

## MEMORANDUM

September 22, 2016

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

**FROM:** Elaine Forbes  
Interim Executive Director

**SUBJECT:** Informational presentation on the Port's legislation program

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

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### **EXECUTIVE SUMMARY**

The Port's legislative program supports the Port's overall work program through legislative initiatives that are administrative, policy-based and strategic. Engaging on issues at the local, state and federal level, Port legislative staff works through the City's contracted lobbying firms, the Mayor's State and Federal Legislation Committee, and through industry legislation advocacy organizations to advance legislation that benefits the Port.

This report includes a description of the Port's legislative program, how the Port prioritizes issues, the Port's legislative partners, recent program, and provides an overview of the recommended legislative program for FY2016-17.

### **OVERVIEW**

The Port of San Francisco's legislative program represents the Port's interests at the local, state and federal level, either as a City agency working through the City's State and Federal Legislative Committee or as part of an industry legislation advocacy organization such as the California Association of Port Authorities (CAPA), American Association of Port Authorities (AAPA), the California Marine and Navigation Conference (CMANC), Bay Planning Coalition, San Francisco Chamber of Commerce, and others.

**THIS PRINT COVERS CALENDAR ITEM NO. 10C**

Port staff frequently consult with the Mayor's Office of Legislative and Government Affairs, the City's state lobbyist, Shaw, Yoder, Antwih, and the City's federal lobbyist, Holland & Knight, LLC to coordinate all Port state and federal legislative efforts in alignment with the City's overall legislative priorities. City departments wishing to pursue state or federal legislation present those proposed initiatives at the Mayor's State and Federal Legislation Committee. With the approval of that committee, departments are then free to engage with the City's lobbyists, legislative and agency staff directly.

As the organizer of the City's advocacy efforts, the Mayor's Office of Legislative and Government Affairs requests annually a list of each department's state and federal priorities for the coming fiscal year. The FY 2016-17 federal and state priorities the Port staff recommended is described below.

Port staff make periodic trips to Washington, D.C. and to Sacramento to advocate for the Port's federal and state legislative priorities. An example of a Port legislation advocacy document, the document Port staff used for the May 2016 Washington, D.C. trip is included as Attachment A to this report.

### **STATE AND FEDERAL CONTRACT LOBBYISTS, ADVOCACY ORGANIZATIONS**

The Port participates in, and reimburses the General Fund a pro-rata share for, the City's advocacy contract with Holland & Knight, LLC, on federal issues, and Shaw, Yoder, Antwih on state issues. Port staff also have long-standing relationships with agency and legislative staff to complement our state and federal lobbyists.

Port staff also participate in advocacy organizations. Executive, Special Projects, Maritime, Planning and Development and other staff attend meetings of these organizations, depending on issues under discussion.

#### ***The California Association of Port Authorities ("CAPA")***

CAPA is made up of California's 11 publicly-owned commercial seaports. Facilitated by the organization Executive Director Tim Schott, and through the leadership of CAPA President and Vice-President (positions that rotate among CAPA's 11 Port Directors), CAPA provides educational leadership and advocacy on issues relating to transportation, trade, the environment, land use, energy and other subjects affecting port operations. CAPA also manages governmental relations with California's legislative and administrative branches of state government, conducts targeted outreach to Congress, and monitors legislative/regulatory proposals related to goods movement and the maritime community.

CAPA is primarily funded by California's three large container ports, including the Ports of Los Angeles, Long Beach and Oakland, with smaller contributions by other ports like the Port of San Francisco. CAPA has been an important lobbying partner for the Port on issues like funding for dredging. In consultation with Port staff, CAPA recently submitted a federal funding request that will benefit the Port's Central Basin project.

Port Special Projects staff participates in regular calls with CAPA and staffs the Executive Director at quarterly policy meetings.

*The American Association of Port Authorities (AAPA) and California Marine and Navigation Conference (CMANC)*

Working through CAPA (CAPA's current President is also the President of AAPA), the Port has pursued legislative initiatives through AAPA and CMANC, particularly related to the Water Resources Development Authorization ("WRDA") and Energy and Water Appropriations.

