

Mission Rock Special Use District



**Resolutions of Intent:
to Form Sub-Project Areas I-1 through I-13 to the
existing Port-wide IFD and Issue Bonds**

Capital Planning Committee

November 13, 2017

Request to Capital Planning Committee

Recommend approval of the following items:

- **Resolution of Intent to Form Sub-Project Areas I-1 through I-13 to the existing Port-wide Infrastructure Financing District (IFD) and**
- **Resolution of Intent to Issue Bonds for Sub-Project Areas I-1 through I-13, which encompass the Mission Rock Special Use District**

Mission Rock Site Context



Abridged Project Timeline

2006: Port convened community planning process

2007: State Senate Bill 815 amended

2008: RFP issued

2010: ENA w/ Seawall Lot 337 Associates

2013: Term Sheet endorsed by Port and Board

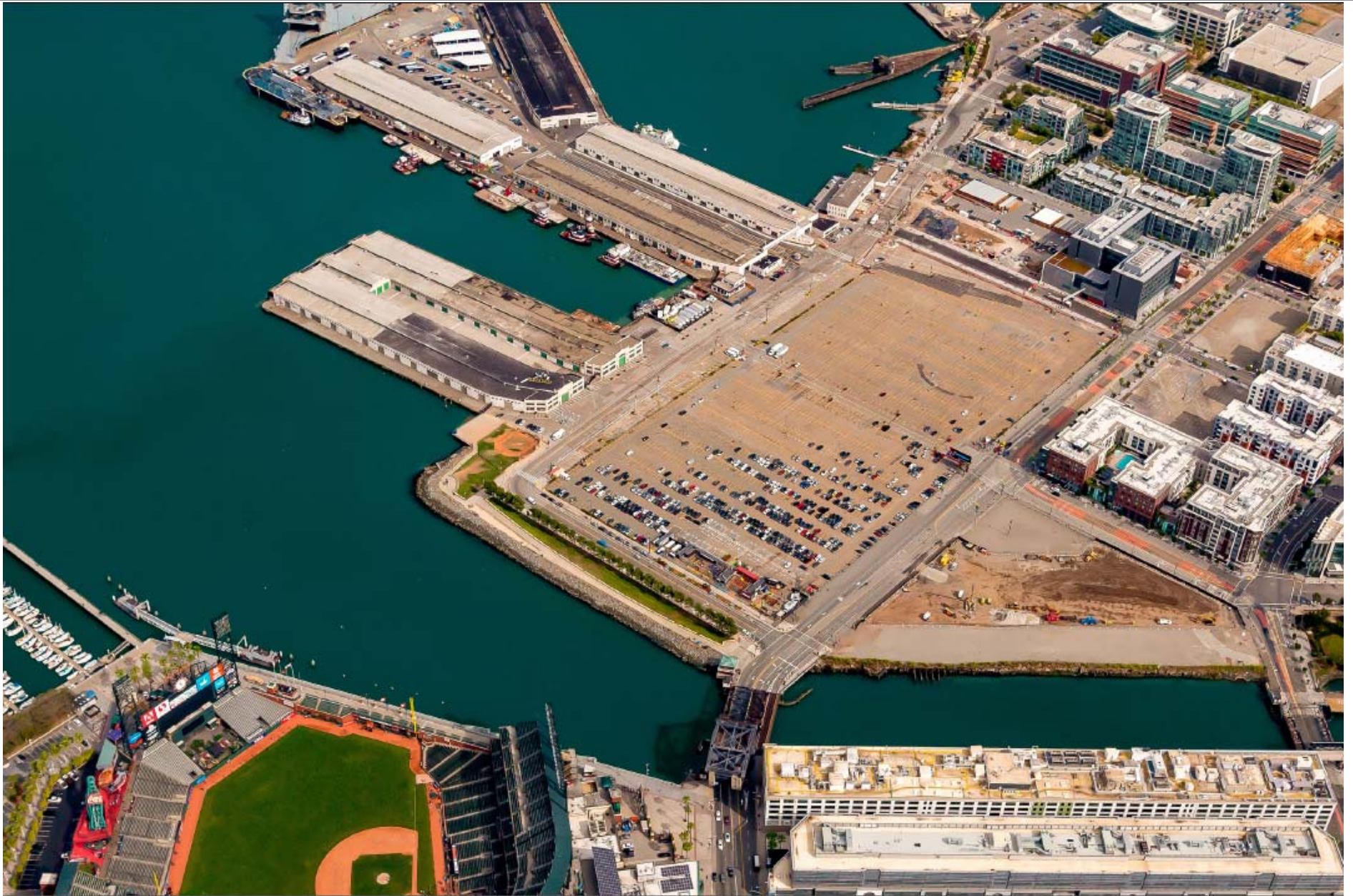
2015: Proposition D approved by voters

2016: Assembly Bill 2797 approved by State

Oct 2017: Final EIR Certified

January 2018: Project approvals and IFD actions anticipated

Mission Rock Site Context



Mission Rock Site Context



Mission Rock Project Highlights

Comprehensive planning and design framework



INFRASTRUCTURE PLAN

The design of the landscape, buildings, and sustainability strategies will be closely coordinated with the Infrastructure planning at Mission Rock. This plan regulates the complex coordination of streets, utilities, and services.



