

# Pier 70 Special Use District



## Resolutions of Intent:

**(1) To Form Sub-Project Areas G-2, G-3 and G-4 to the existing Port-wide IFD and Issue Bonds; and**

**(2) To Form an Infrastructure and Revitalization Financing District No. 2 (IRFD) and Issue Bonds**

# Presentation Overview

- 1 Request Overview
- 2 Pier 70 Updates
- 3 Land Use and Planning Context
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# Request to Capital Planning Committee

- Approve the following items:

Resolution of Intent to Form Sub-Project Areas G-2, G-3 and G-4 to the existing Port-wide Infrastructure Financing District (IFD) and Issue Bonds for Sub-Project Areas G-2, G-3 and G-4, which encompass the Pier 70 Special Use District; and

Resolution of Intent to Form an Infrastructure and Revitalization Financing District No. 2 (IRFD) on land within the City commonly known as the Hoedown Yard and Issue Bonds for the IRFD

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# Pier 70 Updates



## Shipyard

- Port paying for maintenance
- ODI hired 5 employees
- RFP for new operator underway



## Historic Core (Orton Development)

- Rehab of Buildings 14, 101, 104, 113-116 underway
- First occupancy this summer in 14 and 104
- Full occupancy by late 2018



## Crane Cove Park

- Construction of first 6 acres complete mid-late 2018
- New beach, restored Slipway 4, Crane Plaza, dog run, picnic areas, site history interpretation and restrooms



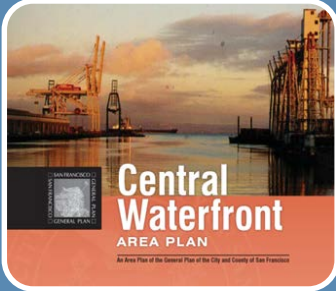
## Current Tenants

- Affordable Self Storage, Paul's Stores, Ernesto Rivera, Michael Rios, Noonan Tenants, ImPark
- Currently discussing relocation options

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# Based on Strong Planning Framework



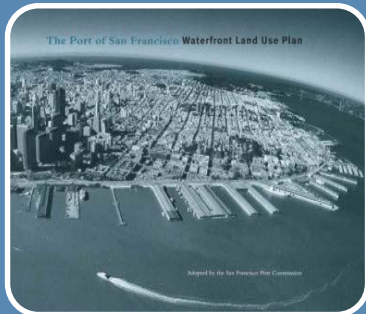
## Central Waterfront Plan

- Balance of housing, commercial and PDR uses
- Adaptive reuse of historic structures and new open space



## Southern Bayfront Strategy

- New community facilities
- Coordinated transportation, open space and economic development
- Leverage resources and coordinate major projects

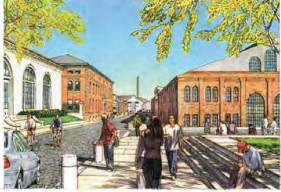


## Waterfront Land Use Plan

- Adaptive reuse of historic resources
- Waterfront open space
- Infill mixed-use development



# Based on Strong Planning Framework



PIER 70  
PREFERRED MASTER PLAN

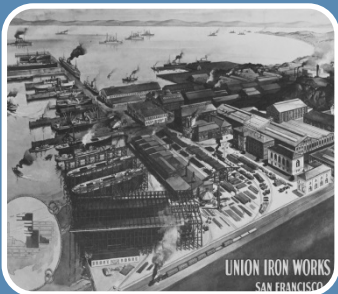
## Pier 70 Preferred Master Plan

- Infill development to bring back historic activity level
- Open Space
- Historic Preservation



## Blue Greenway

- Shoreline Open Space
- Closing a gap in the Blue Greenway network
- Access to the waterfront



## Union Iron Works Historic District

- Adaptive reuse of building 2, 12, 21
- Site interpretation

# Based on Strong Planning Framework

- Ship Repair
- Crane Cove Park
- Waterfront Site
- 20<sup>th</sup> St Historic Buildings





