Resolution approving a Memorandum of Understanding relating to Sub-Project Area G-1 (Pier 70 - Historic Core) of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); and approving other matters in connection therewith.

WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San Francisco Charter Section 4.114 and B3.581 empower the City and County of San Francisco (City), acting through the Port Commission to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction; and

WHEREAS, Under Government Code Sections 53395 et seq. (IFD Law), the Board of Supervisors is authorized to establish an infrastructure financing district and to act as the legislative body for an infrastructure financing district, including the formation of "waterfront districts" under Section 53395.8 of the IFD Law and the approval of "Pier 70 enhanced financing plans" and the formation of subareas within a Pier 70 waterfront district pursuant to Section 53395.81 of the IFD Law; and

WHEREAS, By Resolution No. 123-13, which the Board of Supervisors adopted on April 23, 2013, and the Mayor approved on April 30, 2013, the City adopted "Guidelines for the Establishment and Use of Infrastructure Financing Districts on Project Areas on Land under Jurisdiction of the San Francisco Port Commission" (Port IFD Guidelines) relating to the formation of infrastructure financing districts by the City on waterfront property under the jurisdiction of the Port Commission; and
WHEREAS, By Resolution No. 110-12, which the Board of Supervisors adopted on March 27, 2012 and the Mayor approved on April 5, 2012 (Original Resolution of Intention to Establish IFD), the City declared its intention to establish a waterfront district to be known as “City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (IFD), and designated initial proposed project areas within the IFD; and

WHEREAS, By Resolution No. 227-12, which the Board of Supervisors adopted on June 12, 2012 and the Mayor approved on June 20, 2012 (First Amending Resolution), the City amended the Original Resolution of Intention to Establish IFD to propose, among other things, an amended list of Project Areas; and

WHEREAS, By Resolution No. 421-15, which the Board of Supervisors adopted on November 17, 2015 and the Mayor approved on November 25, 2015 (Second Amending Resolution), the City amended the Original Resolution of Intention, as amended by the First Amending Resolution (the Original Resolution of Intention to Establish IFD, as amended by the First Amending Resolution and Second Amending Resolution: Resolution of Intention to Establish IFD), to propose Sub-Project Area G-1 (Pier 70 - Historic Core) within the Pier 70 district; and

WHEREAS, Sub-Project Area G-1 (Pier 70 - Historic Core) includes property that the City, acting by and through the Port Commission, has leased to Historic Pier 70, LLC (an affiliate of Orton Development, Inc.) pursuant to Lease No. L-15814, dated as of July 29, 2015 (Lease), which property will be rehabilitated pursuant to a Lease Disposition and Development Agreement, dated as of September 16, 2014, by and between the City, acting by and through the Port Commission, and Historic Pier 70, LLC (LDDA); and

Mayor Lee; Supervisor Cohen
BOARD OF SUPERVISORS
WHEREAS, Sub-Project Area G-1 (Pier 70 - Historic Core) is within the Eastern Neighborhoods Community Plan Area, for which the Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plans Final EIR (EN FEIR) (Planning Department Case No. 2004.0160E); and

WHEREAS, The Planning Department reviewed the Crane Cove Park project (Crane Cove Project) and the project described in the LODA (Historic Core Project) and determined that a community plan exemption (CPE) under CEQA Guidelines Section 15183 would be appropriate because the Historic Core Project and the Crane Cove Project are within the scope of the EN FEIR and would not have any additional or significant adverse effects that were not examined in the EN FEIR, nor has any new or additional information come to light that will alter the conclusions of the EN FEIR. Thus, the Historic Core Project and the Crane Cove Project will not have any new effects on the environment that were not previously identified, nor will any environmental impacts be substantially greater than described in the EN FEIR. No mitigation measures previously found infeasible have been determined to be feasible, nor have any new mitigation measures or alternatives been identified but rejected by Port; and

WHEREAS, Based on those findings, the Planning Department prepared a CPE for the proposed Historic Core Project (Historic Core CPE), which exemption was approved on May 7, 2014 (Planning Department Case No. 2013.1168E) and the Crane Cove Project on October 5, 2015 (Planning Department Case No. 2015-001314ENV) (Crane Cove CPE), copies of which are on file at File No. 151117 and also available online through the Planning Department’s web page; and

WHEREAS, The Board of Supervisors has reviewed the EN FEIR (a copy of which is on file at File No. 081133 and also available online through the Planning Department’s web page), the Historic Core CPE and the Crane Cove CPE; and
WHEREAS, All applicable mitigation measures from the EN FEIR have been incorporated into the Historic Core CPE and Crane Cove CPE, or have been required as conditions of approval through the Port Commission’s adoption of the Mitigation Monitoring and Reporting Program (MMRP) attached to Port Commission Resolutions 14-33 and 15-38 and the Board of Supervisors adoption of the Historic Core Project MMRP attached to Resolution No. 273-14 in File No. 140729 on July 22, 2014; and

WHEREAS, Pursuant to the Resolution of Intention to Establish IFD, the Board of Supervisors directed the Executive Director of the Port (Executive Director) to prepare an infrastructure financing plan for the IFD (Infrastructure Financing Plan) and Sub-Project Area G-1 consistent with the requirements of the IFD Law; and

WHEREAS, As required by the IFD Law, the Executive Director:

(A) Prepared the Infrastructure Financing Plan for the IFD as a whole, describing the procedures by which property tax increment from project areas in the IFD will be allocated to specific public facilities, which creates a government funding mechanism that does not commit to any specific project that may result in a potentially significant physical impact on the environment and therefore is exempt from CEQA; and,