TRANSPORTATION PLAN

This plan describes the ways in which the site will be designed to support the mobility choices of all users, with a special emphasis on safe and comfortable conditions for pedestrians and cyclists.



VISION AND DESIGN INTENT

This document contains the big picture thinking and aspirations that will guide the process for the design and implementation of Mission Rock.



DESIGN CONTROLS

This document guides the development of the open spaces, streets, and buildings at Mission Rock. The DC ensures that the site will be developed in a way that is consistent with the vision as defined in the Mission Rock Vision and Design Intent document.



SUSTAINABILITY STRATEGY

Targets for site-wide performance are outlined in the Sustainability Strategy. This document explains how the infrastructure, buildings, and community will work together to achieve these targets, in a way that is consistent with the DC.

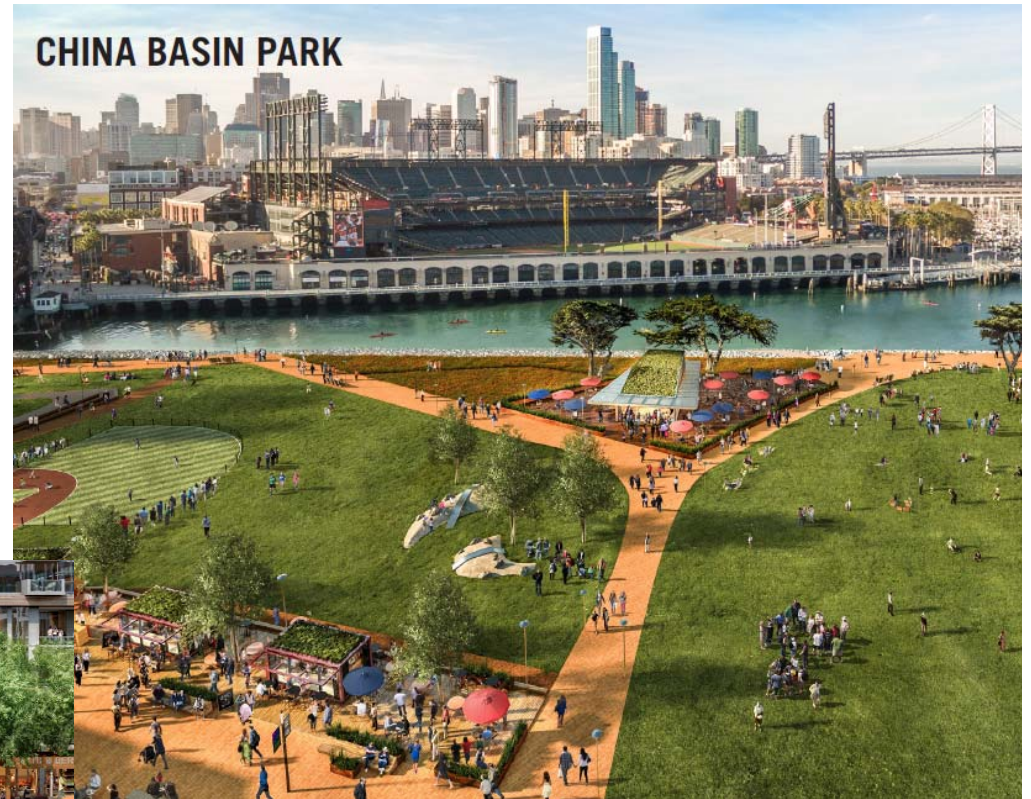
Mission Rock Project Highlights

Affordable housing: 40% of all residential units to be BMR



Mission Rock Project Highlights

**8 acres of parks
and open space**



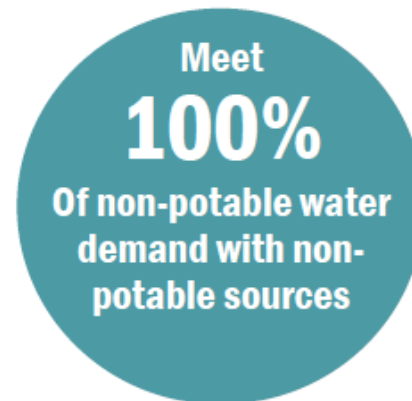
Mission Rock Project Highlights

Exemplary Sustainability Strategy

Resilience



Water



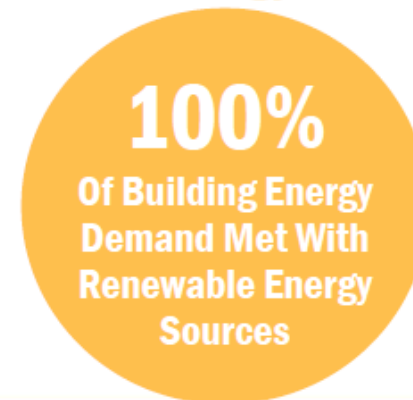
Waste



Transportation



Energy



Mission Rock Project Highlights

Historic Rehabilitation



Mission Rock Project Highlights

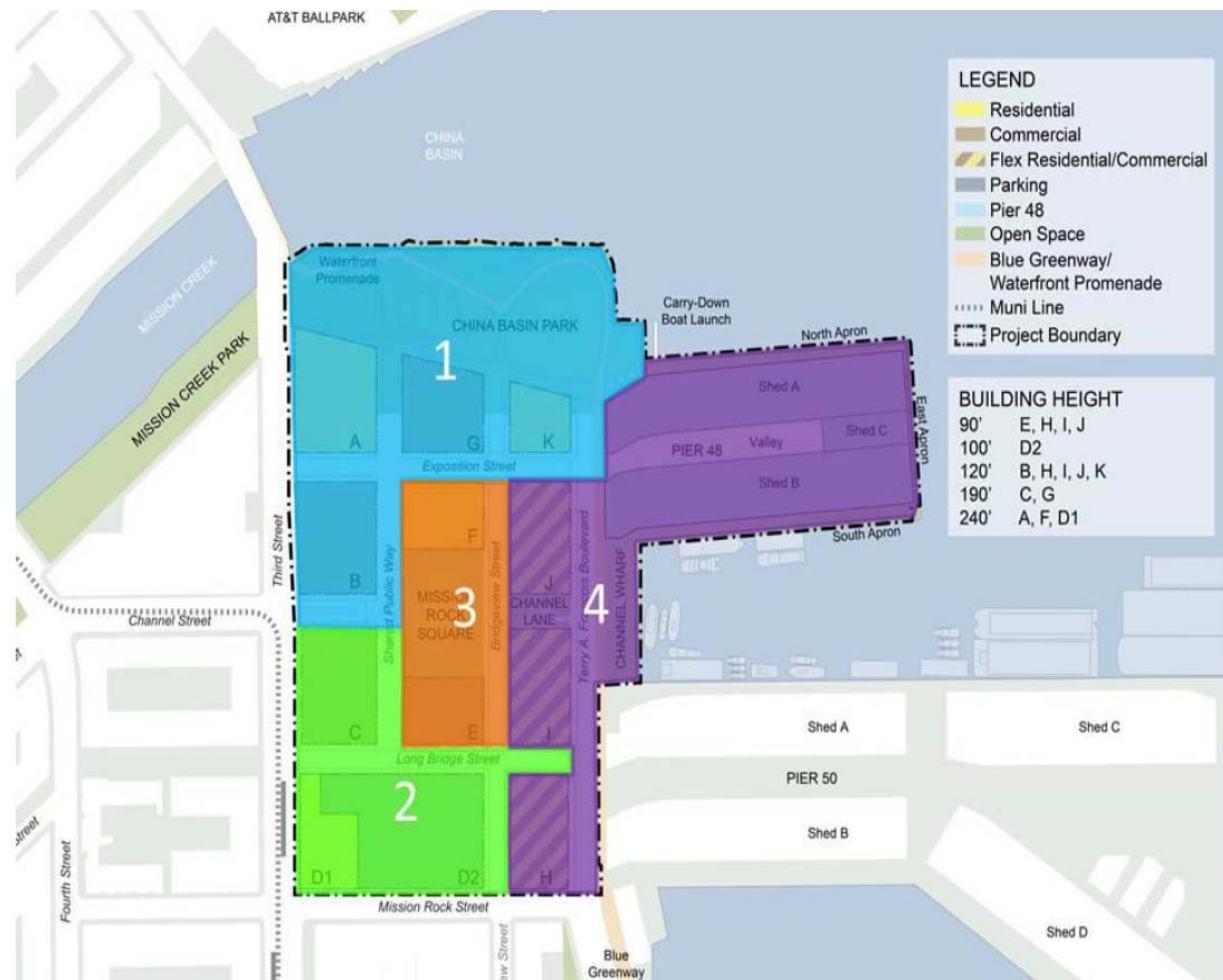
2.7 to 2.8M gsf total

- **1.1-1.6M gsf (1,000 – 1,600 residential units)**
40% of which will be affordable
- **972K - 1.4M gsf office**
- **240K gsf retail/production**
- **240K gsf Pier 48 industrial & active uses**



Mission Rock Infrastructure Plan

Infrastructure anticipated to be delivered in 4 phases, linked closely to vertical construction.



