

1 [Memorandum of Understanding - Port Commission - Mission Rock Special Use District  
2 Financing Districts - Mission Rock Project]

3 **Resolution approving a Memorandum of Understanding relating to and appointing Port**  
4 **Commission as agent of Mission Rock Special Use District financing districts;**  
5 **approving related matters, as defined herein, for the proposed Mission Rock Project;**  
6 **and adopting findings under the California Environmental Quality Act.**

7  
8 WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San  
9 Francisco Charter Sections 4.114 and B3.581 empower the City and County of San Francisco  
10 (City), acting through the Port Commission, with the authority and duty to use, conduct,  
11 operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction;  
12 and

13 WHEREAS, In 1990 the City's voters adopted Proposition H, which required the City to  
14 prepare a comprehensive waterfront land use plan with maximum feasible public input.  
15 Following a 7-year public planning process, the Port Commission adopted the Port of San  
16 Francisco Waterfront Land Use Plan (Waterfront Plan) in 1997 and has periodically made  
17 minor amendments to address specific issues arising from capital development projects to  
18 existing Port resources; and

19 WHEREAS, Under the Waterfront Plan, maritime and industrial uses were considered  
20 the most appropriate uses of the majority of Port lands south of China Basin; and

21 WHEREAS, The Port has collaborated with the State Lands Commission and California  
22 legislators to amend the Burton Act to lift or suspend its statutory trust use restrictions that  
23 impede the Port's ability to realize the development potential of Port lands; and

24 WHEREAS, Under Senate Bill 815 (Stats. 2007, ch. 660, as amended by Stats. 2016,  
25 ch. 529) (SB 815)), the Port is authorized to lease certain seawall lots south of Market Street,

1 including Seawall Lot 337, for nontrust purposes, providing revenues for rehabilitation of  
2 historic wharves and piers and other trust uses. SB 815 allows long-term nontrust uses that  
3 are not permissible under the Burton Act as a primary mechanism to generate Port revenues  
4 for trust purposes, including the construction of infrastructure needed for development; and

5 WHEREAS, In 2015, Port staff presented a comprehensive review of land use changes  
6 and events that have occurred under the Waterfront Plan to the Port Commission; and

7 WHEREAS, In the 2015 Waterfront Plan Review Report, Port staff described a public  
8 process to update and amend the Waterfront Plan:

9 “The Waterfront Plan seeks a balanced array of uses to help meet the Port’s  
10 financial needs. On the revenue-dependent side of the Port’s ledger, the Plan  
11 reserves most Port properties for expansion of maritime operations, and  
12 encourages creation of new public access, recreation and open space areas  
13 along the Bay. On the revenue-producing side, sites for compatible new  
14 commercial development are identified to improve the waterfront for public  
15 enjoyment, help subsidize maritime industries, fund new public access and open  
16 spaces, preserve and rehabilitate historic waterfront resources, and stem the  
17 continuing deterioration of Port property. With this balanced plan, the Port will be  
18 better able to manage its property and operations, which must be carried out  
19 without state or local funding”; and

20 WHEREAS, Since then, the Port has been engaged in a public planning process to  
21 update the Waterfront Plan with the assistance of public members of a Waterfront Plan  
22 Working Group representing regionwide interests and Advisory Teams with multi-disciplinary  
23 expertise. Among other things, the update will address appropriate uses for Port land south of  
24 China Basin; and  
25

1 WHEREAS, In 2007, the Port Commission initiated a public solicitation for a Seawall  
2 Lot 337 developer that would respond to "Development Objectives and Criteria" developed in  
3 the public process; and

4 WHEREAS, The Port selected Seawall Lot 337 Associates, LLC (Master Developer) to  
5 act as master developer for Seawall Lot 37 and Pier 48, to initiate rezoning and development  
6 of design standards and controls for Seawall Lot 337 and Pier 48; and

7 WHEREAS, The Board of Supervisors endorsed the project term sheet (Term Sheet)  
8 pursuant to Resolution No. 142-13; and

9 WHEREAS, The Planning Commission has adopted Resolution No. 20019, a copy of  
10 which is in Board File No. 180095 and incorporated in this Resolution by reference,  
11 recommending that the Board adopt Planning Code amendments to create a proposed  
12 special use district (Mission Rock Special Use District) encompassing Seawall Lot 337 and  
13 Pier 48; and