WRDA and Energy and Water Appropriations bills are the primary federal funding vehicle for flood control projects and federal dredging nationwide. At the federal level, federal funding is a four-step process: funding for study must be *authorized* (e.g., by being included in WRDA) and then *appropriated* (in an appropriations vehicle like an Energy and Water Appropriation), after which the construction must then be authorized through WRDA, and then appropriated by Congress. Federal funding authorized by WRDA is distributed to the U.S. Army Corps of Engineers ("USACE") which spends federal appropriations on federal flood control and dredging projects, sometimes with a required local match.

CMANC works very closely with the USACE and funding processes. CMANC works closely with CAPA as well, and Port staff do occasionally work directly with CMANC in terms of informing the organization of member needs as well as on specific project funding.

*San Francisco Chamber of Commerce (SFCC), Bay Planning Coalition (BPC), and the Bay Area Council (BAC)*

The Port's engagement with these entities is irregular, but has been particularly helpful in granting access around Port issues to members of Congress. The San Francisco Chamber of Commerce has organized very successful trips to both Washington, D.C. and Sacramento, California, arranging contact with key departments and the City's legislative delegation, including the most recent May 2016 trip to Washington, D.C., which the Deputy Director of Planning and Development, Byron Rhett, summarized for the Port Commission in June, 2016.

**PORT LEGISLATIVE ACHIEVEMENTS**

The Port legislative program focuses on allowing Port divisions to fulfill the Port's mission. Efforts have included making available new public financing tools, amendments to regulatory bodies of law, as well as obtaining additional resources directly for the Port. The following is a summary description, in the context of the Port's larger efforts:

- Beginning in 2005 and as recently as 2016, the creation and implementation of Infrastructure Financing Districts (IFDs) has been the focus of the Port's legislative efforts both at the state and local level. This financing tool will enable the City to finance historic rehabilitation and new infrastructure, including parks, streets and utilities for the new neighborhoods planned for Seawall Lot 337 in Mission Bay and for Pier 70.
- Port legislative staff have worked closely with the California State Lands Commission to make amendments to existing law to facilitate development in other ways. State legislation authorizing non-trust leasing and legislation enabling a trust exchange within Pier 70 and nontrust uses for historic buildings in Pier 70 has enabled development plans for Seawall Lot 337 and for Pier 70.
- Hosting the 34th America's Cup also required state and federal legislation. State legislation authorized the Port to swap the trust from Seawall Lot 330 to a parcel of at least equal size that is close to the water, a tool the Host and Venue Agreement required the Port to seek, but has not been used to date because there was no long-term development approved along with the 34<sup>th</sup> America's Cup. The Port also won passage of enhanced Infrastructure Financing District legislation that was never used (for the same reason). The federal America's Cup Act of 2011, created new Jones Act waiver processes that enabled the 34th America's Cup regattas to take place on San Francisco Bay.
- Through coordinated efforts of Planning and Development, Finance and Administration and Special Projects staff, the Port was included in a San Francisco General Obligation bond in 2008, and again in 2012, with voters approving a total of \$68 million in funding for development of a network of waterfront parks from Fisherman's Wharf to Heron's Head Park<sup>1</sup>.
- The Port became authorized through the Water Resources Development Act of 2007 to seek \$25 million in funds to address certain waterfront piers—an effort the Port continues to actively benefit from today.
- In 2009, the Port was the beneficiary of \$7.8 million in federal appropriations through the United States Army Corps of Engineers and the Department of Defense to assist with the removal of Pier 36 and Drydock #1.

A detailed list and description of the Port's legislative accomplishments is included with this report as Attachment B.

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<sup>1</sup> The last General Obligation bond approved by voters to fund the Port of San Francisco was the required by the Burton Act in 1968, and was repaid by Port revenues.

## **LOCAL LEGISLATION TRACKING**

The Special Projects Group produces a weekly report to Port Senior Staff on pending and introduced City legislation of relevance to the Port. Special Projects staff conducts additional research or engages the sponsor of a pending piece of legislation to seek amendments, as is necessary.

