by capturing fair market value on any parcels that it puts on the market, including Parcel K North and parcels in the 28-Acre Site slated for market-rate residential or commercial development, all in compliance with AB 418. The DDA and its Financing Plan articulate the process for acquiring horizontal improvements from Developer that ensures that horizontal development costs will be commercially reasonable and represent a fair market price for the horizontal improvements.

7. Use Tax-Exempt Debt to The Extent Reasonably Feasible – Tax-exempt debt reduces the costs of the Project by exempting the bondholders’ interest income from federal, state, and local taxes. Reducing the cost of debt benefits the Port and Developer by creating higher land proceeds for revenue-sharing between parties. The Port will work with bond counsel to secure tax-exempt debt when reasonably feasible.

8. Provide a Funding Source for Ongoing Maintenance Costs – If Port Commission and the Board of Supervisors approve the DDA and its Financing Plan, the project would establish a CFD to levy special taxes in perpetuity to fund ongoing maintenance of public facilities within the CFD. The special tax would cover expenses ranging from the maintenance and repair of streets and parks to security and janitorial services. Port staff and Forest City are currently establishing maintenance expense assumptions to document the basis for establishing special tax rates to be levied on contributing parcels.

9. Provide a Mechanism to Adapt to Rising Sea Levels – The CFD formation documents will establish a special tax that would be levied on taxable commercial and rental residential buildings only to finance shoreline improvements (“Shoreline Special Tax”). Initially, up to 75 percent of the Shoreline Special Taxes may be kept in a reserve (“Project Reserve”) to ensure that the Port can meet its Project Payment Obligation, with the remaining 25 percent deposited into a “Shoreline Reserve” that the Port can use for shoreline improvements anywhere on Port property.



In addition to the improvements outlined in the Infrastructure Plan which will raise the shoreline around the Project Site, the additional funds in the Shoreline Reserve will help the Port address sea level rise impacts along the entire extent of its 7½ miles of waterfront in coming decades. The reserve may be used, first, for shoreline adaptation studies and, after environmental review is complete, for capital facilities to further protect the shoreline as well as other uses approved by the Port Commission and the Board of Supervisors.

After Developer is reimbursed for Developer Capital spent in each phase with the required 18 percent Developer Return, only 50 percent of Shoreline Taxes from that phase will be retained in the Project Reserve, with the remaining 50 percent deposited in the Shoreline Reserve. This process will repeat for each phase, and any proceeds remaining in the Project Reserve at Project completion will be transferred to the Shoreline Reserve.

10. Implement Sound and Prudent Municipal Fiscal Policies – The Financing Plan will protect the City’s and Port’s funding streams, respective financial standings, and fiduciary obligations as follows.

- **Limitation on Sources.** Developer bears the risk of loss if the Project does perform as well as projected. The Financing Plan will explicitly limit access to City and Port funds and requires Developer to acknowledge that the City’s General Fund and the Port Harbor Fund, other than Land Proceeds and Port Capital committed to the project in a phase budget, will not be used to pay directly for or secure or pay debt service on bonds issued to pay Developer’s horizontal development costs.
- **Special Fund Accounts & Trustee.** Except for Port land proceeds disbursed from escrow, each public source of funds identified in the Financing Plan will be placed in a unique account held by a corporate or indenture trustee that will be responsible for holding, administering and disbursing each source. The Port will enter into a trust administration agreement with the special fund trustee and a bond indenture agreement with each bond trustee (usually a qualified bank) to manage the flow of funds between accounts and distributed to parties, ensuring that funds are managed in accordance with the Financing Plan.
- **Budget Controls.** The Financing Plan will require all horizontal development costs to be commercially reasonable. The Developer may establish commercial reasonableness by entering into guaranteed maximum price contracts secured by competitive bidding or subjected to cost validation. Before the Developer is authorized to begin construction in any phase, the Port Commission will review the proposed phase budget for consistency with documents previously approved by the Port such as the Design for Development, Infrastructure Plan, Streetscape Master Plan and Master Utility Plans among others, and which will include the construction cost estimates associated with the level of detail in the phase submittal, the anticipated dates on which the Developer will incur horizontal development costs, the projected amount and timing of any public financing

sources, and Port staff's recommendation on any Port capital advance. During construction, the Developer will submit quarterly spending reports to Port staff, which will have the right to review change orders requiring major cost increases consistent with processes outlined in the DDA.