# Advances 5 Strategic Objectives



## Renewal

- Vibrant new community
- Pier 70 as priority project

## Engagement

- 120+ community meetings

## Livability

- 30% affordable housing
- Public Amenities

## Stability

- Tackles \$163M in deferred maintenance
- New funding streams

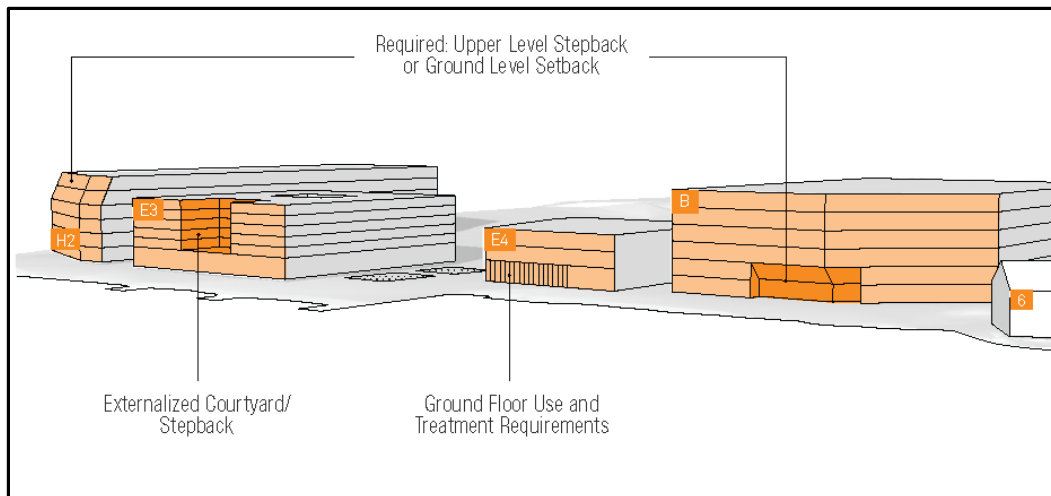
## Resiliency

- Initial site improvements
- Reserve for future shoreline improvements

# Sets Detailed Design Standards

March 9, 2017

## PIER 70 SUD DESIGN FOR DEVELOPMENT



**Illustrative  
Massing  
Sample**

### Consistent with Secretary's Standards

#### Historic Rehabilitation

- Design review by Port and Planning staff
- Building permit approval by Port

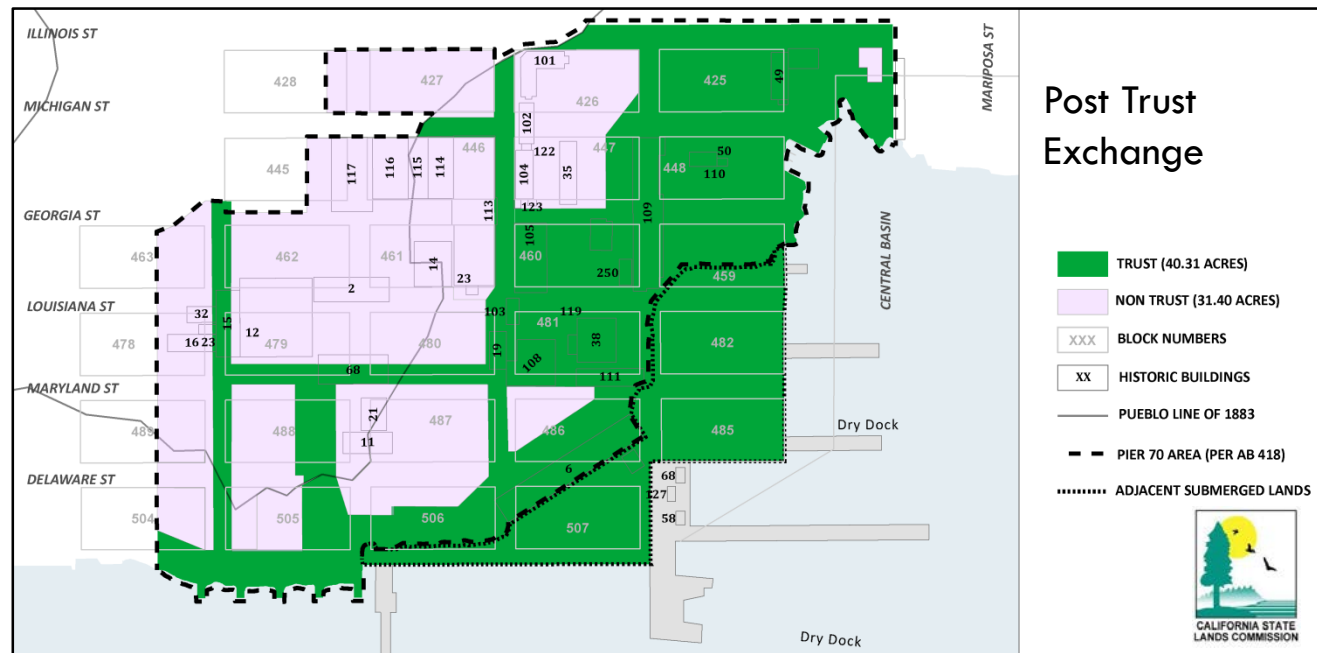
#### New Construction

- Design review by Planning and Port staff
- Schematic Design approval by Planning Director
- Building permit approval by Port

