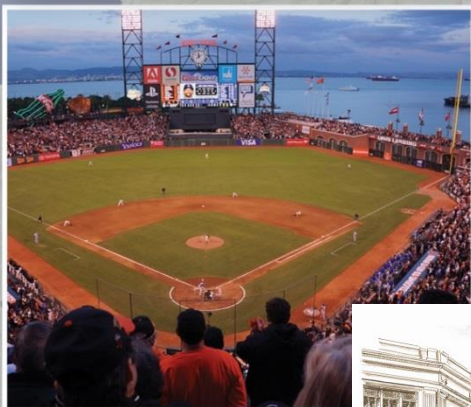
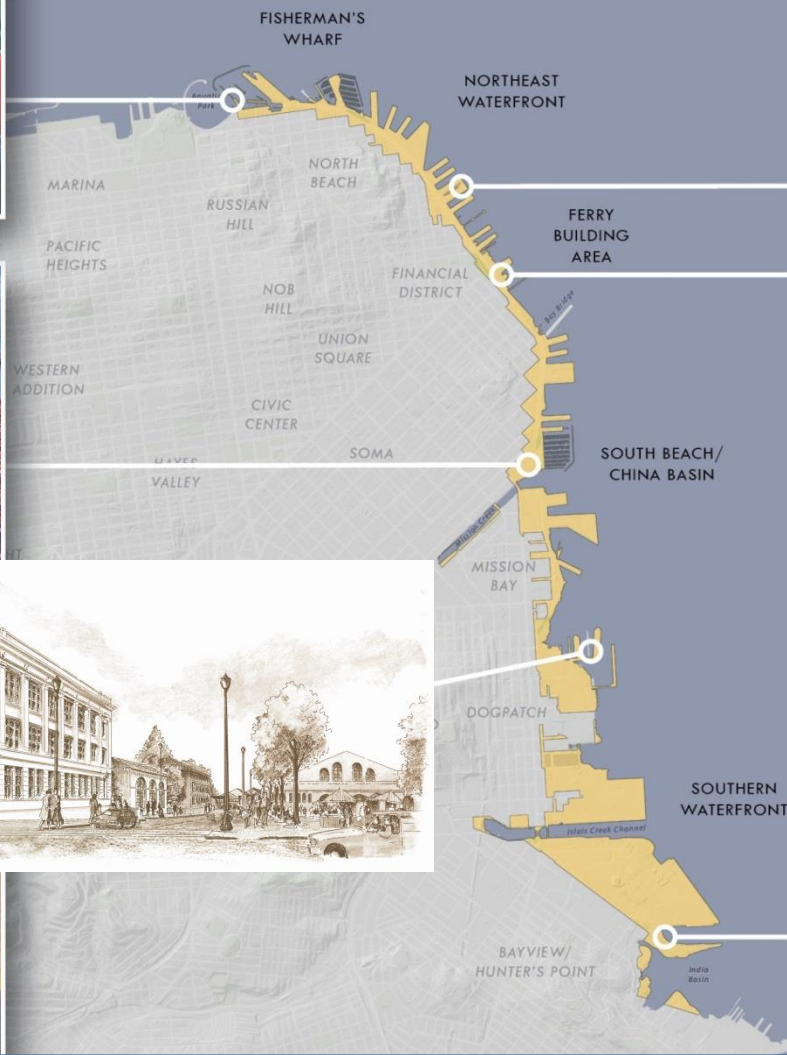