- **Payment Controls.** The Acquisition Agreement (an exhibit to the Financing Plan) provides specific provisions for Port review of all documents supporting each payment request. In addition, a Port consultant specializing in public finance (usually a certified public accounting firm or engineering firm with public finance expertise) will conduct an audit-level review of Developer's payment requests before land proceeds are disbursed from escrow, an indenture trustee disburses bond proceeds, or the special fund trustee disburses public financing sources to satisfy a Port-approved payment request.

## **OTHER CONSIDERATIONS**

In addition to the framework for meeting the Project goals outlined above, the Financing Plan will guide future decision-making related to parcels slated for development of structured parking or space serving public purposes, as described below.

Arts Building – The DDA identifies an affordable arts space to be built on Parcel E4 as a project benefit with space for existing tenants in the Noonan Building and other arts organizations. The Financing Plan will detail the process for addressing the current funding gap for this building, including the possible use of limited amounts of public financing revenues to close the gap. Under the proposed structure, the Port would lease Parcel E4 rent-free to a qualified nonprofit organization that specializes in building arts-oriented buildings for nonprofit arts organizations. The qualified nonprofit would use a combination of private fundraising and public financing to build the Arts Building.

Historic Buildings – Historic building restoration is a central Port goal for the Union Iron Works Historic District. Under the DDA, the Developer will be required to rehabilitate Historic Building 2, Historic Building 12, and Historic Building 21 in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties. Due to their size and the costs of raising historic buildings to elevations that will be safe from flooding due to sea level rise, rehabilitation of Historic Building 12 and Historic Building 21 are financially infeasible. The Financing Plan identifies potential avenues for addressing feasibility gaps, including the possible use of limited amounts of public financing revenues generated at the Project Site.

District Parking – City and Port staff and Forest City continue to discuss the potential for a 200-space parking garage on Parcel C1, which could be financed through a special tax on commercial office buildings. The Financing Plan will describe any provisions related to financing a garage.

## **NEXT STEPS & ANTICIPATED PROJECT SCHEDULE**

Port staff recommends the following schedule of Port Commission informational hearings leading up to Port Commission consideration of the 28-Acre Site transaction documents, as described in this report. Port staff will provide a similar series of briefings to the Central Waterfront Advisory Group after presentations at the Port Commission.

July 11, 2017	Presentation regarding Phase 1 of the Project
July 11, 2017	Presentation regarding Staff Analysis of the 28-Acre Site transaction and related matters
July 20, 2017	San Francisco Planning Commission, certification of the Pier 70 Mixed-Use District Project Final EIR and consideration of proposed CEQA findings, a Mitigation, Monitoring, and Reporting Program, recommendations regarding General Plan and Planning Code amendments and related matters
August 8, 2017	San Francisco Port Commission consideration of proposed CEQA findings, a Mitigation, Monitoring, and Reporting Program, and approval of the 28-Acre Site transaction documents and related matters
Sept/Oct, 2017	Board of Supervisors consideration of proposed CEQA findings, General Plan and Planning Code Amendments, the 28-Acre Site transaction documents and related matters

Port staff welcomes and appreciates comments, input and feedback from the Port Commission and the public.