As an example, Supervisor Peskin's recent legislation requiring appraisals for certain types of real estate transactions spurred a lengthy review effort with other departments. In the end, Supervisor Peskin included a number of amendments in the legislation that were important to Port Real Estate operations. The amendments allow the Port to rely on the Port Commission's approved parameter rental rate schedule rather than requiring appraisals for standard leasing.

In addition, Port staff periodically receives referrals from the Clerk of the Board on legislation where the Port, along with other departments, has been specifically solicited for input. Port Special Projects staff convene with appropriate staff, based on the subject of the legislation, to understand the implications of the proposal, and then recommend to the Executive Director amendments to propose to author of the legislation.

## **CURRENT LOCAL INITIATIVES**

The Port's practice for attending Board of Supervisors items is to have the staff person most knowledgeable in the subject matter (typically the project manager), supported by Special Projects staff as needed, represent the item in Committee and at the first read of the Board of Supervisors. Port staff reports to the Mayor's legislative liaison to the Board, and coordinates closely with them should there be unexpected developments in the legislative process.

In the last year, the Port has taken to the Board of Supervisors an Ordinance establishing the Pier 70 IFD and IFP, a reimbursement agreement with ExxonMobil for cleanup of residual petroleum hydrocarbons at Wharf J-10, a resolution endorsing the term sheet the TZK Broadway LLC development project, and a resolution approving the second amendment to the Port's lease with AMB Pier One LLC.

The Port has been working with the Mayor's Office of Economic and Workforce Development to ensure that a Port application for federal TIGER funds for the Mission Bay Ferry Landing will be competitive. This work has included identifying consultants for the complex economic analysis and for overall quality control, and identifying sources of grant matching funds outside the Port and City general fund.

Later this year, facilitating the Port's current leasing project in support of the City's effort to build a new recycled-content asphalt plant, the Port will be taking the lease of SWL 352, with accompanying SF Public Works long-term supply contracts, to the Board of Supervisors for approval. In addition, the Port's proposed agreement with the National

Park Service for use of Pier 33 for ferry service to Alcatraz will go to the Board of Supervisors for approval later this year.

## **CURRENT STATE INITIATIVES**

### **AB 2797**

AB 2797 makes critical amendments to SB 815, enabling the Mission Rock development project to move forward bringing with it a host of public benefits to what is now a surface parking lot. The bill received its final vote needed in the California Legislature on Tuesday, August 29th, and is currently awaiting the signature of Governor Brown.

Assemblymember Chiu authored the bill, which the Port drafted in consultation with the San Francisco Giants and negotiated with the State Lands Commission. If signed by Governor Brown, the bill would:

- Adjusts the description of the property to add lands that were previously part of the Mission Bay South Redevelopment area;
- Allow full 75 year lease terms for each lease at Seawall Lot 337;
- Allow buildings to be repurposed for trust uses when leases expire instead of the current requirement to demolish buildings at the end of lease terms;
- Authorize using Seawall Lot 337 nontrust lease revenue as a loan to fund infrastructure and public facility costs subject to repayment from public finance proceeds with interest if the State Lands Commission makes certain findings;
- Permit the San Francisco Bay Conservation and Development Commission to permit redevelopment of Pier 48 consistent with other historic piers north of China Basin.

## **CURRENT FEDERAL INITIATIVES**

### **USACE, Continuing Authorities Program Section 107 (CAP107), Central Basin Dredging**

In September 2009, the Port requested CAP107 dredging assistance from USACE for the Central Basin. A 32' depth Central Basin dredge project has been approved and is scheduled for construction in 2017. The Army Corps will provide up to \$10 million in federal funding, which is 63 percent of the estimated \$15.8 million cost of the dredge project. The Port's supplemental appropriation, approved November 3, 2015, included \$2.9 million and BAE will provide \$2.9 million to fund the project, providing for a \$5.8 million local match. After this initial dredge, the Army Corps will then assume all costs for future dredging of the Central Basin, at an estimated annual savings to the Port of \$850,000.