#### Parks and Open Space

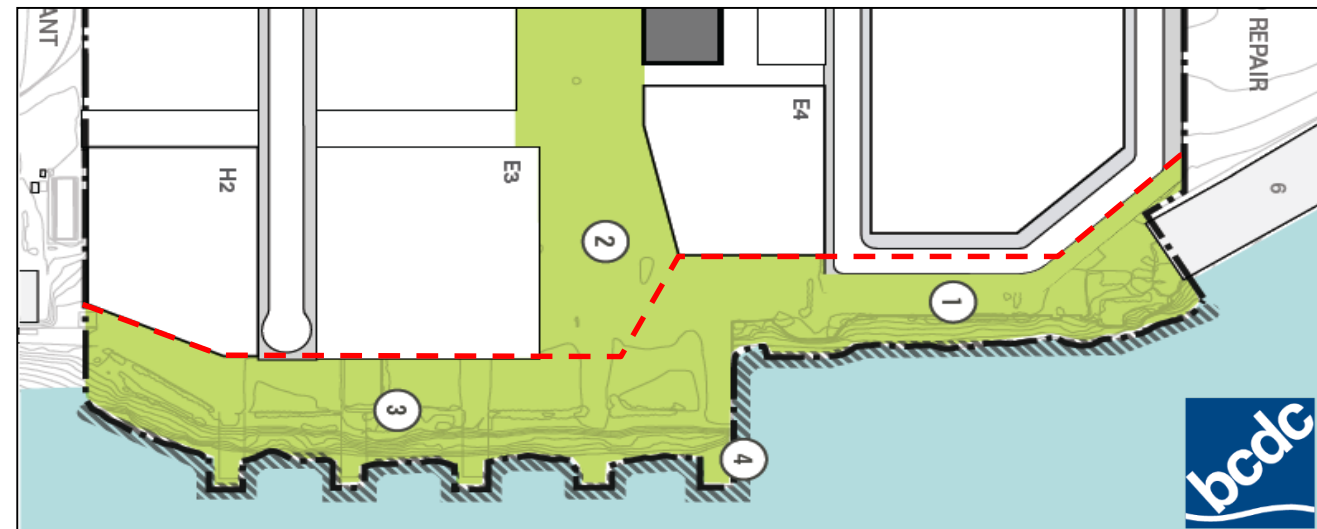
- Design review by Port Advisory Committee
- Schematic Designs approved by Port Commission 12

# Requires State and Regional Approvals



## Trust Exchange

- Confirm trust status on parcels beneficial to the Public Trust - Shoreline Parks, Streets leading to San Francisco Bay
- Lift trust status on development parcels to sell for non-trust purposes



## BCDC Major Permit

- Required for improvements within BCDC's shoreline jurisdiction

# 120+ Community Meetings Since 2006

## 2016

2/10/16 – D4D Working Group - Architecture  
2/15/16 – CWAG  
3/1/16 - Sunday Streets  
4/25/16 - D4D Working Group Transportation Meeting  
4/28/16 - D4D Working Group Transportation Meeting  
9/19/16 – D4D Working Group – Infrastructure/Sustainability  
10/11/16 - Port commission Informational  
10/29/16 - Open House  
10/15/16 – Potrero Hill Festival  
11/10/16 – Planning Commission  
11/14/16 – DNA DDC  
11/16/16 – Historic Preservation Commission  
11/28/16 – San Francisco Heritage Committee  
11/2/16 - Open House  
11/21/16 - Booster Subcommittee meeting  
11/29/16 - Boosters Meeting  
12/6/16 - Noonan Meeting

## 2017

3/14/17 - Informational presentation regarding D4D to Port Commission  
3/18/17 - Informational presentation regarding the Pier 70 Special Use District proposed by Forest City Development California, Inc. and associated public benefits.  
3/23/17 – Informational Presentation to Planning Commission  
4/19/17 – Boosters Development Committee  
4/28/17 – Informational presentation to Port Commission  
5/8/17 – DNA Development Committee  
5/9/17 – Informational Presentation to Port Commission  
5/11/17 – Informational Presentation to Planning Commission  
5/18/17 – Community Q&A  
5/23/17 – Informational session to Port Commission  
5/25/17 – Community Q&A  
6/5/17 – Irish Hill Community Meeting  
6/6/17 – Community Q&A  
6/7/17 – DNA Development Committee  
6/13/17 – Pier 70 presentation at the DNA  
6/22/17 – Community Q&A  
6/26/17 – Irish Hill Community meeting  
6/27/17 – Pier 70 Presentation at the Potrero Boosters

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# Provides 470+ Units of Affordable Housing



**20% inclusionary units**  
in all rental buildings

**Three parcels 100%  
dedicated** to affordable  
housing

Project will generate gap  
funding:

- Tax increment from Hoedown Yard
- Jobs Housing Linkage Fees paid by office development
- In lieu fee paid by condominium projects