Pier 70 Historic Core Infrastructure Financing District



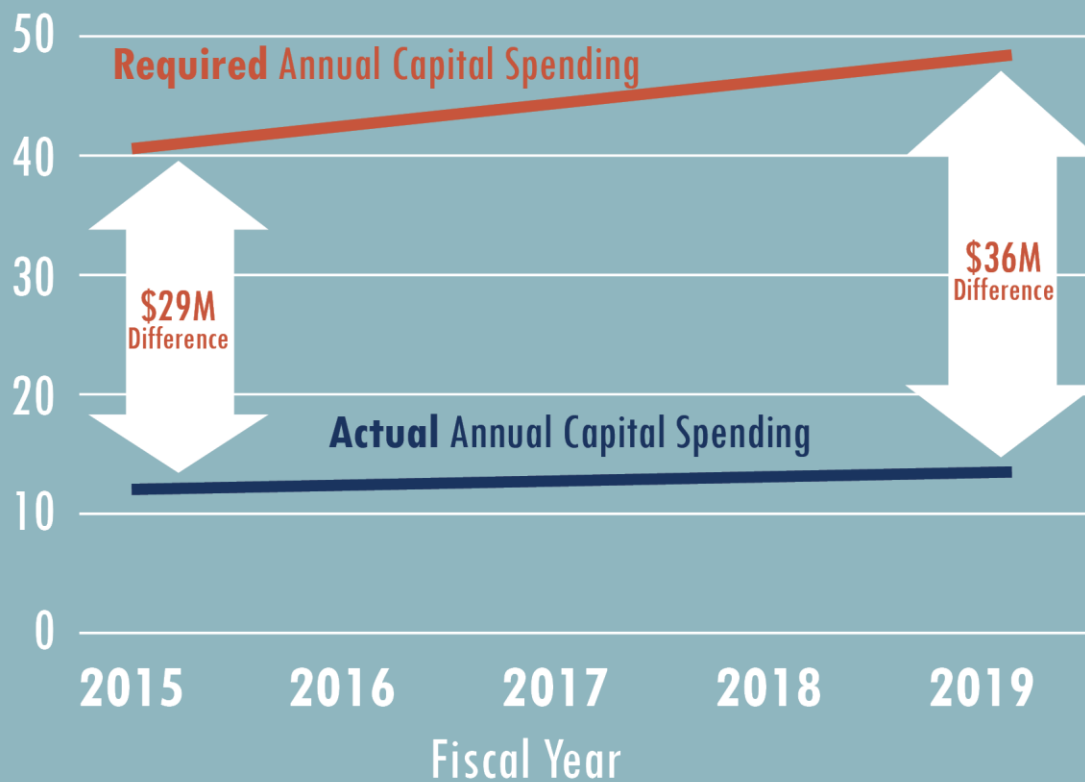
SUNSET DISTRICT



Deficit in Sources for Capital

Structural Deficit Annual Capital Spending

\$ Millions



Capital Plan Funding vs. Need Fiscal Years 2015-2024*

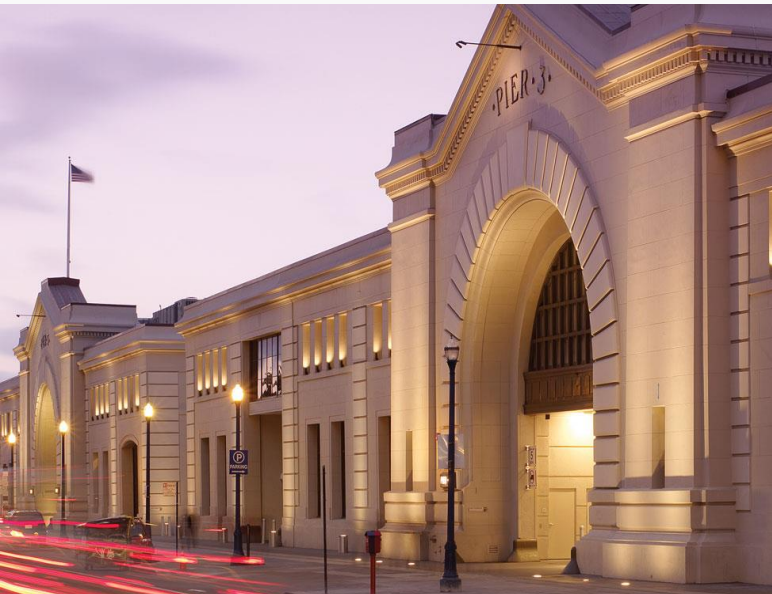


*Excludes: Seismic Upgrades,
Seawall Improvements &
Sea Level Rise Improvements

Supporting our Adaptive Waterfront

- **Financial Management Strategies**

- Operating Reserve Policy:
15% operating reserve in FY2008-09;
equals \$11 million for FY2014-15
- Capital Designation Policy: adopted 2012
 - * requires revenue set aside for annual capital investment
 - * equals 20% from FY2013-14 to FY2017-18
increases to 25% thereafter



- **Investment Strategies**

- 10-Year Capital Plan developed 2006;
\$200+ million in public investment to date
- Priority for investment in revenue-generating development
- Targeted use of Federal sources
- City GO Bonds for Parks: 2008 & 2012
- IFD from Port projects

Legislative Efforts

SB 815 — Seawall Lot Legislation (net funding for Port historic resources and BCDC parks)