Because the Central Basin is the approach to the Pier 70 Shipyard's primary drydock facility, dredging this area is critical to operation of the shipyard. While the drydock itself is one of the largest privately operated repair facility of its kind on the west coast of the

Americas, the increasingly restrictive siltation in the Central Basin is limiting the number and type of vessels that can access it.

#### WRDA07, Removal of P70, Wharves 6, 7 and 8

Falling under the Port's WRDA07 Authority (of which \$20.2 million of the original \$25 million remains), USACE has been able to utilize funding remaining from the Pier 36 project in order to, in coordination with the Port, position this new request at Pier 70 for funding under the President's budget. In October 2016, in collaboration with USACE staff, Port staff completed a key USACE document, the Project Letter Report, identifying the cost of removal of Pier 70, Wharves 6, 7 and 8 to be approximately \$8.6 million. Should the project be funded, USACE would fund 2/3 of the project cost, leaving the Port with a cost of approximately \$2.9 million. Port staff expect to find out whether this project will be funded in early 2017, and will continue to advocate for the project in the interim.

#### National Flood Insurance Program (NFIP)

The Port's Engineering Division is currently appealing the federal draft Flood Insurance Rate Maps for San Francisco Bay. Special Projects staff is supporting this effort; the NFIP was a major focus of the May 2016 trip to Washington, D.C.

### **FY 2016-17 LEGISLATIVE INITIATIVES**

#### Local

Over the course of FY2016-17, Port staff anticipates taking to the Board of Supervisors various local resolutions, including lease and contract approvals, and ordinances granting the Port enforcement authority for certain State Water Quality Resource Control Board permits. Having this enforcement authority is a requirement of the Port's Municipal Separate Storm Sewer System.

Port staff also anticipates legislative approvals related to the Mission Rock and Pier 70 Special Use Districts for Seawall Lot 337 and Pier 70. These approvals will include the approval of project transaction documents and the formation of Infrastructure Financing Districts and Community Facilities Districts to finance infrastructure and other facilities to support both of these new neighborhoods. In FY 2016-17, Port staff also expects local legislation related to the following items:

- Pier 38;
- National Park Service Alcatraz Service;
- Real estate leases with a term of 10 years or more or with total rent in excess of \$1 million; and
- Resolutions authorizing the Port to accept and expend grants.

## Affordable Housing

The Port and Mayor's Office of Housing and Community Development are pursuing an affordable housing project at Seawall Lot 322-I, which was authorized by state legislation (AB 2649; Assemblymember Ammiano; 2012). State Lands Commission staff and Port staff are discussing technical amendments to AB 2649 to enable the project to include ground floor retail, consistent with direction from the community planning process.

## Seawall

The Port's Seawall Resiliency Project will loom large in the Port's legislative agenda over the coming decade. Local, state and federal sources of funding will be required to finance a project of this scale.

In December 2015, the Citi Foundation and Living Cities invited approximately 40 of the nation's largest cities for an opportunity to explore a new set of financing options to help address funding gaps for high priority capital projects. At the encouragement of the Mayor's Office, the Port collaborated with the Mayor's Office and Capital Planning Committee to enter the Seawall Resiliency Project for consideration. The Seawall was selected along with 3 other nationwide projects to participate in the Cohort. This third cohort of the City Accelerator is designed to bring cross-departmental city teams together who are seeking to be at the cutting-edge of financing capital projects but have formidable obstacles to making their initiatives a reality. With expertise provided by an infrastructure finance expert and an 18-month timeframe, city teams will be able to speed their discovery, implementation, and adoption of financing mechanisms that will allow them to flex creatively with existing resources and attract new investments. Through collective ideation and exposure to best-in-class models, cities will be able to try new financing tools and policy levers, taking what works and applying it to scale on the priority projects in their infrastructure pipeline.