(B) Prepared Appendix G-1 to the Infrastructure Financing Plan, proposing an allocation of property tax increment from proposed Sub-Project Area G-1 (Pier 70 - Historic Core) to finance the public facilities described in Appendix G-1 to the Infrastructure Financing Plan, which development and public facilities have been analyzed under CEQA in the EN FEIR, Historic Core CPE, and Crane Cove CPE; and,
(C) Sent the Infrastructure Financing Plan, including Appendix G-1, along with
the EN FEIR, Historic Core CPE, and Crane Cove CPE, to the City's Planning
Department and the Board of Supervisors; and

WHEREAS, The Clerk of the Board of Supervisors made the Infrastructure
Financing Plan, including Appendix G-1, available for public inspection; and

WHEREAS, On January 26, 2016, following publication of notice consistent with
the requirements of the IFD Law, the Board of Supervisors held a public hearing relating
to the proposed Infrastructure Financing Plan, including Appendix G-1; and

WHEREAS, Upon the completion of the public hearing, the Board of Supervisors
introduced under even date herewith Ordinance No. 27-16
entitled "Ordinance
establishing an Infrastructure Financing District (including Sub-Project Area G-1 (Pier 70
- Historic Core) and adopting an Infrastructure Financing Plan (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 therewith," pursuant to which the Board of
Supervisors declared the IFD described in the Infrastructure Financing Plan, including
Sub-Project Area G-1 (Pier 70 - Historic Core), to be fully formed and established with
full force and effect of law, approved the Infrastructure Financing Plan, including
Appendix G-1, subject to amendment as permitted by the IFD Law, and established the
base year for Sub-Project Area G-1 as set forth in the Infrastructure Financing Plan; and

WHEREAS, The Board adopted Ordinance No. ___ on __, 2016, and the Mayor
signed the same on __2016; and

WHEREAS, The LDDA also provides for formation by the City of (i) a community
facilities district (Facilities CFD) under the Mello-Roos Community Facilities Act of 1982
(California Government Code §§ 53311 - 53368), the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) or similar law (collectively, the "CFD Law") to finance certain public infrastructure described in the LDDA and (ii) a community facilities district (Services CFD) under the CFD Law to finance certain ongoing maintenance costs; and

WHEREAS, San Francisco Charter Section B7.320 authorizes the Mayor to submit to the Board of Supervisors for approval a memorandum of understanding between the Port Commission and another department or departments of the City, approved by the Port Commission by resolution, that requires the department(s) to expend funds or to transfer funds to the Port Commission; and

WHEREAS, On November 10, 2015, by Resolution No. 15-43, the Port Commission approved a Memorandum of Understanding (MOU-16022) by and among the Controller (Controller), the Treasurer and Tax Collector (Treasurer-Tax Collector), and the Port Commission (Memorandum of Understanding), pursuant to which the Controller, the Treasurer-Tax Collector and the Port Commission would agree to implement Appendix G-1, the Facilities CFD and the Services CFD; now, therefore, be it RESOLVED, By the Board of Supervisors as follows:

Section 1. Recitals. All of the recitals herein are true and correct.

Section 2. File Documents. The documents presented to the Board of Supervisors and on file with the Clerk of the Board or her designee (collectively, the "Clerk") are contained in File No. 151117.

Section 3. Approval of Memorandum of Understanding. The Memorandum of Understanding among the Port Commission, the Treasurer-Tax Collector and the Controller, as presented to the Board of Supervisors, substantially in the form on file with the Clerk, is hereby approved.
Section 4. **Authority to Execute and Modify.** The Controller and the Treasurer-Tax Collector are hereby authorized and directed to execute the Memorandum of Understanding with such changes, additions and modifications as the Controller or Treasurer-Tax Collector may make or approve in accordance with Section 6 of this Resolution.

Section 5. **General Authority.** The Mayor, the City Attorney, the Controller, the Treasurer-Tax Collector, the Clerk and other officers of the City and their duly authorized deputies, designees and agents are hereby authorized and directed, jointly and severally, to take such actions and to execute and deliver such certificates, agreements, requests or other documents as they may deem necessary or desirable to accomplish the purposes of this Resolution.

Section 6. **Modifications, Changes and Additions.** Each of the Controller and the Treasurer-Tax Collector, upon consultation with the City Attorney, is hereby authorized and directed to make such modifications, changes and additions to the Memorandum of Understanding as may be necessary or desirable and in the interests of the City, and which changes do not materially increase the obligation of the City or reduce its rights thereunder, and the approval by each of the Controller and the Treasurer-Tax Collector of such modifications, changes and additions shall be conclusively evidenced by the execution and delivery of the Memorandum of Understanding or amendments to the Memorandum of Understanding by the Controller and the Treasurer-Tax Collector, with the final executed version of the Memorandum of Understanding being provided within 30 days to the Clerk of the Board for inclusion into the file for this Resolution.
Section 7. Ratification of Prior Actions. All actions authorized and approved by this Resolution and consistent with the documents provided herein but taken prior to the date hereof are hereby ratified, approved and confirmed by the Board of Supervisors.
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 Financing District No. 2 (Port of San Francisco); and approving other matters in connection with the MOU, as defined herein.

January 26, 2016 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

February 23, 2016 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Tang, Wiener and Yee
Absent: 1 - Mar

File No. 151117

I hereby certify that the foregoing Resolution was ADOPTED on 2/23/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved

3/4/16