Mission Rock Infrastructure Plan

Raise site for sea level rise resiliency up to 66" and plan adaptation of site edges

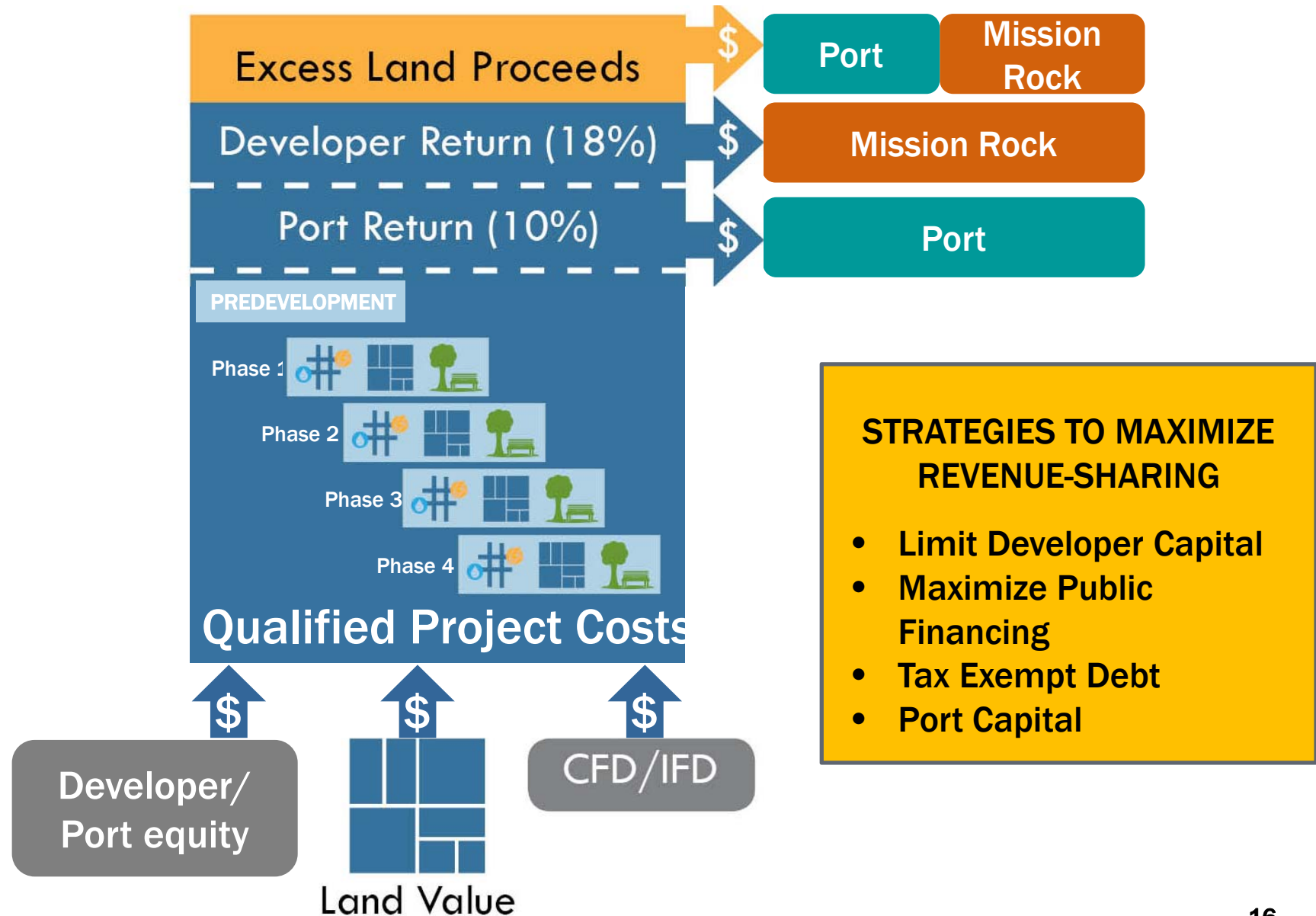


Mission Rock Infrastructure Plan

Pile-supported streets and utilities



Funding Structure – Investment & Return



Funding Sources – Overview

Infrastructure Financing District (IFD)

- Captures growth in property tax revenue (“tax increment”)
- Revenue stream to project (“Pay-Go”) or leveraged through long-term debt
- Funds public improvements and historic rehabilitation

Community Facilities District (CFD)

- Establishes special taxes that property owners and lessees pay
- Revenue stream to project (“Pay-Go”) or leveraged through long-term debt
- Funds capital improvements and/or ongoing services