In preparation for the Living Cities Cohort, the Port Seawall Resiliency Project team has brainstormed potential local, state and federal funding options for the Seawall project. These options fall into the following categories:

- **Local.** In consultation with the Mayor's Budget Office and the City Administrator's Capital Planning Committee, the Port hopes to explore a potential Seawall General Obligation Bond and funding from potential Infrastructure Financing District tax increment and Community Facilities District special tax sources.
- **State.** In consultation with the City's State and Federal Legislative Committee, the Port hopes to explore capturing the State's Share of property tax growth from Infrastructure Financing Districts on Port property. These are tax increment sources the State does not collect today, which could provide a powerful tool to incentivize investment in the Seawall and which will protect current State tax



revenues. The Port sought this source before (in 2008), and succeeded in obtaining this source for Pier 70 (2010).

- **Federal.** WRDA funding for flood control – particularly to protect Bay Area Rapid Transit and San Francisco Municipal Transportation Agency assets along the Embarcadero – is a potential source of significant federal funding.

The Port is in the process of hiring a Mayor’s Senior Fellow who will staff efforts to devise legislative and regulatory approvals necessary to support the Seawall Resiliency Project. Port staff will continue to consult with the Living Cities Cohort and the Port’s regulatory partners to recommend a financing and regulatory approval strategy that will realize the Port Commission’s Seawall Resilience Project goals.

### **SUPPORT FOR THE PORT’S WORK PROGRAM**

The legislative program supports the Port’s work program at the administrative and strategic level. Special Projects staff assist Real Estate, Planning and Development and other staff in the crafting, submitting and shepherding legislation for leasing, development documents, acceptance of granted funds and other items requiring Board of Supervisors approval. These efforts include submitting legislation packages to the Clerk of the Board, arranging and providing briefings to members of the Board, and appearing and presenting at Board Committee hearings.

Special Projects staff analyzes legislation moving through the Board of Supervisors and consults with Port division staff, crafting amendments to take to sponsors to ensure the Port’s interests are maintained. The legislative program looks for solutions to specific, identified problems requiring legislative solutions (such as AB 2797 to facilitate financing of parks and infrastructure at Seawall Lot 337), and works through the various processes required to achieve that solution. More broadly, the Port’s legislative program looks strategically at long-term issues for which no specific solutions are identified. The Port’s engagement with the California State Lands Commission around permissible uses of Port property, Infrastructure Financing Districts, and the coming efforts around the Seawall project are examples of this strategic support.

### **NEXT STEPS**

Port staff welcomes Port Commission direction regarding how to improve and strengthen the Port’s legislative program.

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Executive Division

For: Brad Benson, Director of Special Projects  
Executive Division

Attachment A – Washington DC Advocacy Documents

Attachment B – Port Legislative Accomplishments



# Port of San Francisco Waterfront Flood Zone Study

## Highlights

**Study Goal** Determine feasibility of a flood risk management (FRM) project for the entirety of the Port of San Francisco’s waterfront to reduce risk to human health and safety and economic damages that result from high tides and storm driven waves.

**Project Boundaries** The continuous seven mile Port of San Francisco waterfront and inland areas affected by rising sea levels.

**Flood Damages** Floodplain from 100-year tide inundates over 1,200 acres, including local and regional light rail systems, roadways, public open space and utility infrastructure (see attached Areas Of Concern Map, AOC08), including an estimated \$22 billion in public sector assets.

**Project Costs** Project costs are still under development.

**Demographics** Due to the length of the Port’s waterfront, the affected area includes San Francisco’s financial district and other dense commercial, residential, and industrial areas, while also impacting economic justice communities.

**Status** The Port of San Francisco is currently making an official request for funding to initiate a new General Investigations FRM Feasibility Study of the Port of San Francisco waterfront by the U.S. Army Corps of Engineers, San Francisco District.

**Funding History** To date, no federal funds have been appropriated for this study.

**Funding Status** The City and County of San Francisco, Capital Planning Committee, has proposed an appropriation to provide required study matching funds.

The Port of San Francisco is requesting \$400,000 in federal funding for the U.S. Army Corps of Engineers, San Francisco District to initiate a General Investigations FRM Feasibility Study

of the Port of San Francisco waterfront.