■ Condominium – 28% In Lieu Fee    ■ 100% Affordable    ■ 20% Inclusionary



# Provides Significant Sea Level Rise Protections

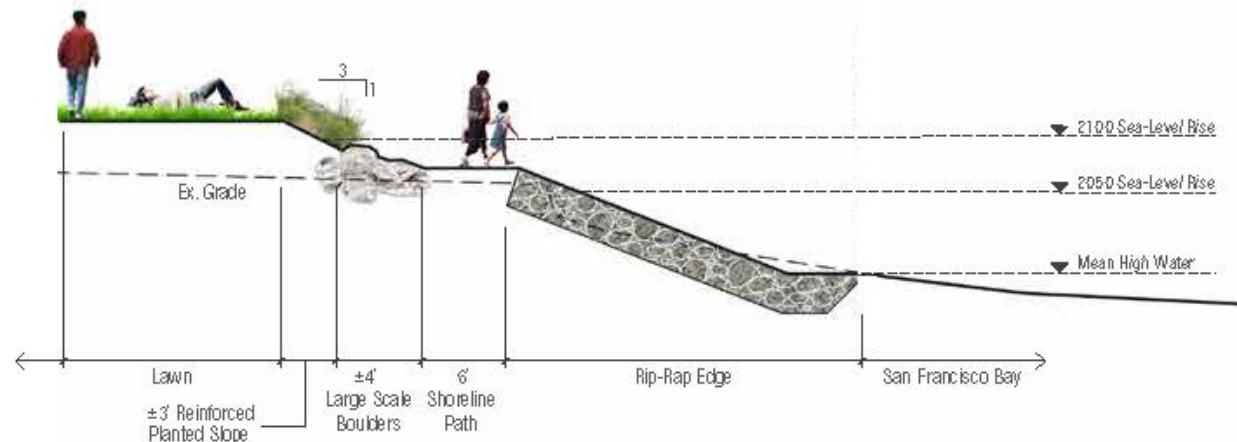


## Shoreline Special Tax

- 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 SLR
- **Drainage** away from buildings
- **Shoreline** protections



# Provides Significant Transportation Improvements



## Site Design

- **New street grid**
- **Bicycle network** with Class II and sharrows
- **Bay Trail** and **Blue Greenway** connections
- **Bikeshare** expansion
- New **traffic signals** on Illinois Street
- **Metered** on-street parking

Impact Fee: Approx. \$45 Million

## Demand Management

- Onsite Clipper Card vending machines
- **Transit passes** for residents
- **Bicycle repair** stations
- **Unbundled** parking
- **Shuttle** to Muni, BART and Caltrain
- **Transportation Management Agency** and onsite coordinator
- **Annual monitoring** to reduce vehicle trips by 20%



# Provides Additional Public Benefits



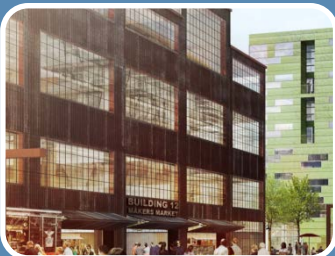
## Economic Access and Diversity

- \$1M in funding for CityBuild/Tech SF
- \$100,000 for CityBuild Services
- 17% LBE hiring goal
- Local hiring commitment for construction
- First Source hiring for operations
- First Source hiring for permanent tech employers



## Parks and Open Space

- 9 acres of new open space
- Irish Hill playground, market square, central commons
- Parks along 1,380 feet of shoreline



## Retail and Industrial Uses

- 60,000 square foot local market hall supporting local makers
- Minimum of 50,000 square feet PDR

# Provides Additional Public Benefits



## Rehab of Union Iron Works District Structures

- Buildings 2, 12, 21
- Interpretive design



## Community Facilities

- On-site Child Care
- \$2.5 million for new community space



## Noonan Tenants/Arts Building

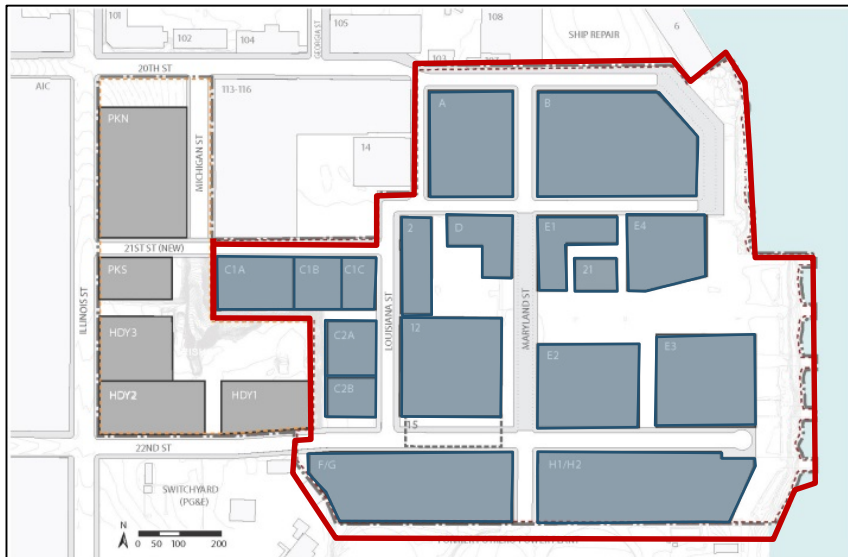
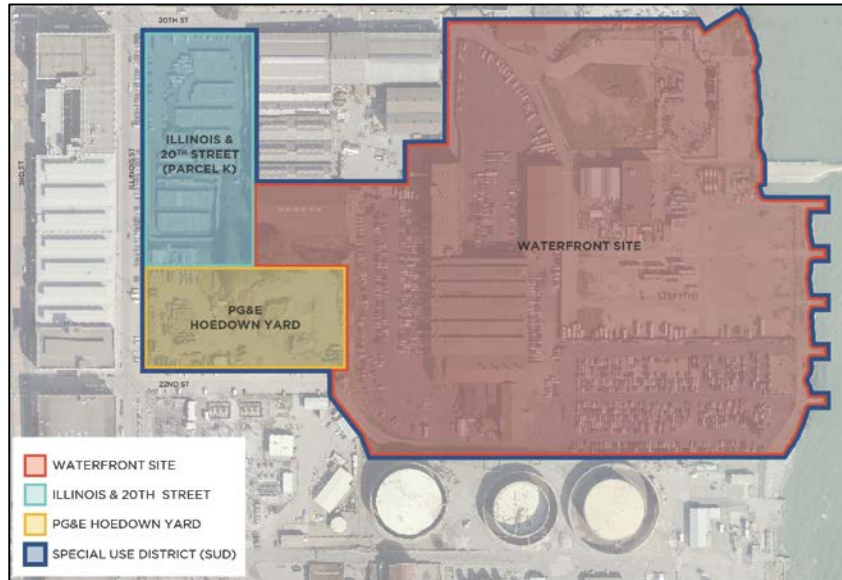
- Relocation of Noonan Building artists on site
- Up to 90,000 SF arts building

