

1 [Authorizing Execution of a Memorandum of Understanding Relating to Infrastructure
2 Financing District No. 2]

3 **Resolution approving a Memorandum of Understanding relating to Sub-Project**
4 **Area G-1 (Pier 70 - Historic Core) of City and County of San Francisco**
5 **Infrastructure Financing District No. 2 (Port of San Francisco); and approving**
6 **other matters in connection therewith.**
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9 WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San
10 Francisco Charter Section 4.114 and B3.581 empower the City and County of San
11 Francisco (City), acting through the Port Commission to use, conduct, operate,
12 maintain, manage, regulate and control the lands within Port Commission jurisdiction;
13 and

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

20 WHEREAS, By Resolution No. 123-13, which the Board of Supervisors adopted
21 on April 23, 2013, and the Mayor approved on April 30, 2013, the City adopted
22 “Guidelines for the Establishment and Use of Infrastructure Financing Districts on
23 Project Areas on Land under Jurisdiction of the San Francisco Port Commission” (Port
24 IFD Guidelines) relating to the formation of infrastructure financing districts by the City
25 on waterfront property under the jurisdiction of the Port Commission; and

1 WHEREAS, By Resolution No. 110-12, which the Board of Supervisors adopted
2 on March 27, 2012 and the Mayor approved on April 5, 2012 (Original Resolution of
3 Intention to Establish IFD), the City declared its intention to establish a waterfront district
4 to be known as "City and County of San Francisco Infrastructure Financing District No.
5 2 (Port of San Francisco)" (IFD), and designated initial proposed project areas within the
6 IFD; and

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

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

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

25 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

1 Eastern Neighborhoods Rezoning and Area Plans Final EIR (EN FEIR) (Planning
2 Department Case No. 2004.0160E); and

3 WHEREAS, The Planning Department reviewed the Crane Cove Park project
4 (Crane Cove Project) and the project described in the LDDA (Historic Core Project) and
5 determined that a community plan exemption (CPE) under CEQA Guidelines Section
6 15183 would be appropriate because the Historic Core Project and the Crane Cove
7 Project are within the scope of the EN FEIR and would not have any additional or
8 significant adverse effects that were not examined in the EN FEIR, nor has any new or
9 additional information come to light that will alter the conclusions of the EN FEIR. Thus,
10 the Historic Core Project and the Crane Cove Project will not have any new effects on
11 the environment that were not previously identified, nor will any environmental impacts
12 be substantially greater than described in the EN FEIR. No mitigation measures
13 previously found infeasible have been determined to be feasible, nor have any new
14 mitigation measures or alternatives been identified but rejected by Port; and

15 WHEREAS, Based on those findings, the Planning Department prepared a CPE
16 for the proposed Historic Core Project (Historic Core CPE), which exemption was
17 approved on May 7, 2014 (Planning Department Case No. 2013.1168E) and the Crane
18 Cove Project on October 5, 2015 (Planning Department Case No. 2015-001314ENV)
19 (Crane Cove CPE); and

20 WHEREAS, The Board of Supervisors has reviewed the EN FEIR, the Historic
21 Core CPE and the Crane Cove CPE, copies of which are on file at File No. 151117, and
22 are also available online through the Planning Department's web page; and

23 WHEREAS, All applicable mitigation measures from the EN FEIR have been
24 incorporated into the Historic Core CPE and Crane Cove CPE, or have been required
25 as conditions of approval through the Port Commission's adoption of the Mitigation

Monitoring and Reporting Program (MMRP) attached to Port Commission

1 Resolutions 14-33 and 15-38 and the Board of Supervisors adoption of the Historic
2 Core Project MMRP attached to Resolution No. 273-14 in File No. 140729 on July 22,
3 2014; and

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

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

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

15 (B) Prepared Appendix G-1 to the Infrastructure Financing Plan, proposing an
16 allocation of property tax increment from proposed Sub-Project Area G-1 (Pier 70 -
17 Historic Core) to finance the public facilities described in Appendix G-1 to the
18 Infrastructure Financing Plan, which development and public facilities have been
19 analyzed under CEQA in the EN FEIR, Historic Core CPE, and Crane Cove CPE; and,