# Port of San Francisco

## Waterfront Flood Zone Study

### Overview

#### Study Goal

The San Francisco waterfront, including major transportation infrastructure and the City's financial district, is at risk of flooding from large coastal storms, extreme high tide events and sea level rise. The study goal is to evaluate the feasibility of alternatives to reduce the risk to human health and safety and economic damages that result from tidal flooding.

#### Project Boundaries

The project boundaries include the continuous seven mile Port of San Francisco waterfront and inland areas affected by rising sea levels. The areas are identified in the Sea Level Rise and Adaptation Study, Adaptation Alternatives Report (URS/AGS, 2012). See **Figure 1**, attached.

#### Tidal Flooding and Damages

Some areas of Port property, such as at Mission Creek, Islais Creek, and The Embarcadero/Ferry Building area are at lower elevations than other areas, and are subject to flood risk in a base flood condition from a 100 Year Storm event today, as shown on **Figure 1**.

A preliminary analysis was performed under a federal Continuing Authorities Program, Section 103 federal interest determination (FID). This analysis suggests that the current 1% Annual Chance of Exceedance (ACE) event would result in flooding to The Embarcadero transportation corridor, portions of Third Street, the Third Street and Fourth Street bridges, portions of Market street related downtown business district, Mission Creek and Islais Creek, and access points to the Ferry Building. Severed access and entry to the piers and entry to the Ferry Building terminal could impact ferry service and potential evacuation needs, as well as the functioning of the emergency water transport system.

With increasing frequency and severity, there are traffic impacts to The Embarcadero during king tides and wind driven flood events. The Embarcadero transportation corridor provides access to high use facilities

along the waterfront and to the Ferry Building, which is a hub for retail and professional services.

All lifelines that run along the 4-mile length of The Embarcadero and out to piers are at increasing risk of being severed by flooding. This could include power, wastewater and water services that cross the seawall and serve waterfront businesses; the Transbay tube and transit tunnel and tracks; wastewater outfall structures all along the waterfront including the north shore sewer outfall; and wastewater pumping stations along the waterfront. Other utility systems (electrical, communication, potable water, fire water) are subject to damage or loss of functionality should they be inundated by flooding.

The City Administrator's "Lifelines Council" addresses citywide resilience and post-disaster recovery. The Lifelines Interdependency Study, April 17, 2014, identifies the southeastern reaches of the City, around Mission Creek and Islais Creek, as an infrastructure "hub", where many of the City's lifeline operators have operation yards, fuel storage areas, major pipelines and other critical system facilities and components. These areas are within the subject Areas of Concern, attached in **Figure 1**.

BART and MUNI (regional and local commuter rail, respectively) stations and buildings in the financial district would be subject to flooding in just over a decade under certain sea level scenarios, with a 1% ACE event potentially resulting in significant direct and indirect economic damages that would extend throughout the broader Bay Area economy. This scenario could also disrupt ferry service operations in the area. More information related to traffic flows, ferry usage, and the value and level of exposure of BART and MUNI operations and other adjacent high rise buildings is needed to estimate economic damages.