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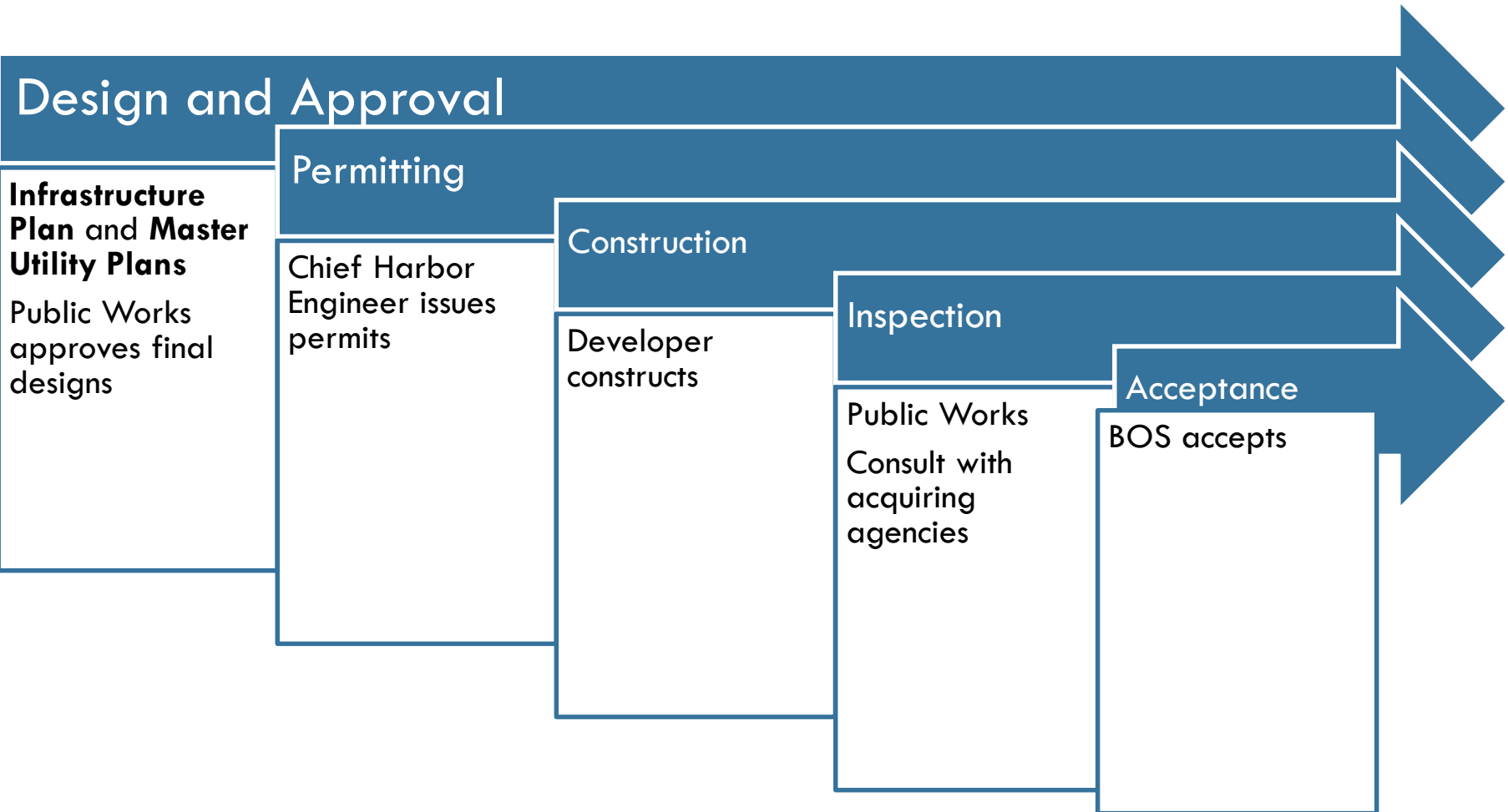


# Creates Legal Parcels



- Governed by **Subdivision Map Act**
- **Coordination** between Forest City, Port, Public Works, and County Surveyor