20 (C) Sent the Infrastructure Financing Plan, including Appendix G-1, along with
21 the EN FEIR, Historic Core CPE, and Crane Cove CPE, to the City's Planning
22 Department and the Board of Supervisors; and

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

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

4 WHEREAS, Upon the completion of the public hearing, the Board of Supervisors
5 introduced under even date herewith Ordinance No. ____ entitled "Ordinance
6 establishing an Infrastructure Financing District and adopting an Infrastructure
7 Financing Plan for City and County of San Francisco Infrastructure Financing District
8 No. 2 (Port of San Francisco); approving a Tax Administration Agreement;
9 [_____]; and approving other matters in connection therewith" ,
10 pursuant to which the Board of Supervisors declared the IFD described in the
11 Infrastructure Financing Plan, including Sub-Project Area G-1 (Pier 70 - Historic Core),
12 to be fully formed and established with full force and effect of law, approved the
13 Infrastructure Financing Plan, including Appendix G-1, subject to amendment as
14 permitted by the IFD Law, and established the base year for Sub-Project Area G-1 as
15 set forth in the Infrastructure Financing Plan; and

16 WHEREAS, The Board adopted Ordinance No. ____ on ____, 2016, and the Mayor
17 signed the same on ____2016; and

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

25 WHEREAS, San Francisco Charter Section B7.320 authorizes the Mayor to
submit to the Board of Supervisors for approval a memorandum of understanding

1 between the Port Commission and another department or departments of the City,
2 approved by the Port Commission by resolution, that requires the department(s) to
3 expend funds or to transfer funds to the Port Commission; and

4 WHEREAS, On November 10, 2015, by Resolution No. 15-43, the Port
5 Commission approved a Memorandum of Understanding (MOU-16022) by and among
6 the Controller (Controller), the Treasurer and Tax Collector (Treasurer-Tax Collector),
7 and the Port Commission (Memorandum of Understanding), pursuant to which the
8 Controller, the Treasurer-Tax Collector and the Port Commission would agree to
9 implement Appendix G-1, the Facilities CFD and the Services CFD; now, therefore, be it

10 RESOLVED, By the Board of Supervisors as follows:

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

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

15 Section 3. Approval of Memorandum of Understanding. The Memorandum of
16 Understanding among the Port Commission, the Treasurer-Tax Collector and the
17 Controller, as presented to the Board of Supervisors, substantially in the form on file
18 with the Clerk, is hereby approved.

19 Section 4. Authority to Execute and Modify. The Controller and the Treasurer-
20 Tax Collector are hereby authorized and directed to execute the Memorandum of
21 Understanding with such changes, additions and modifications as the Controller or
22 Treasurer-Tax Collector may make or approve in accordance with Section 6 of this
23 Resolution.

24 Section 5. General Authority. The Mayor, the City Attorney, the Controller, the
25 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

1 and severally, to take such actions and to execute and deliver such certificates,
2 agreements, requests or other documents as they may deem necessary or desirable to
3 accomplish the purposes of this Resolution.

4 Section 6. Modifications, Changes and Additions. Each of the Controller and
5 the Treasurer-Tax Collector, upon consultation with the City Attorney, is hereby
6 authorized and directed to make such modifications, changes and additions to the
7 Memorandum of Understanding as may be necessary or desirable and in the interests
8 of the City, and which changes do not materially increase the obligation of the City or
9 reduce its rights thereunder, and the approval by each of the Controller and the
10 Treasurer-Tax Collector of such modifications, changes and additions shall be
11 conclusively evidenced by the execution and delivery of the Memorandum of
12 Understanding or amendments to the Memorandum of Understanding by the Controller
13 and the Treasurer-Tax Collector, with the final executed version of the Memorandum of
14 Understanding being provided within 30 days to the Clerk of the Board for inclusion into
15 the file for this Resolution.

16 Section 7. Ratification of Prior Actions. All actions authorized and approved by
17 this Resolution and consistent with the documents provided herein but taken prior to the
18 date hereof are hereby ratified, approved and confirmed by the Board of Supervisors.

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