14 WHEREAS, As envisioned, the proposed Seawall Lot 337 and Pier 48 Mixed-Use  
15 Project (Project) in the Mission Rock Special Use District would include market-rate and  
16 affordable residential uses, commercial-office, retail, exhibition, parking, infrastructure  
17 development, including street improvements, and public open space; and

18 WHEREAS, On June 30, 2014, the voters of the City and County of San Francisco  
19 approved an initiative requiring voter approval for any future construction projects on the San  
20 Francisco waterfront that required an increase in existing height limits (Proposition B); and

21 WHEREAS, On November 3, 2015, in satisfaction of the requirements of Proposition B,  
22 the voters of the City and County of San Francisco approved the "Mission Rock Affordable  
23 Housing, Parks, Jobs and Historic Conservation Initiative" (Proposition D), which established  
24 policies for the Project; and  
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1 WHEREAS, Master Developer and the City, acting by and through the Port  
2 Commission, anticipate entering into a Disposition and Development Agreement (DDA),  
3 including a Financing Plan, which will govern the disposition and development of the Mission  
4 Rock Special Use District and provide for the financing of certain capital facilities and public  
5 services related to the Project; and

6 WHEREAS, On April 23, 2013, by Resolution No. 123-13, the Board of Supervisors  
7 adopted "Guidelines for the Establishment and Use of Infrastructure Financing Districts on  
8 Project Areas on Land under Jurisdiction of the San Francisco Port Commission" (Port IFD  
9 Guidelines) relating to the formation of infrastructure financing districts by the City on  
10 waterfront property in San Francisco under the jurisdiction of the Port Commission; and

11 WHEREAS, Under Government Code Sections 53395 et seq. (IFD Law), the Board of  
12 Supervisors is authorized to establish an infrastructure financing district and to act as the  
13 legislative body for an infrastructure financing district; and

14 WHEREAS, Under Section 53395.8 of the IFD Law, a waterfront district may be divided  
15 into project areas; and

16 WHEREAS, By Ordinance No. 27-16 (Port IFD Ordinance), the Board of Supervisors  
17 established a waterfront district under Section 53395.8 of the IFD Law over all Port property,  
18 named City and County of San Francisco Infrastructure Financing District No. 2 (Port of San  
19 Francisco) (Port IFD) and designated project areas within the Port IFD; and

20 WHEREAS, In the Port IFD Ordinance, the Board of Supervisors also approved an  
21 Infrastructure Financing Plan for the Port IFD (Port IFP); and

22 WHEREAS, Pursuant to Resolution No. 18-09, the Port Commission recommended  
23 that the Board of Supervisors establish a new Project Area I (Mission Rock) (Proposed Project  
24 Area I) over the proposed Mission Rock Special Use District and 13 sub-project areas within  
25

1 Proposed Project Area I (collectively, Proposed Sub-Project Areas) that generally correspond  
2 to planned phases of the Project; and

3 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code  
4 (Code), which Code incorporates by reference the Mello-Roos Community Facilities Act of  
5 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with  
6 California Government Code Section 53311 (Mello-Roos Act), the Board of Supervisors is  
7 authorized to establish a special tax district and to act as the legislative body for a special tax  
8 district; and

9 WHEREAS, Pursuant to Resolution No. 18-09, a copy of which is in Board File  
10 No. 180095 and incorporated in this Resolution by reference, the Port Commission  
11 recommended that the Board of Supervisors establish a special tax district over the proposed  
12 Mission Rock Special Use District (Special Tax District); and

13 WHEREAS, San Francisco Charter Section B7.320 authorizes the Mayor to submit to  
14 the Board of Supervisors for approval a memorandum of understanding between the Port  
15 Commission and other departments of the City, approved by the Port Commission by  
16 resolution, that requires the departments to expend funds or to transfer funds to the Port  
17 Commission; and