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**Exhibit A:** Previous Port Commission Staff Reports Related to Pier 70

**Exhibit B:** Prior Board of Supervisors Actions Related to the Pier 70 Special Use  
District & Pier 70-Related State Legislation

**EXHIBIT A**  
**Previous Port Commission Staff Reports Related to Pier 70**

<b>Port Commission Staff Report</b>	<b>Meeting Date</b>	<b>Web Address</b>
Informational presentation on the comments received and proposed revisions to complete the Pier 70 Preferred Master Plan and on the Pier 70 Development Solicitation Process	March 9, 2010	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/ftp/uploadedfiles/meetings/supporting/2010/Item%2011A%20Pier%2070%20Preferred%20Master%20Plan_Solicitation-fulldraftv6.pdf">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/ftp/uploadedfiles/meetings/supporting/2010/Item%2011A%20Pier%2070%20Preferred%20Master%20Plan_Solicitation-fulldraftv6.pdf</a>
Informational Presentation Regarding Environmental Investigation in the Pier 70 Master Plan Area, located east of Illinois Street between Mariposa and 22nd Streets	March 23, 2010	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=1410.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=1410.html</a>
Request to authorize real estate developer solicitations to implement the April 2010 Preferred Master Plan for the Pier 70 project area	May 11, 2010	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=1412.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=1412.html</a>
Request approval to award the Pier 70 Waterfront Site development opportunity to Forest City Development California, Inc. and to enter into exclusive negotiations for a lease and development agreement of 25 acres to achieve the objectives specified in the Port's August 30, 2010 development solicitation for the site	April 12, 2011	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=1774.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=1774.html</a>
Informational Presentation on the Progress from Plans to Projects for the 69-acre Pier 70 site, located near the intersection of 20th and Illinois Streets	September 25, 2012	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=2128.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=2128.html</a>
Informational presentation of the Term Sheet between the Port and Forest City Development California, Inc. for the mixed-use development of the Pier 70 Waterfront Site, bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay	May 14, 2013	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/modules/Item%2010B%20Pier%2070%20Staff%20Report%20051013%20FINAL-documentid=6146.pdf">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/modules/Item%2010B%20Pier%2070%20Staff%20Report%20051013%20FINAL-documentid=6146.pdf</a>
Request endorsement of the Term Sheet between the Port and Forest City Development California, Inc. for the mixed-use development of the Pier 70 Waterfront Site, bordered generally by 20 <sup>th</sup> Street, Michigan Street, 22 <sup>nd</sup> Street and the San Francisco Bay. (Resolution No. 13-20)	May 28, 2013	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=2295.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=2295.html</a>
Request approval of the First Amendment to the Exclusive Negotiation Agreement between the Port and Forest City Development California, Inc. ("Forest City") for the Pier 70 Waterfront Site, bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay	January 14, 2014	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=2379.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx?page=2379.html</a>