AB 1199 — Pier 70 State Share of Tax Increment

AB 418 — Pier 70 Trust Swap and SWL 330

AB 664 & AB 2259 — 34th America's Cup IFD

City's IFD Policy for the Port

- **Port land**
- **CEQA**
- **Priority improvements**
- **Economic benefit**
- **State and City matching contributions**
- **Amount of increment allocated**
- **Excess increment**
- **Port capital program**
- **Funding for maintenance**

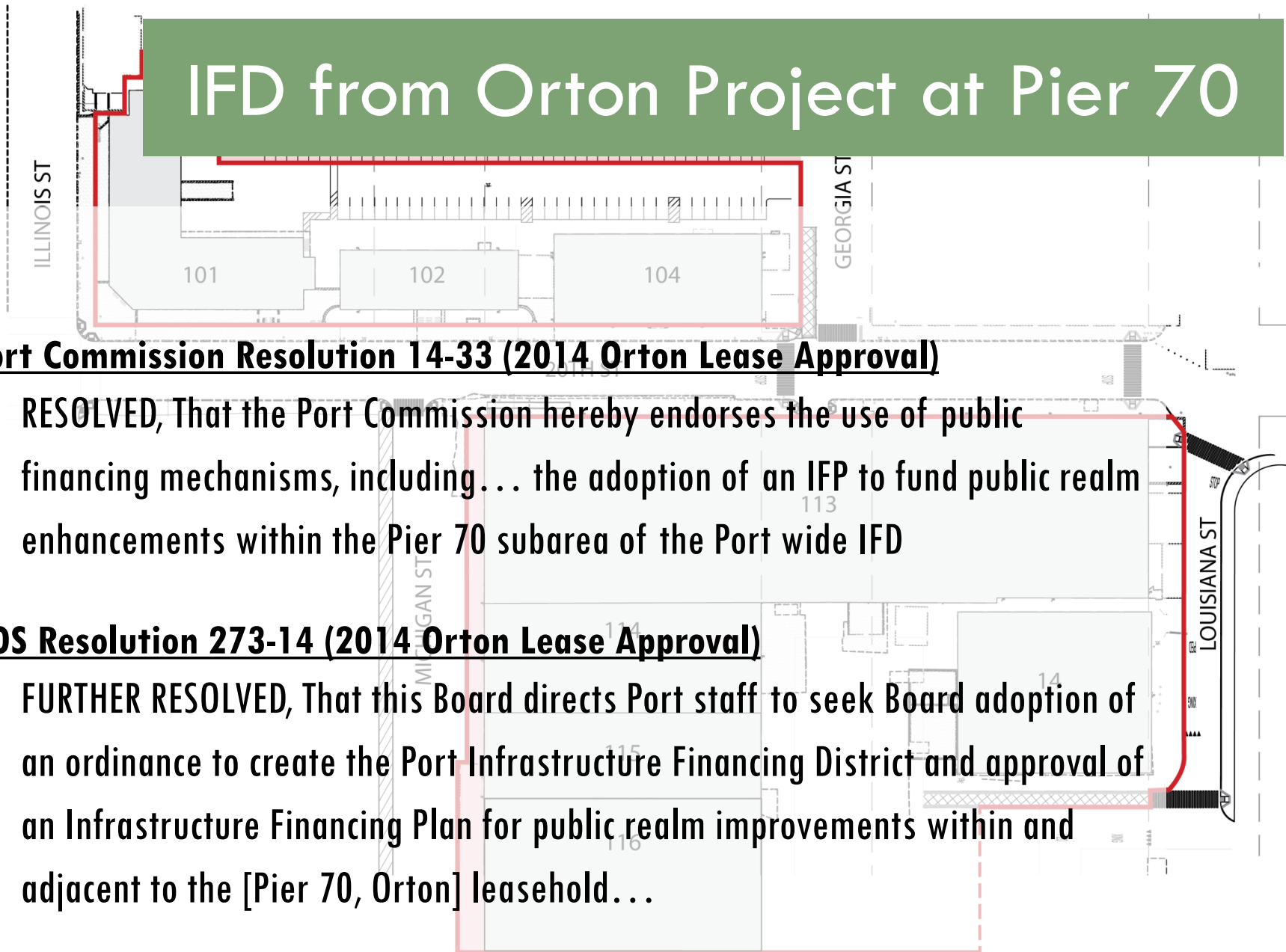
Formation and Strategic Criteria

- **Infrastructure Finance Plan**
- **City reviews infrastructure proposals**
- **Mechanism to ensure fair pricing**
- **Capital Planning Committee review**

Strategic criteria:

- **Use IFD where Port money is not enough**
- **Use IFD to leverage non-City resources**
- **Best practices with citizen participation**

IFD from Orton Project at Pier 70



Port Commission Resolution 14-33 (2014 Orton Lease Approval)

- RESOLVED, That the Port Commission hereby endorses the use of public financing mechanisms, including... the adoption of an IFP to fund public realm enhancements within the Pier 70 subarea of the Port wide IFD

BOS Resolution 273-14 (2014 Orton Lease Approval)

- FURTHER RESOLVED, That this Board directs Port staff to seek Board adoption of an ordinance to create the Port Infrastructure Financing District and approval of an Infrastructure Financing Plan for public realm improvements within and adjacent to the [Pier 70, Orton] leasehold...

P70 Master Plan

- Ship Repair
- Crane Cove Park
- Waterfront Site
- **20th St Historic Buildings**



Allocation to IFD

FY 2016/17 – FY 2062/63

The Historic Core Sub-Project Area will generate approx. \$710k annually in tax increment to the IFD

| Increment allocated to IFD | Share of Gross Tax Increment |
|--|------------------------------|
| City share of Tax Increment generated at Pier 70 | 64.59% |
| State of California ERAF share of Tax Increment generated at Pier 70 | <u>25.33%</u> |
| Total Allocated Tax Increment to IFD | 89.92% |

IFP Sources and Uses

| Sources / Uses | 2015 Dollars | Nominal Dollars |
|---------------------------------------|---------------------|---------------------|
| Port, developer advance, net of bonds | \$1,762,363 | \$1,409,607 |
| Bond proceeds | 6,558,879 | 7,831,644 |
| Allocated Tax Increment, portion | <u>15,090,670</u> | <u>39,978,749</u> |
| Total Sources | \$23,411,912 | \$49,220,000 |
| | | |
| Projects funded by debt | \$8,321,242 | \$9,241,251 |
| Projects funded by pay-go | 9,938,434 | 26,760,455 |
| Interest expense | <u>5,152,236</u> | <u>13,218,295</u> |
| Total Uses | \$23,411,912 | \$49,220,000 |

IFP Financing - Uses

| Anticipated Uses | Est. Cost, 2015 Dollars | Target Completion Schedule |
|--|--------------------------------|-----------------------------------|
| Crane Cove Park - Phase 2 | \$13,899,000 | Based on funding avail |
| Bldg. 102 electrical relocation / improvements | 3,090,000 | FY 2016/17 |
| Street, sidewalk, traffic signal improvements | <u>1,271,000</u> | FY 2016/17 — FY 2017/18 |
| Total | \$18,260,000 | |