Developer Capital

- Developer advanced fund that earn an **18%** annual return

Port Capital

- Port advanced Harbor Funds earn a **10%** annual return

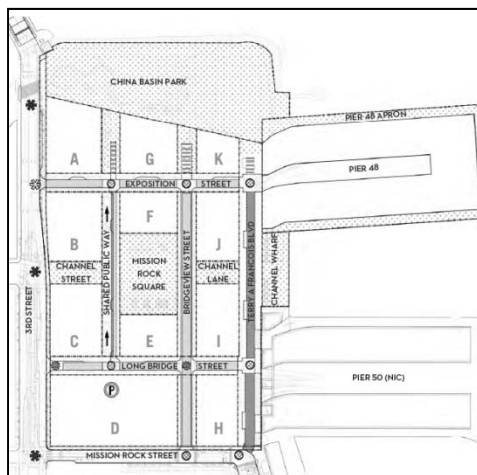
Land Proceeds

- Revenues generated from the sale or lease of Port land
- Revenue Sharing after Project achieves \$2.5M annual rent threshold

Funding Sources – CFD

CFD

Levies special tax over Project



Mission Rock

Pays special tax \approx future property tax

Facilities special tax goes away when properties are assessed and tax increment starts flowing

CFD

Finances Horizontal Infrastructure



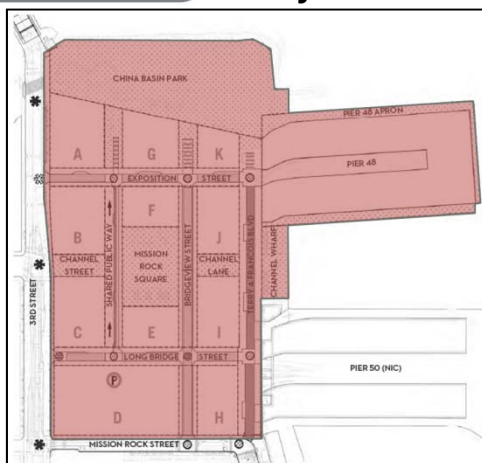
Benefits:

- Established over the IFD to create an early income stream
- Early public finance strategy to minimize use of Developer equity
- CFD bonds are a higher credit than IFD bonds, lowering cost of issuance

Funding Sources – CFD

CFD

Levies special tax over Project



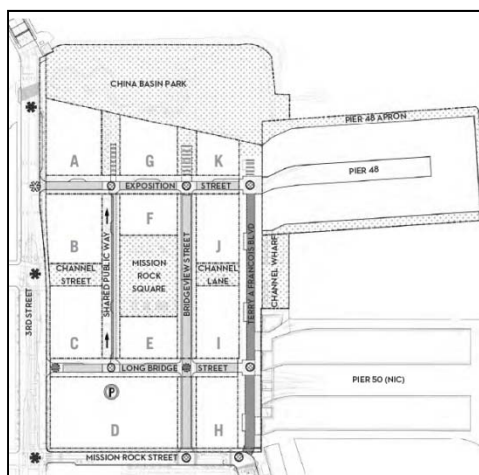
Mission Rock

Pays special tax \approx future property tax



CFD

Finances Horizontal Infrastructure



Facilities special tax goes away when properties are assessed and tax increment starts flowing