Port Commission Staff Report	Meeting Date	Web Address
Request approval of a Revocable License Agreement for Special Events with Forest City Development California, Inc. for approximately 97,202 square feet of unimproved shed space located at Buildings 12/15/16 and 32 and approximately 170,305 square feet of paved land at the Pier 70 Waterfront Site. (Resolution No. 14-21)	March 25, 2014	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx-page=2403.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx-page=2403.html</a>
Informational presentation regarding Forest City Development California, Inc.'s Waterfront Parks Concept Design for the Pier 70 Waterfront Site	March 25, 2104	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/modules/Item%2013C%20Forest%20City%20Building%2012%20Waterfront%20Parks%20Design%20Concept-documentid=7841.pdf">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/modules/Item%2013C%20Forest%20City%20Building%2012%20Waterfront%20Parks%20Design%20Concept-documentid=7841.pdf</a>
Request approval of License 15762 with Pacific, Gas and Electric Company for the ZA-1 Embarcadero-Potrero 230kV Transmission Project for approximately (i) 435,600 square feet of submerged land between Pier 28½ and the foot of 23rd Street, (ii) 52,272 square feet of underground access for horizontal directional drilling and (iii) 21,120 square feet of land along 23rd Street for a 40 year term, with a 26 year option, subject to approval by the Board of Supervisors. (Resolution No. 14-43)  <i>Note: Includes description of City's Hoedown Yard Option.</i>	June 10, 2014	<a href="http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx-page=2453.html">http://sfport.com/ftp/meetingarchive/commission/38.106.4.220/index.aspx-page=2453.html</a>
Informational presentation regarding the revised Forest City mixed-use development plan for the Pier 70 Waterfront Site, bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay, and proposal for a Pier 70 Special Use District	March 10, 2015	<a href="http://sfport.com/sites/default/files/FileCenter/Documents/9536-Item%2012A%20Pier%2070%20Waterfront%20Site%20Development%20Plan%20and%20Pier%2070%20Special%20Use%20District%20%282%29.pdf">http://sfport.com/sites/default/files/FileCenter/Documents/9536-Item%2012A%20Pier%2070%20Waterfront%20Site%20Development%20Plan%20and%20Pier%2070%20Special%20Use%20District%20%282%29.pdf</a>
Request approval of the Second Amendment to the Exclusive Negotiation Agreement ("ENA") between the Port and Forest City Development California, Inc. ("Forest City") for the Pier 70 Waterfront Site, bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay. (Resolution No. 15-16)	April 28, 2015	<a href="http://sfport.com/meeting/san-francisco-port-commission-april-28-2015-supporting-documents">http://sfport.com/meeting/san-francisco-port-commission-april-28-2015-supporting-documents</a>
Informational presentation on the proposed Infrastructure Financing Plan for Pier 70 Subarea G-1 encompassing the Pier 70 - Historic Core and approval of the Port-Controller Memorandum of Understanding to implement the Pier 70 - Historic Core Infrastructure Financing Plan. (Resolution No. 15-43)	November 10, 2015	<a href="http://sfport.com/meeting/san-francisco-port-commission-november-10-2015-supporting-documents">http://sfport.com/meeting/san-francisco-port-commission-november-10-2015-supporting-documents</a>

Port Commission Staff Report	Meeting Date	Web Address
Informational presentation by the City of San Francisco's Office of Economic and Workforce Development (OEWD) on the Southern Bayfront (Mission Bay, Central Waterfront, Bayview Hunters Point, Candlestick areas) interagency coordination to guide community and citywide investment	May 10, 2016	<a href="http://sfport.com/meeting/san-francisco-port-commission-may-10-2016-supporting-documents">http://sfport.com/meeting/san-francisco-port-commission-may-10-2016-supporting-documents</a>
Informational presentation regarding the mixed-use development plan for the Forest City Pier 70 Waterfront Site, bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay, and the proposal for a Pier 70 Special Use District	October 11, 2016	<a href="http://sfport.com/file/16762">http://sfport.com/file/16762</a>
Informational presentation regarding the Forest City proposed Pier 70 Special Use District Design for Development for the area bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay	March 4, 2017	<a href="http://sfport.com/file/19844">http://sfport.com/file/19844</a>
Informational presentation regarding the Forest City proposed Pier 70 Special Use District Design for Development for the area bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay	March 14, 2017	<a href="http://sfport.com/meeting/san-francisco-port-commission-march-14-2017-supporting-documents">http://sfport.com/meeting/san-francisco-port-commission-march-14-2017-supporting-documents</a>
Informational presentation regarding the Pier 70 Special Use District proposed by Forest City Development California, Inc. and associated public benefits	March 28, 2017	<a href="http://sfport.com/file/20120">http://sfport.com/file/20120</a>
Informational presentation regarding the Pier 70 Special Use District Transaction Structure between: (1) the Port and Forest City Development California, Inc. for the 28-Acre Site, located between 20th, Michigan, and 22nd Streets and San Francisco Bay (Assessor's Block 4052/Lot 001 and Lot 002 and Block 4111/Lot 003 and Lot 004); (2) the Port and Third Parties for the "20th/Illinois Parcel" along Illinois Street at 20th Street (Assessor's Block 4110/Lot 001); and (3) the City and a Third Party for Pacific Gas and Electric Company-owned parcel subject to a City option to purchase called the "Hoedown Yard," at Illinois and 22nd Streets (Assessor's Block 4120/Lot 002 and Block 4110/Lot 008A)	May 9, 2017	<a href="http://sfport.com/meeting/san-francisco-port-commission-may-9-2017-supporting-documents">http://sfport.com/meeting/san-francisco-port-commission-may-9-2017-supporting-documents</a>