18 WHEREAS, Pursuant to Resolution No. 18-09, a copy of which is in Board File  
19 No. 180095 and incorporated in this Resolution by reference, the Port Commission approved  
20 a Memorandum of Understanding by and among the Port Commission and the City's  
21 Controller (Controller) and Treasurer and Tax Collector (Tax Collector), pursuant to which  
22 those City departments and the Port Commission would agree to implement the DDA,  
23 Proposed Project Area I, Proposed Sub-Project Areas, and Special Tax District, and  
24 recommended that the Board of Supervisors approve the Memorandum of Understanding;  
25 and

1 WHEREAS, Pursuant to Resolution No. 18-09, the Port Commission further  
2 recommended that the Board of Supervisors appoint the Port Commission to act as the agent  
3 of the IFD with respect to the Sub-Project Areas and the Special Tax District, as set forth in  
4 the Memorandum of Understanding; and

5 WHEREAS, The actions contemplated in this resolution are within the scope of the  
6 project for which the Board adopted the resolution in Board File No. 171286, affirming the  
7 Planning Commission's certification of the Final Environmental Impact Report for the Seawall  
8 Lot 337 and Pier 48 Mixed-Use Project ("FEIR") and making findings in accordance with the  
9 California Environmental Quality Act (California Public Resources Code section 21000 et  
10 seq.) and Administrative Code Chapter 31, which resolution is incorporated herein by  
11 reference; now, therefore, be it

12 RESOLVED, That the recitals herein are true and correct; and, be it

13 FURTHER RESOLVED, That the Memorandum of Understanding among the Port  
14 Commission, Tax Collector, and Controller, substantially in the form on file with the Clerk, is  
15 hereby approved; and, be it

16 FURTHER RESOLVED, That the Port Commission, Controller, and Tax Collector are  
17 hereby authorized and directed to execute the Memorandum of Understanding with such  
18 changes, additions and modifications as the Port Commission, Controller, and Tax Collector  
19 may make or approve in accordance with this Resolution, and the approval by each of the  
20 Port Commission, Controller, and Tax Collector of such modifications, changes and additions  
21 shall be conclusively evidenced by the execution and delivery of the Memorandum of  
22 Understanding or amendments to the Memorandum of Understanding by the Port  
23 Commission, Controller, and Tax Collector, with the final executed version of the  
24 Memorandum of Understanding being provided within 30 days to the Clerk of the Board for  
25 inclusion into the file for this Resolution; and, be it



1 FURTHER RESOLVED, That the Board of Supervisors hereby appoints the Port  
2 Commission to act as the agent of the IFD with respect to the Sub-Project Areas and the  
3 Special Tax District, as set forth in the Memorandum of Understanding; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby approves the levy of  
5 property taxes and special taxes on possessory interests in property in the Sub-Project Areas  
6 on the secured roll, as set forth in the Memorandum of Understanding; and, be it

7 FURTHER RESOLVED, That the Mayor, City Attorney, Port Commission, Controller,  
8 Tax Collector, Assessor, Clerk and other officers of the City and their duly authorized  
9 deputies, designees and agents are hereby authorized and directed, jointly and severally, to  
10 take such actions and to execute and deliver such certificates, agreements, requests or other  
11 documents as they may deem necessary or desirable to accomplish the purposes of this  
12 Resolution; and, be it

13 FURTHER RESOLVED, That the actions authorized and approved by this Resolution  
14 and consistent with the documents provided herein but taken prior to the date hereof are  
15 hereby ratified, approved and confirmed by the Board of Supervisors; and, be it

16 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.  
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# City and County of San Francisco

## Tails Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 180095

**Date Passed:** February 13, 2018

Resolution approving a Memorandum of Understanding relating to and appointing Port Commission as agent of Mission Rock Special Use District financing districts; approving related matters, as defined herein, for the proposed Mission Rock Project; and adopting findings under the California Environmental Quality Act.

February 07, 2018 Government Audit and Oversight Committee - RECOMMENDED


February 13, 2018 Board of Supervisors - ADOPTED

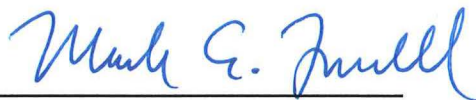
Ayes: 9 - Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee

Excused: 2 - Cohen and Safai

File No. 180095

I hereby certify that the foregoing  
Resolution was ADOPTED on 2/13/2018 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