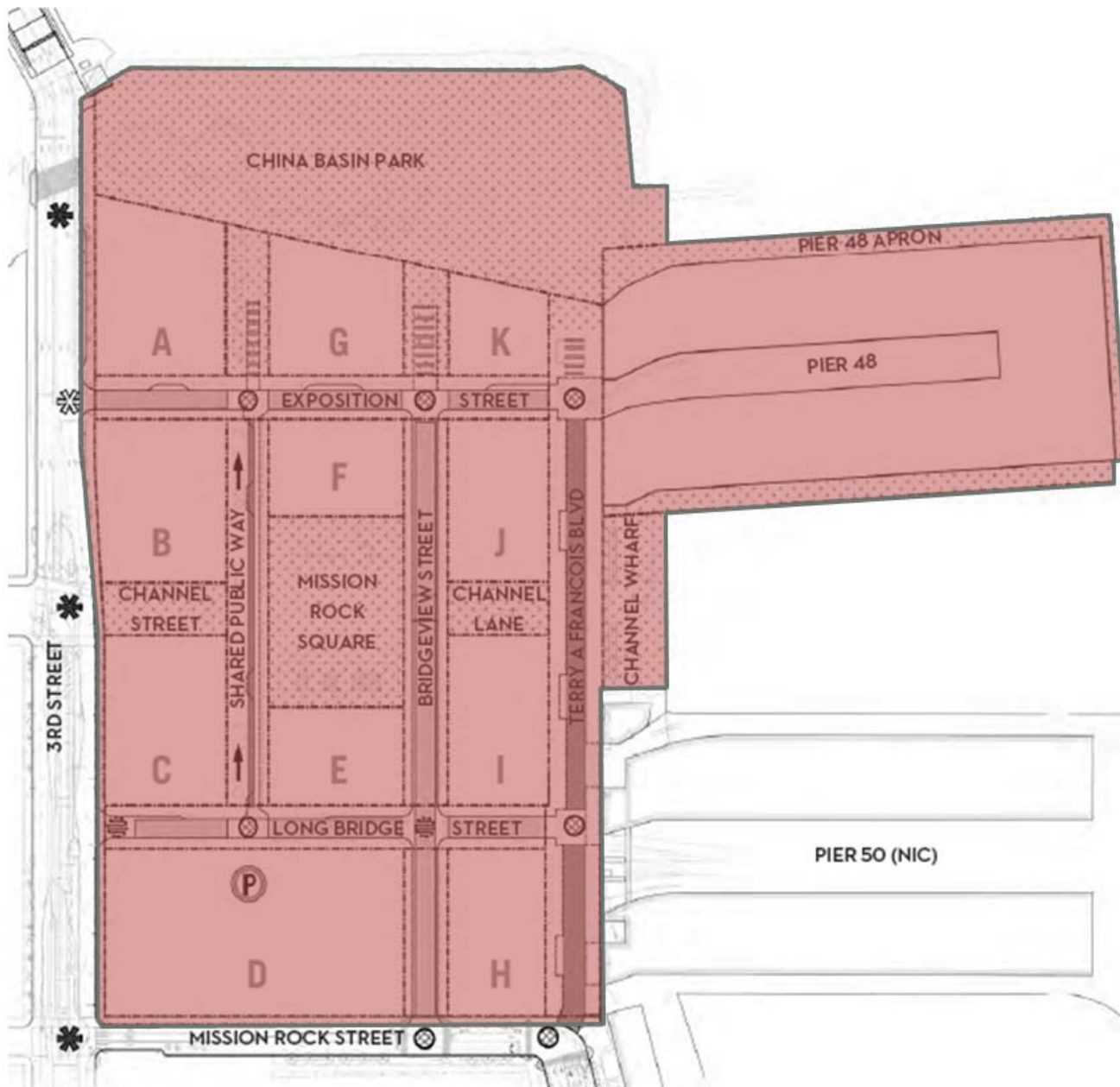
Anticipate later

action on CFD

Intend to establish:

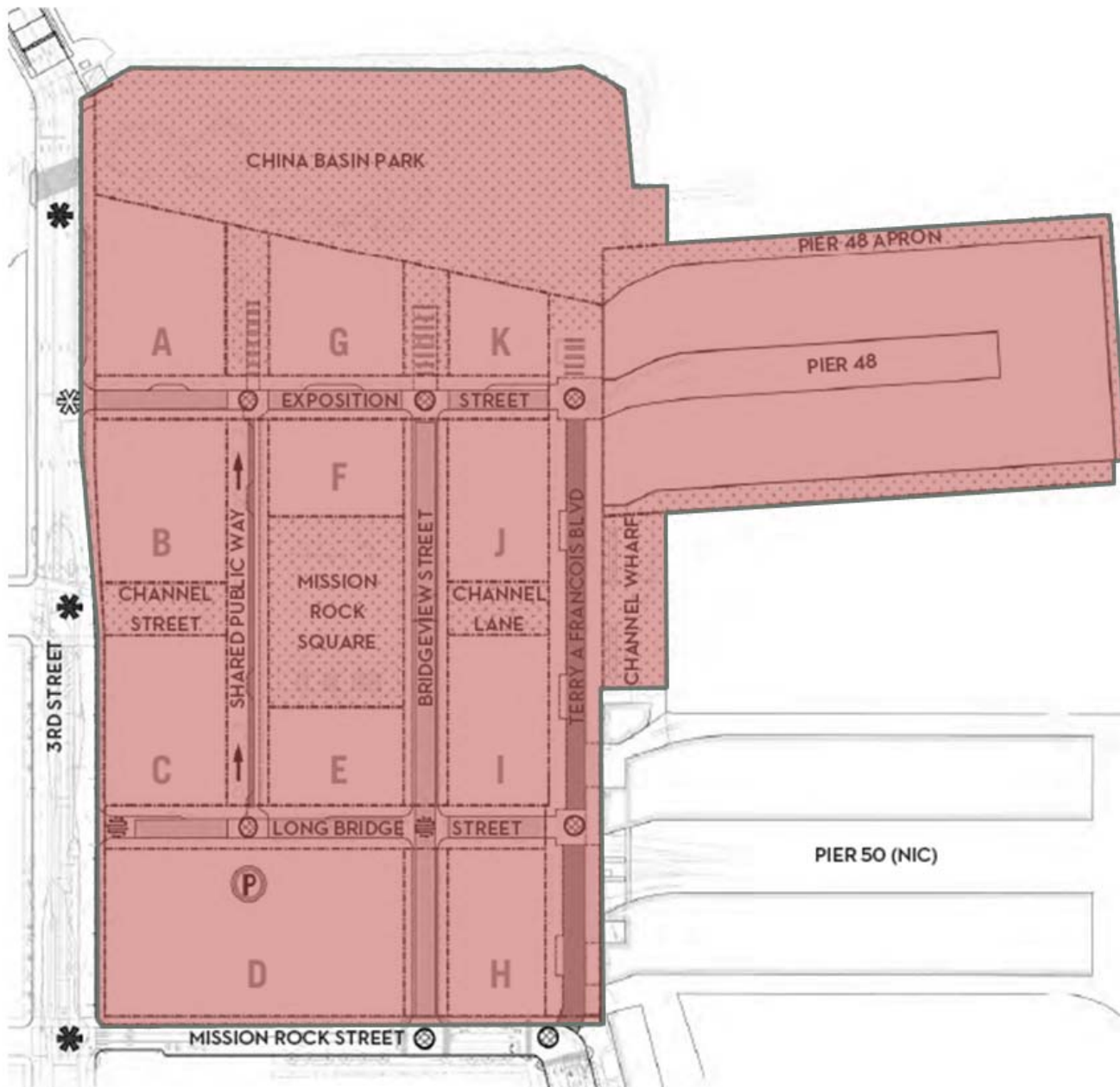
- Facilities Special Tax to be credited by tax increment
- Additive Facilities Special Tax for project costs and Portwide shoreline/resiliency costs
- Additive Maintenance Special Tax

