Ordinance establishing Project Area I (Mission Rock), and Sub-Project Areas I-1 through I-13 therein, of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); affirming the Planning Department's determination and making findings under the California Environmental Quality Act; and approving other matters in connection therewith.

Be it ordained by the People of the City and County of San Francisco:

(a) Findings. The Board of Supervisors of the City and County of San Francisco hereby finds, determines, and declares based on the record before it that:

(1) California Statutes of 1968, Chapter 1333 (Burton Act) and San Francisco Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the City and County of San Francisco (City), acting through the Port Commission, with the power and duty to use, conduct, operate, maintain, manage, regulate, and control the lands within Port Commission jurisdiction.

(2) Under California 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 such an infrastructure financing district. More specifically, the Board of Supervisors is authorized to establish “waterfront districts” under Section 53395.8 of the IFD Law.

(3) Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be divided into project areas, each with distinct limitations under IFD Law.

(4) 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 in San Francisco under the jurisdiction of the Port Commission.

(5) 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 (Project Areas).

(6) 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, including Project Area G (Pier 70).

(7) 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, and together with the Original Resolution of Intention to Establish IFD and the First Amending Resolution, the “Resolution of Intention to Establish IFD”), the City declared its intention to establish Sub-Project Area G-1 (Pier 70 - Historic Core), as a Pier 70 district, within Project Area G (Pier 70).

(8) In the Resolution of Intention to Establish IFD, the Board of Supervisors directed the Executive Director of the Port of San Francisco (Executive Director) to prepare an infrastructure financing plan for the IFD (Infrastructure Financing Plan) that would comply with the IFD Law, and reserved the right to establish infrastructure financing plans in the future specific to other project areas and sub-project areas within the IFD.
(9) In accordance with the IFD Law, at the direction of this Board of Directors, the Executive Director prepared the Infrastructure Financing Plan.

(10) By Ordinance No. 27-16, which the Board of Supervisors passed on March 1, 2016 and the Mayor approved on March 11, 2016 (Ordinance Establishing IFD), this Board of Supervisors, among other things, declared the IFD to be fully formed and established with full force and effect of law.

(11) By Resolution No. 426-17, which the Board of Supervisors adopted on November 28, 2017 and the Mayor approved on November 30, 2017, the Board of Supervisors declared its intention to establish (i) “Project Area I (Mission Rock),” (ii) “Sub-Project Area I-1 (Mission Rock),” (iii) “Sub-Project Area I-2 (Mission Rock),” (iv) “Sub-Project Area I-3 (Mission Rock),” (v) “Sub-Project Area I-4 (Mission Rock),” (vi) “Sub-Project Area I-5 (Mission Rock),” (vii) “Sub-Project Area I-6 (Mission Rock),” (viii) “Sub-Project Area I-7 (Mission Rock),” (ix) “Sub-Project Area I-8 (Mission Rock),” (x) “Sub-Project Area I-9 (Mission Rock),” (xi) “Sub-Project Area I-10 (Mission Rock),” (xii) “Sub-Project Area I-11 (Mission Rock),” (xiii) “Sub-Project Area I-12 (Mission Rock),” and (xiv) “Sub-Project Area I-13 (Mission Rock)” (such sub-project areas collectively referred to herein as, the Sub-Project Areas of Project Area I), each a waterfront district, of the IFD (Resolution of Intention to Establish Project Area I).

(12) Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I are anticipated to be rehabilitated pursuant to a Disposition and Development Agreement (DDA), by and between the City, acting by and through the Port Commission, and Seawall Lot 337 Associates, LLC (SW Lot 337 Associates).

(13) Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I are within the Seawall 337 and Pier 48 Mixed-Use District Project (Project), for which the Planning Commission certified a Final Environmental Impact Report (FEIR) for the Seawall...

(14) In the Resolution of Intention to Establish Project Area I, this Board of Supervisors concurred with the FEIR conclusions, affirmed the Planning Commission's certification of the FEIR, and found that the actions contemplated in the Resolution of Intention to Establish Project Area I therein are within the scope of the Project described and analyzed in the FEIR.

(15) In recommending the proposed Planning Code Amendments for approval by this Board of Supervisors at its hearing on October 5, 2017, by Motion No. M-20018, the Planning Commission also adopted findings under CEQA, including a statement of overriding consideration, and a Mitigation Monitoring and Reporting Program (MMRP).

(16) In the Resolution of Intention to Establish Project Area I, this Board of Supervisors also adopted the Planning Commission's CEQA approval findings and adopted the Project's MMR.

(17) The Resolution of Intention to Establish Project Area I directed the Executive Director to prepare Appendix I to the Infrastructure Financing Plan relating to the Project Area I (Mission Rock) and Sub-Project Areas of Project Area I consistent with the requirements of the IFD Law.

(18) As required by the IFD Law, the Executive Director:

(A) Prepared Appendix I to the Infrastructure Financing Plan, proposing an allocation of property tax increment from the proposed Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I to finance the public facilities described in Appendix I to the Infrastructure Financing Plan, which development and public facilities have been analyzed under CEQA in the FEIR; and,
(B) Sent the Infrastructure Financing Plan, including Appendix I, along with the FEIR, to the City's Planning Department and the Board of Supervisors.