## Cost of Inaction

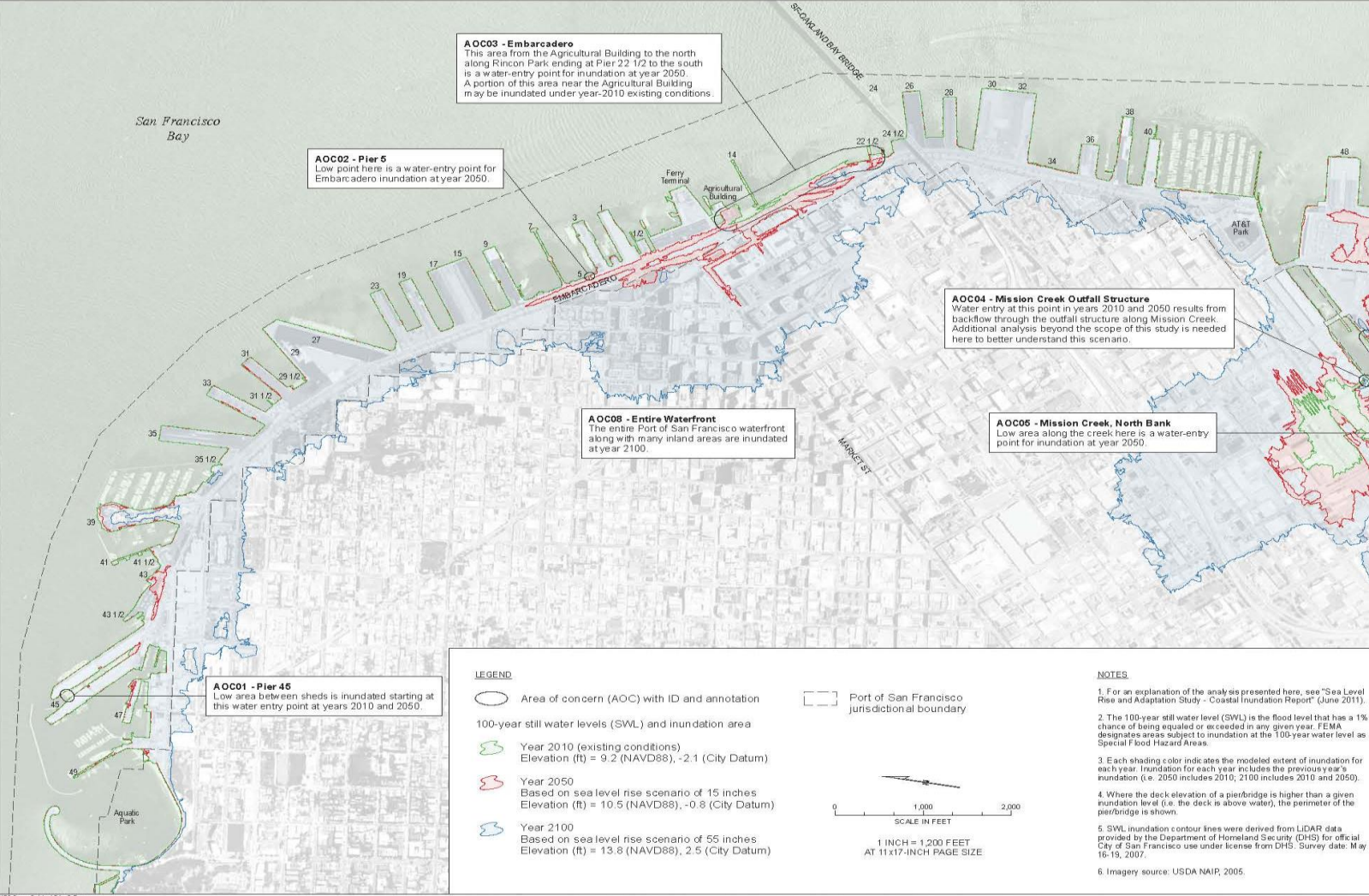
Over the coming decades, the impacts of sea level rise and the increasing frequency and intensity of storms mean that areas currently not subject to flood risk can be expected to experience periodic coastal and/or urban flooding. The City and County of San Francisco's Sea Level Rise Action Plan provides a preliminary estimate of approximately \$22 billion in public sector assets at risk within the Action Plan vulnerability zone (excluding the San Francisco airport).

## Funding Request

While the Port of San Francisco's existing, separate Continuing Authorities Program, Section 103, investigation into a portion of the waterfront is moving forward, it will only identify solutions within the statutory limits of that program. The Port of San Francisco therefore is seeking \$400,000 in funding for the U.S. Army Corps of Engineers, San Francisco District, to

initiate a General Investigations FRM Feasibility Study of the greater San Francisco waterfront.