Funding Sources – IFD



- Encompasses entire Site
- Captures future tax increment, growth in Local shares of property taxes
- 65% for public infrastructure, e.g. streets, utilities, parks, historic rehabilitation and shoreline protection

Funding Sources – IFD



- Draft fiscal analysis reviewed by Controller's office staff show higher General Fund revenue arising from project than expenses
- \$1.08 billion in tax increment estimated in current proformas
- Seeking authorization for a cap of up to \$3.8 billion of cumulative tax increment for eligible expenses

Mission Rock IFD Preliminary Est. Costs

IFD Funded Facilities	Target Timing	Estimated Cost (2017 \$)
Entitlement Phase	2012 - 2018	\$25,000,000
Phase 1 - Sub-Project Areas I-1, I-2, I-7, I-11		
Subtotal - Phase 1	2018-2025	\$81,198,000
Phase 2 - Sub-Project Areas I-3, and I-4		
Subtotal - Phase 2	2019-2025	\$39,799,000
Phase 3 - Sub-Project Areas I-5, I-6, and I-13		
Subtotal - Phase 3	2019-2026	\$21,664,000
Phase 4 - Sub-Project Areas I-8, I-9, I-10, I-11 and I-12		
Subtotal - Phase 4	2023-2029	\$113,725,000
Total Phases 1-4		
TOTAL Phases 1-4	2012-2029	\$281,386,000
Resiliency and Sea Level Rise Portwide		
Seawall & Sea Level Rise, Portwide	Throughout IFD Term	*

Significant Sea Level Rise Protections

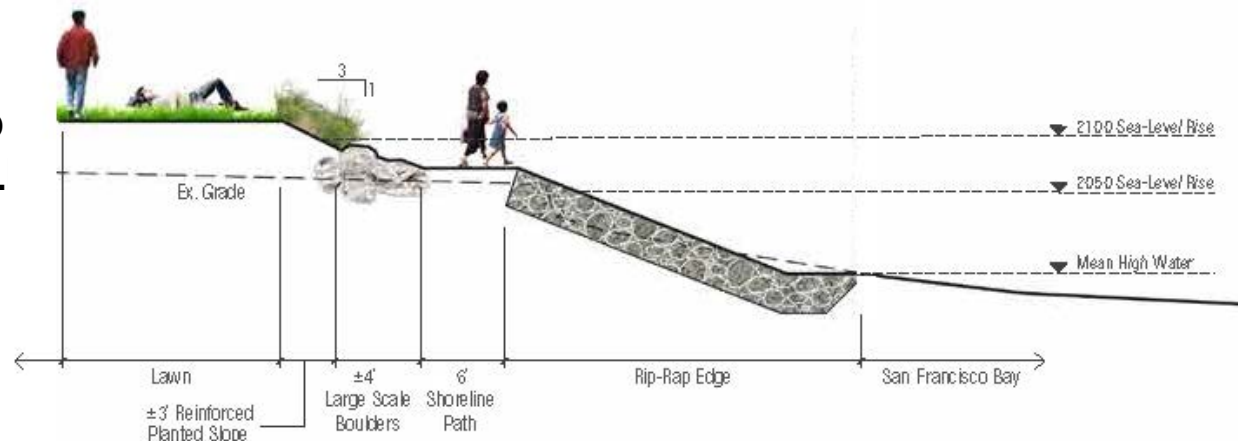


Shoreline Special Tax

- New, long-term funding stream for shoreline protection
- Will fund Port-wide investments, including ongoing needs at Project site