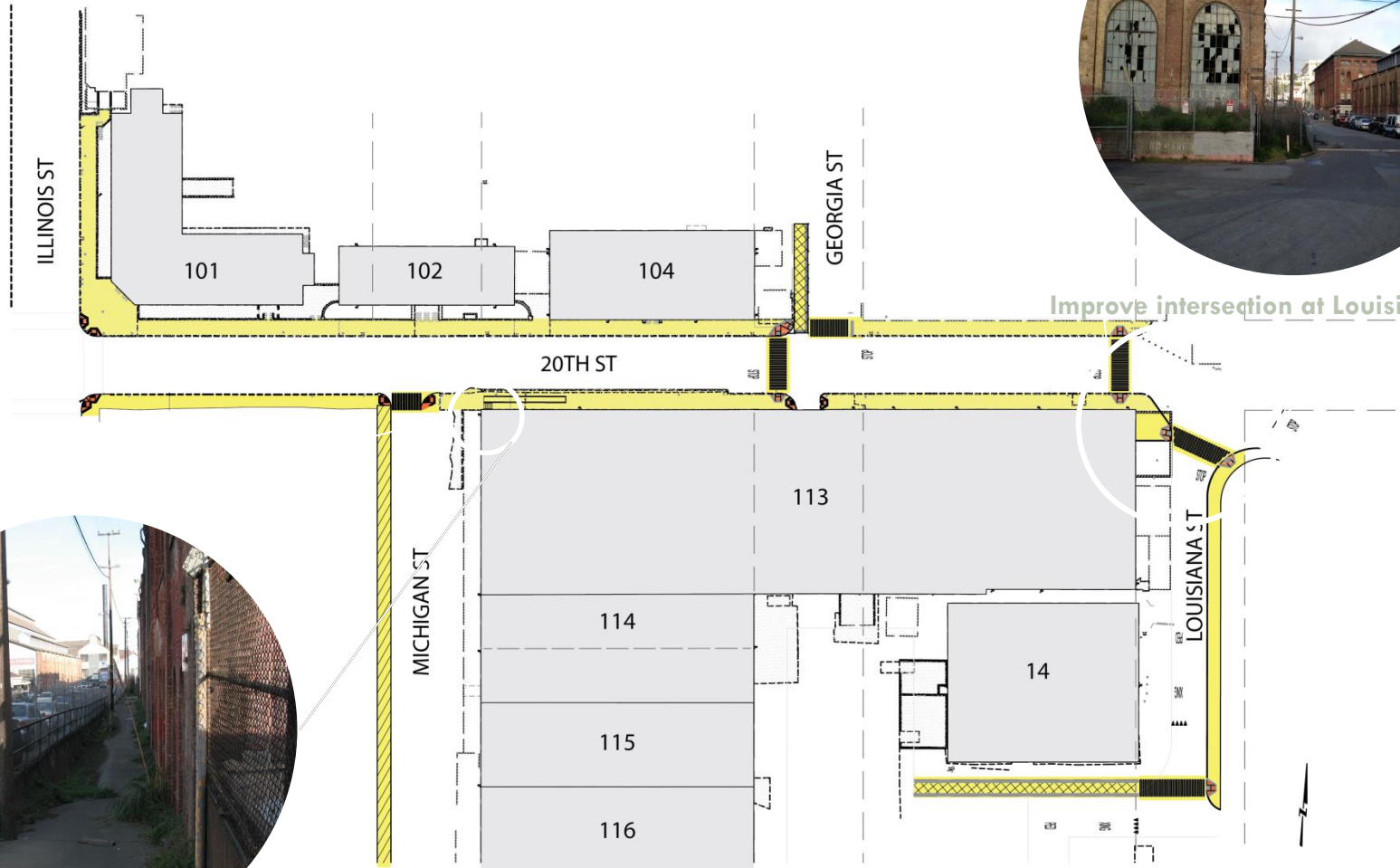
Crane Cove Park : Phase 2



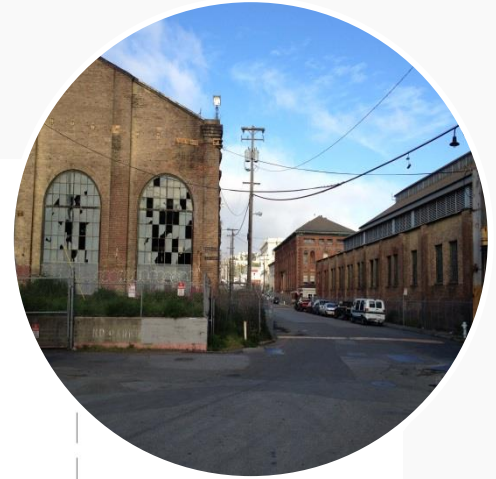
Relocate Shipyard Electrical/ Remediate PCB-containing Transformers