# Determines Process for Infrastructure



# \$262M of Horizontal Improvement Costs



## PHASES

- Phase 0.5
- Phase 1
- Phase 2
- Phase 3

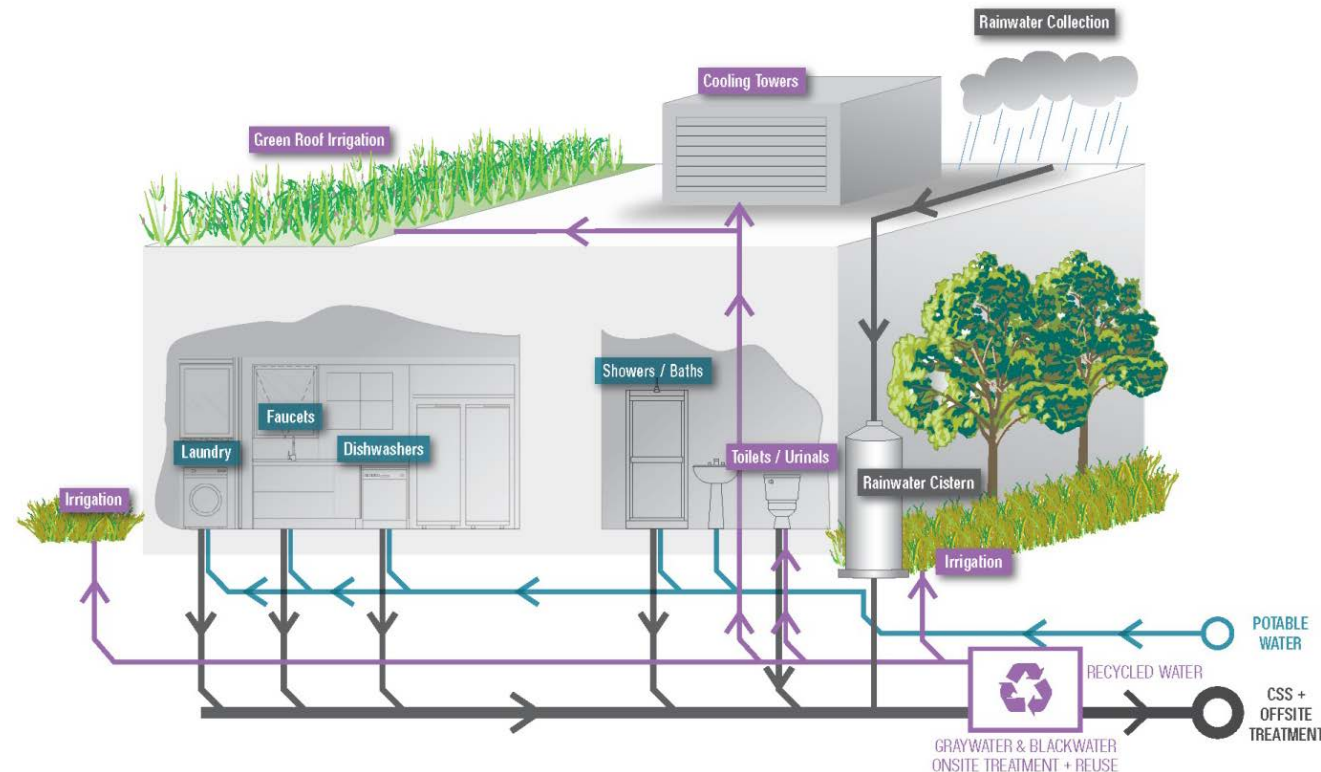
## Horizontal Costs by Phase

	Hard Costs	Soft Costs	Total
<b>Phase 1</b>	\$82,945,356	\$58,857,725	\$141,803,081
<b>Phase 2</b>	\$39,898,263	\$33,513,065	\$73,411,328
<b>Phase 3</b>	\$19,879,246	\$27,329,427	\$47,208,673
<b>Total</b>	\$142,722,865	\$119,700,218	\$262,423,083



# District Blackwater Reduces Water Usage

- Centralized plant to clean combined sewage and distribute back to buildings
- For non-potable uses (toilets flushing, landscaping, & building cooling)
- Will serve Crane Cove Park, Historic Core, and SUD
- Planned for Building 108



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# DDA Governs Project



Horizontal  
Improvements  
and Public  
Benefits



Schedule of  
Performance

Horizontal  
Development  
Requirements



- 28 Acre Master Lease
- Vertical DDAs (for vertical developers)
- 99 Year Leases (office and residential rental)
- Inspect and accept parks
- Coordinate with City agencies (street & infrastructure acceptance)

## Attachments

- Financing Plan
- Infrastructure Plan
- Affordable Housing Plan
- Streetscape Plan
- Form of VDDA, Parcel Lease, & Acquisition Agreement
- Jobs & Equal Opportunity Program
- Mitigation Monitoring & Reporting Program

# DA Sets Vested Rights and Public Benefits



Vested Rights

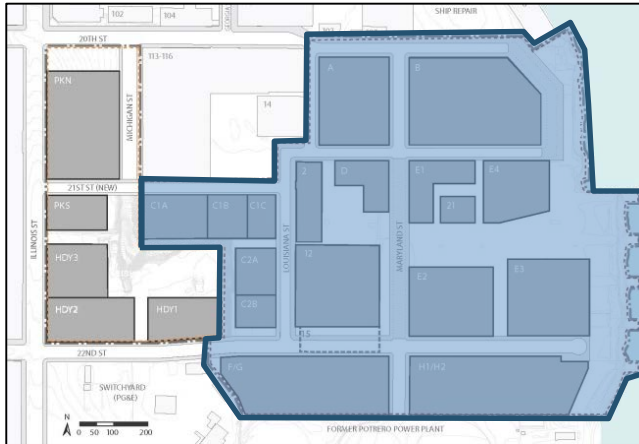


Public Benefits

Right to Develop  
Processing of Approvals  
City & Port Building Code Standards  
Fees & Exactions