Site Improvements

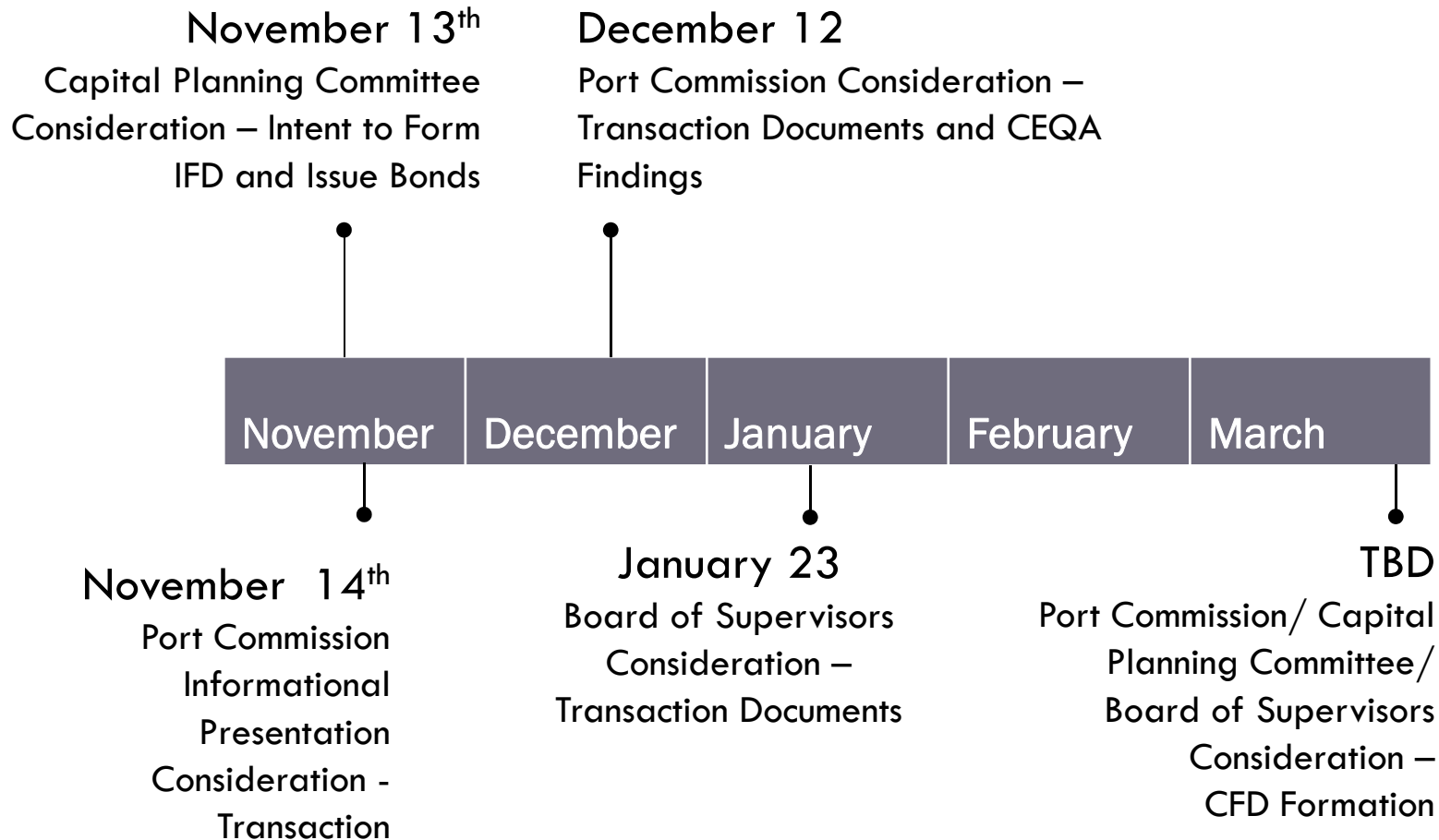
- Elevation of buildings to accommodate 66" of SL
- Drainage away from buildings
- Shoreline protections



City's IFD Policy for the Port

- **Approved by the Board of Supervisors in 2016**
- **Approved Uses**
 - ✓ **Port land**
 - ✓ **CEQA**
 - ✓ **Priority improvements**
 - ✓ **Economic benefit**
 - ✓ **State and City matching contributions**
 - ✓ **Amount of increment allocated**
 - ✓ **Excess increment**
 - ✓ **Port capital program**
 - ✓ **Funding for maintenance**

Recommendations & Next Steps



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