Street Improvements

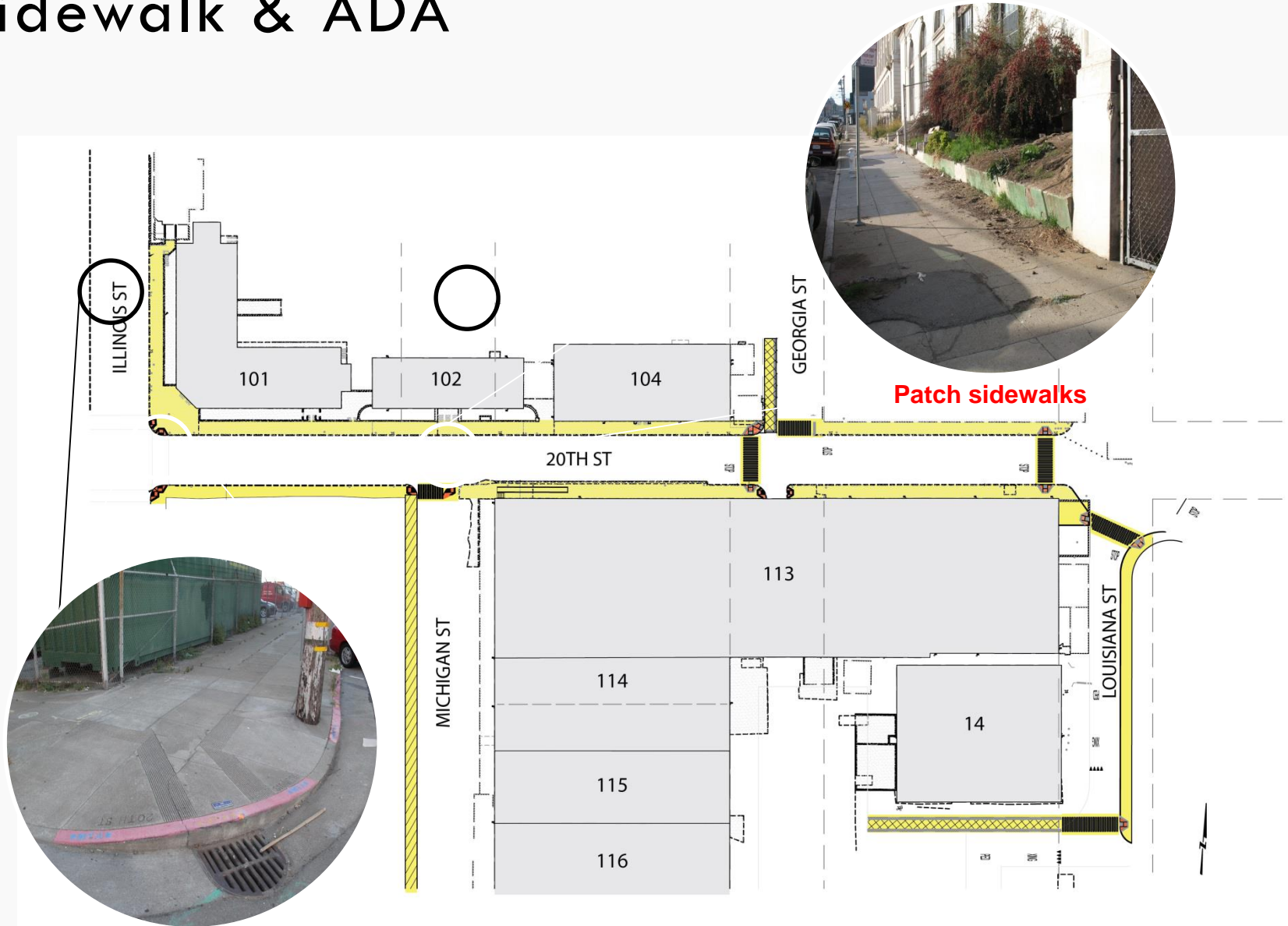


Improve intersection at Louisiana St.



Improve accessibility on 20th St.

Sidewalk & ADA



Install ADA compliant curb ramps

General Fund Impact – IFD Term

| Revenue / Expenditure | Lower Scenario, 2015 Dollars | Higher Scenario, 2015 Dollars |
|--|---------------------------------|----------------------------------|
| Gross receipts tax revenues | \$0 | \$17,343,100 |
| Sales tax, utility users tax and property tax in-lieu of VLF | 16,599,800 | 16,599,800 |
| Business registration fee revenues | 5,225,400 | 2,239,500 |
| Revenues from other taxes and fees | <u>2,144,200</u> | <u>2,144,200</u> |
| Total General Fund Revenues | \$23,969,400 | \$38,326,600 |
| | | |
| Police, Fire and EMS Expenses | <u>8,152,700</u> | <u>8,152,700</u> |
| Total General Fund Expenses | \$8,152,700 | \$8,152,700 |
| | | |
| Net General Fund Benefit | \$15,816,700 | \$30,173,900 |

Construction Economic Impact – Public Improvements

| Employment Measure | Impact |
|--|---------------------|
| Direct jobs | 109 |
| Indirect and induced jobs | <u>54</u> |
| Total Jobs | 164 |
| | |
| Direct construction job payroll | \$7,304,000 |
| Indirect, induced construction job payroll | <u>3,110,000</u> |
| Total Payroll | \$10,414,000 |

IFP Formation – Proposed Next Steps

| Date | Milestone |
|--------|--|
| Oct 6 | BOS Introduction: (1) Reso of Intent to Form IFD and (2) Reso of Intent to Issue Bonds |
| Oct 19 | Capital Planning Informational Item |
| Nov | MOU authorization at Port Commission |
| Nov | Action at Capital Planning for IFP |
| Dec | BOS Introduction: (3) Ordinance adopting IFP, (4) Reso Authorizing Issuance of Bonds, and (5) Reso Approving MOU between Port and Controller |
| Mar | BOS approval |
| Apr | Ordinance adopting IFP becomes effective |