Infrastructure Improvements  
Affordable Housing  
Noonan Building Replacement Space  
PDR Space  
On-site Child Care  
Transportation Improvements  
TDM Program  
Workforce & LBE goals  
Equal Benefits

# Provides Horizontal and Vertical Site Control



Master Lease



VDDAs



## 28-Acre Site Master Lease

### Vertical DDA

- Parcel Lease
- Deed

### Vertical DDA

- Parcel Lease
- Deed

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# Master Lease Provides Access to Site



Access to 28-Acre Site



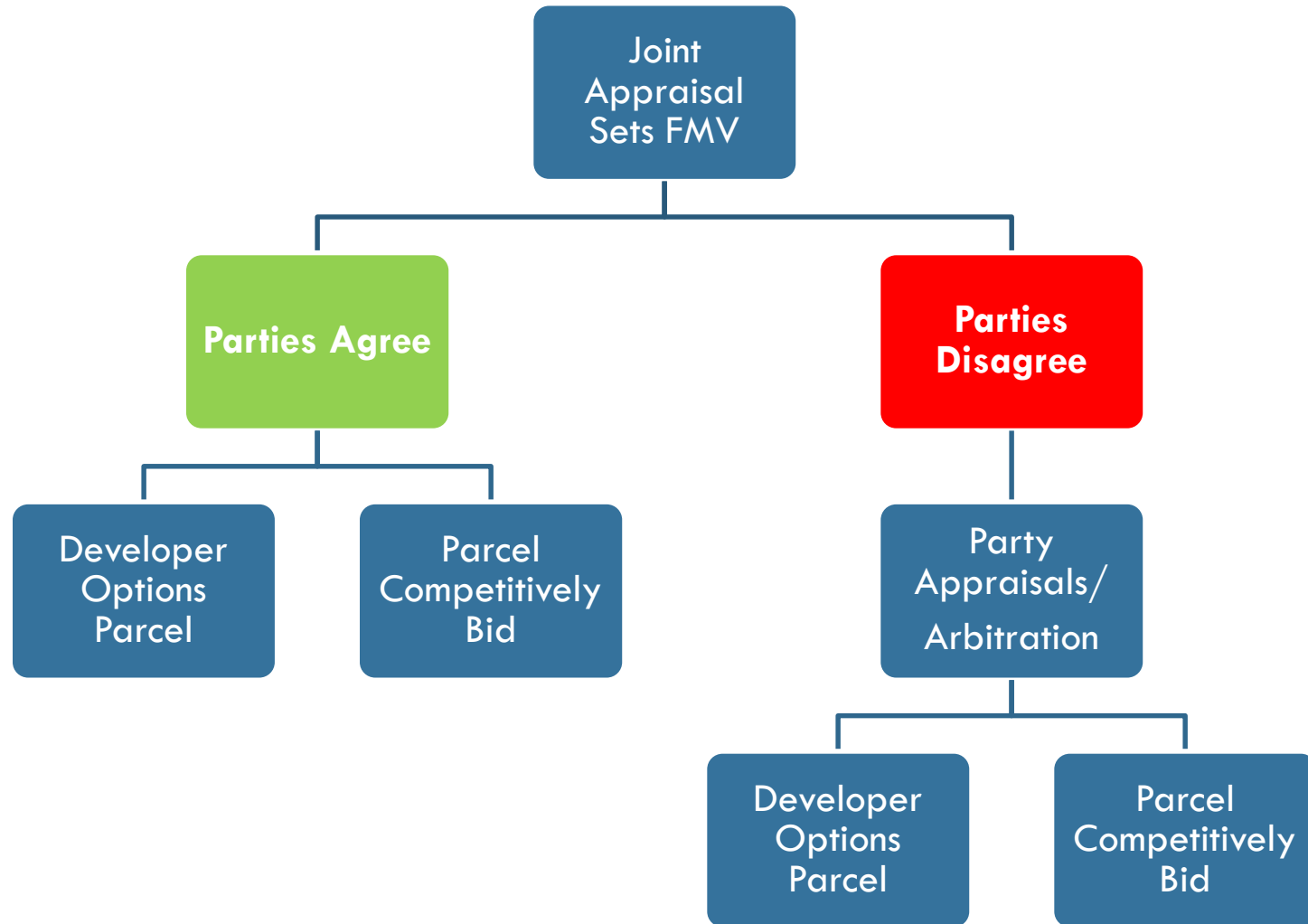
Construct Horizontal Improvements in Phases