**Figure 1: Area of Concern Map AOC08**



URS Corp. 04/10/08/CA - C. Roman



## **Attachment B – Port Legislative Accomplishments**

Significant local legislative efforts, in coordination with the Port Finance and Administration and Planning and Development, include:

- In 2008, and again in 2012, San Francisco voters approved investments through issuance of general obligation bonds totaling \$68 million in the development of a network of waterfront parks from Fisherman’s Wharf to Heron’s Head Park adjacent to Pier 96. 2008 represented the Port’s first inclusion in a general obligation bond.
- In 2013, the Board of Supervisors adopted Resolution 123-13, adopting Guidelines for the Establishment and Use of an Infrastructure Financing District with Project Areas on Land Under the Jurisdiction of the San Francisco Port Commission (Port IFD Guidelines).
- In 2016, the Board of Supervisors adopted Ordinance 27-16, establishing Infrastructure Financing District No. 2 enabling development of Pier 70’s Historic Core, also adopting an Infrastructure Financing Plan (IFP) and making other approvals.

Port State legislative efforts have included:

- In 2005, the California Legislature adopted SB 1085 (Senator Carole Migden), permitting the Board of Supervisors to form Infrastructure Financing Districts (IFD) on Port property that allow the capture of growth in property (or possessory interest) tax increment to fund public improvements along the waterfront.
- In 2007, the California Legislature adopted SB 815 (Senator Carole Migden), authorizing the Port to lease certain seawall lots south of Market Street and north of Pier 50 for non-trust (i.e., commercial and residential) purposes, with net proceeds to fund rehabilitation of Port historic resources and parks required by the San Francisco Bay Conservation and Development Commission (“BCDC”). The largest of these is Seawall Lot 337 in Mission Bay, the site of the Port’s current negotiations with Seawall Lot 337 Associates, LLC, to develop a new neighborhood south of AT&T Park.
- In 2010, the California Legislature adopted AB 1199 (Assemblymember Tom Ammiano), permitting the Port to establish a Pier 70 IFD that may issue debt repayable with both the local share of possessory interest tax and the state’s share of possessory interest tax (permitted by AB 1199).
- In 2011, the California Legislature adopted AB 664 (Assemblymember Tom Ammiano), with technical amendments following in 2012 (AB 2259), authorizing the Port to capture up to \$1 million annually in state tax revenue to fund the James R. Herman Cruise Terminal and related improvements, if the City demonstrates that the state will earn revenue in excess of this amount from the

34th America's Cup. This legislation applies to the following locations: SWL 330, and Piers 19, 23 and 29. The California Infrastructure Financing Bank (I-Bank) must first find that the net present value of tax benefits of the 34th America's Cup to the State of California exceeds the net present value of tax increment it would forego from these sites.

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

Federal legislative efforts include:

- In 2007, the Port, with the assistance of City Hall, successfully sought new spending authority through the Water Resources Development Act of 2007 (WRDA07), allowing the Port to seek up to \$25 million in future appropriations for "rehabilitation or demolition, as appropriate" of a number of the Port's piers. This authority is a unique asset for the Port in that it is a direct construction authority, which has allowed for relatively quick implementation. By contrast, the kind of approvals the Port received for Pier 36 (see below) under this authority would normally require 1) passage of a study authority in WRDA, 2) passage of a study appropriation, 3) passage of a construction authority in WRDA, and 4) passage of a construction appropriation. Future projects eligible for funding by way of this authority, like the project for removal of P70's wharves 6, 7 and 8, all benefit from the unique straight-to-construction legislation.
- In 2009 Port staff successfully sought, through Speaker Nancy Pelosi, funding through a direct Congressional appropriation of \$4.8 million for removal of Pier 36, making way for the Brannan Street Wharf. This appropriation was a part of the \$25 million authorization granted to the Port through WRDA 07.
- In 2009, Port staff successfully sought, through Speaker Nancy Pelosi, a direct Congressional appropriation of \$3 million for removal, remediation and recycling of Drydock #1. This appropriation of funds was key to the success of the project, as it was administrated through the United States Navy which brought with it considerable and specific expertise on a complicated and risky project.
- In 2011, the Port staffed the City's effort to pass federal legislation (the Port's only known stand-alone federal legislation) to enable the 34th America's Cup.

The legislation, passed during an unproductive federal legislative period, established a special process for the America's Cup regattas allowing the U.S. Maritime Administration to issue waivers to various aspects of the Jones Act, including the towing, passenger and cargo carriage statutes.