**Port Commission Staff Report****Meeting Date****Web Address**

Informational presentation regarding the Pier 70 Special Use District Transportation Plan, Streetscape Master Plan, Infrastructure Plan and Sustainability Plan for the 28-Acre Site, located between 20th, Michigan, and 22nd Streets and San Francisco Bay (Assessor's Block 4052/Lot 001 and Lot 002 and Block 4111/Lot 003 and Lot 004) and the "20th/Illinois Parcel" along Illinois Street at 20th Street (Assessor's Block 4110/Lot 001) and Pacific Gas and Electric Company-owned parcel subject to a City option to purchase called the "Hoedown Yard," at Illinois and 22nd Streets (Assessor's Block 4120/Lot 002 and Block 4110/Lot 008A)	May 23, 2017	<a href="http://sfport.com/file/21736">http://sfport.com/file/21736</a>
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**EXHIBIT B**  
**Prior Board of Supervisors Actions Related to Pier 70**

Enacted Title  
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- 110-12 Resolution of Intention to establish Infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco (Mayor Edwin Lee, Supervisor David Chiu – April 5, 2012).
- 227-12 Resolution amending Resolution of Intention to establish Infrastructure Financing District No. 2 (File No. 120128) for the City and County of San Francisco at the Port of San Francisco (Port Commission – June 20, 2012).
- 123-13 Resolution adopting Guidelines for the Establishment and Use of an Infrastructure Financing District with Project Areas on Land Under the Jurisdiction of the San Francisco Port Commission (Mayor Edwin Lee, Supervisor Jane Kim – April 20, 2013).
- 201-13 Resolution finding the proposed development of the Pier 70 Waterfront Site, an approximately 28-acre site located in the southeast corner of Pier 70, fiscally feasible under Administrative Code, Chapter 29, and endorsing the Term Sheet between Forest City Development California, Inc., a California corporation, and the Port Commission (Mayor Edwin Lee, Supervisor Malia Cohen – June 21, 2013).
- 421-15 Resolution further amending Resolutions of Intention to establish Infrastructure Financing District No. 2 (Resolution Nos. 110-12 and 227-12) for the City and County of 5 San Francisco at the Port of San Francisco (Mayor Edwin Lee, Supervisor Malia Cohen – November 25, 2015).
- 027-16 Ordinance establishing an Infrastructure Financing District (IFD) (including Sub-Project Area G-1 (Pier 70 - Historic Core) and adopting an Infrastructure Financing Plan (IFP) (including Appendix G-1) for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); approving a Tax Administration Agreement; affirming the Planning Department's determination under the California Environmental Quality Act; and approving other matters in connection with the IFD and IFP, as defined herein (Mayor Edwin Lee, Supervisor Malia Cohen – March 11, 2016).
- 059-16 Resolution approving a Memorandum of Understanding (MOU) relating to Sub-Project Area G-1 (Pier 70 - Historic Core) of City and County of San Francisco Infrastructure District No. 2 (Port of San Francisco); and approving other matters in connection with the MOU, as defined herein (Mayor Edwin Lee, Supervisor Malia Cohen – March 4, 2016).

## **Pier 70-Related State Legislation**

AB 1199 Chapter 664 of the Statutes of 2009. Assemblymember Tom Ammiano.  
Infrastructure financing districts: City and County of San Francisco.  
Authorizing the City and County of San Francisco to create infrastructure financing districts that include specified waterfront property, modifying the procedures for San Francisco to adopt an infrastructure financing plan, and allocating projected increases in ad valorem property taxes to specified annual apportionments.

AB 418 Chapter 477 of the Statutes of 2011. Assemblymember Tom Ammiano.  
Tidelands and submerged lands: City and County of San Francisco: Pier 70.  
Authorizing the State Lands Commission to approve an exchange of trust lands within the Pier 70 area.