(19) The Clerk of the Board of Supervisors made the Infrastructure Financing Plan, including Appendix I, available for public inspection.

(20) Following publication of notice consistent with the requirements of the IFD Law, the Board of Supervisors held a public hearing on February 13, 2018, relating to the proposed Appendix I to the Infrastructure Financing Plan.

(21) At the hearing any persons having any objections to the proposed Appendix I to the Infrastructure Financing Plan, or the regularity of any of the prior proceedings, and all written and oral objections, and all evidence and testimony for and against the adoption of Appendix I to the Infrastructure Financing Plan, were heard and considered, and a full and fair hearing was held.

(22) Pursuant to the DDA, SW Lot 337 Associates and the City anticipate forming two special tax districts (Special Tax Districts) under the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) to finance (i) certain public infrastructure within Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I, and (ii) the operation and maintenance of such infrastructure.

(23) Appendix I (i) contemplates the potential issuance of bonds by the Special Tax Districts that are secured by tax increment from Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I to help finance the public facilities described in Appendix I, and (ii) expects that 100% of the cost of maintaining and operating spaces/facilities within and around Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I will be funded by special taxes levied within the Special Tax Districts, not the City's general fund.
(b) CEQA. This Board of Supervisors has reviewed and considered the FEIR and finds that the FEIR is adequate for its use for the actions taken by this Ordinance and incorporates the FEIR and the CEQA findings contained in the Resolution of Intention to Establish Project Area I (Mission Rock) by this reference.

(c) Formation of Project Area I (Mission Rock) and Approval of Appendix I. By the passage of this Ordinance, the Board of Supervisors hereby (i) declares the Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I to be fully formed and established with full force and effect of law, (ii) approves Appendix I to the Infrastructure Financing Plan, subject to amendment as permitted by IFD Law, and (iii) establishes the respective base years for Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I as set forth in Appendix I to the Infrastructure Financing Plan, all as provided in the proceedings for the formation of Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I within the IFD and in the IFD Law. It is hereby found that all prior proceedings and actions taken by the Board of Supervisors with respect to the IFD, including Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I, were valid and in conformity with the IFD Law and the Port IFD Guidelines.

(d) Port as Agent with respect to the Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I. The Board of Supervisors hereby appoints the Port Commission to act as the agent of the IFD with respect to Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I, which agency shall include the authority to: (1) disburse tax increment from the Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I as provided in Appendix I; (2) enter into one or more acquisition agreements that would establish the terms and conditions under which the Port and other City agencies would acquire the public facilities described in Appendix I; (3) determine in collaboration with the Office of Public Finance whether and in what amounts the IFD will issue or incur indebtedness for the
purposes specified in Appendix I and enter into agreements related to such indebtedness;
(4) if the IFD issues or incurs indebtedness, direct the disbursement of the debt proceeds in
conformance with Appendix I; and (5) prepare the annual statement of indebtedness required
by the IFD Law for Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I.
(e) Special Tax Districts. Consistent with the provisions of the DDA, the Board of
Supervisors hereby directs the Executive Director to bring, when the Executive Director
determines the time is appropriate, a request to the Board of Supervisors to form the Special
Tax Districts to help finance the construction, operation and maintenance of the public
facilities described in Appendix I.
(f) Severability. If any section, subsection, sentence, clause, phrase, or word of
this ordinance, or any application thereof to any person or circumstance, is held to be invalid
or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not
affect the validity of the remaining portions or applications of the ordinance. The Board of
Supervisors hereby declares that it would have passed this ordinance and each and every
section, subsection, sentence, clause, phrase, and word not declared invalid or
unconstitutional without regard to whether any other portion of this ordinance or application
thereof would be subsequently declared invalid or unconstitutional.
(g) Publication. The Clerk of the Board of Supervisors shall cause this Ordinance to
be published within 5 days of its passage and again within 15 days after its passage, in each
case at least once in a newspaper of general circulation published and circulated in the City.
(h) Effective Date. This ordinance shall become effective 30 days after enactment.
Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of
Supervisors overrides the Mayor’s veto of the ordinance.
APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: [Signature]
MARK D. BLAKE
Deputy City Attorney
City and County of San Francisco

Tails

Ordinance

File Number: 171314                      Date Passed: February 27, 2018

Ordinance establishing Project Area I (Mission Rock), and Sub-Project Areas I-1 through I-13 therein, of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); affirming the Planning Department's determination and making findings under the California Environmental Quality Act; and approving other matters in connection therewith.

January 23, 2018 Board of Supervisors - CONTINUED
Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

February 13, 2018 Board of Supervisors - PASSED ON FIRST READING
Ayes: 9 - Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee
Excused: 2 - Cohen and Safai

February 27, 2018 Board of Supervisors - FINALLY PASSED
Ayes: 10 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani and Yee
Excused: 1 - Tang

File No. 171314

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 2/27/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mark E. Farrell
Mayor

Date Approved

3/10/18