Release Development Parcels for Vertical Development



# Appraisals or Bids Set Fair Market Value



# VDDA Governs Vertical Improvements



**Vertical  
Developer**

**Set FMV (appraisal or bidding process)**

**Due Diligence Period**

**Option Period/Payment of Deposit**

**Close of Escrow (Parcel Lease or Deed)**

**Construct Vertical Improvements**



# Development Parcels Leased or Sold



**Vertical  
Developer**

## Leased Parcels

- Convey by **Parcel Lease**
- 99 Years
- Pre-paid or hybrid
- 1.5% of Modified Gross Income in Year 30
- 2.5% of Modified Gross Income in Year 60
- 1.5% of Sales/  
Refinance Proceeds

## Fee Parcels (Condominiums)

- Convey by **Deed**
- 1.5% of sales  
proceeds for 2<sup>nd</sup> and  
subsequent sales

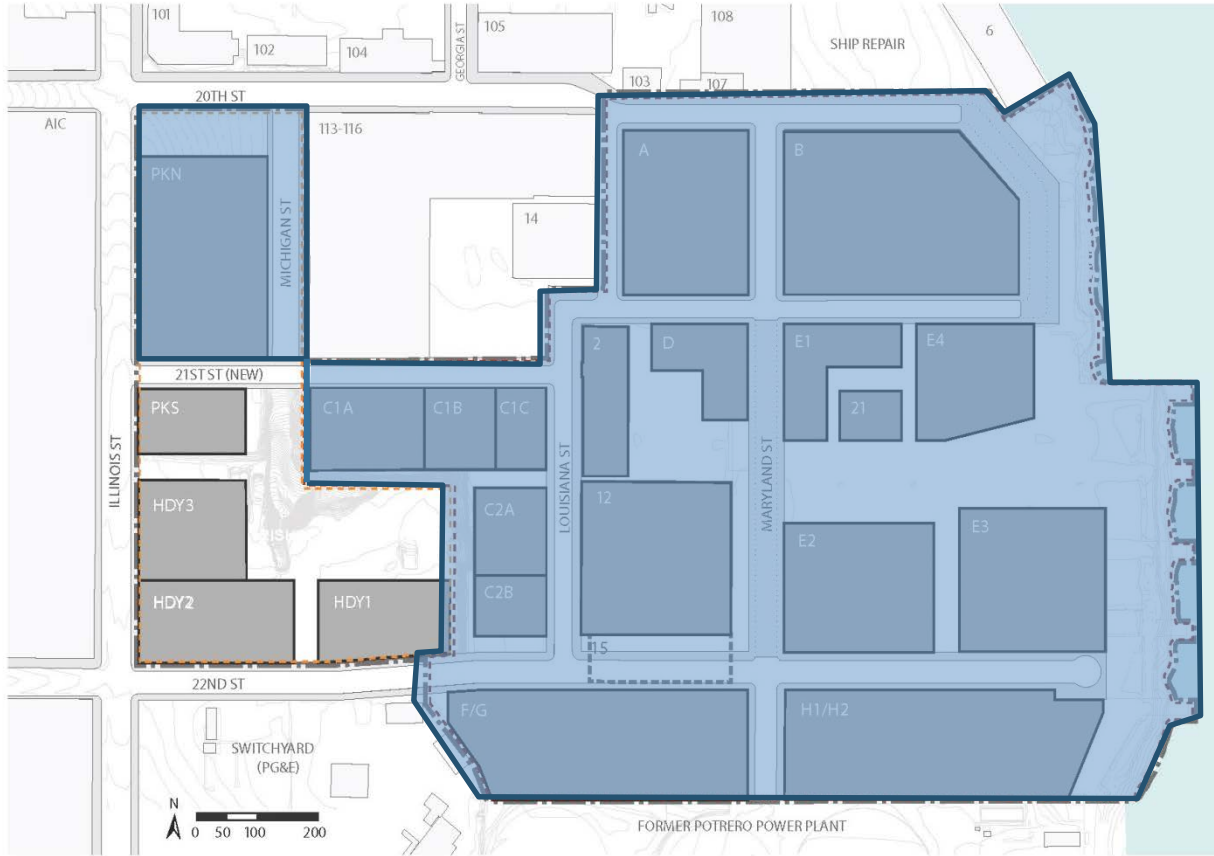
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# City's IFD Policy for the Port

- **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**

# IFD Captures Future Tax Increment Growth



PIER 70 SUD  
LAND USE PLAN

SITELAB urban studio 7/31/2017

SITE BOUNDARIES  
— Pier 70 SUD  
--- 28-Acre Site  
--- Illinois Parcels

- Encompasses **28-Acre Site** and a portion of **Illinois & 20<sup>th</sup> Street Parcels**
- **Captures future tax increment**, growth in Local and State shares of property taxes
- **92% for public infrastructure**, e.g. streets, utilities, parks, historic rehabilitation and shoreline protection
- **8% for other Pier 70 needs**, including Irish Hill Park

# CFDs Provide Early, Lower Cost Financing

## Condominium CFD (anticipated)



Average \$6,000/unit annual tax funds:

- Public Improvements
- Arts Building
- Maintenance
- Shoreline Improvements (after 30 years)

## Leased Properties CFD (anticipated)



Annual tax equal to approx. 52% of property taxes funds:

- Public Improvements
- Arts Building
- Historic Buildings
- Maintenance
- Shoreline Improvements

Portion of tax credited by property tax increment

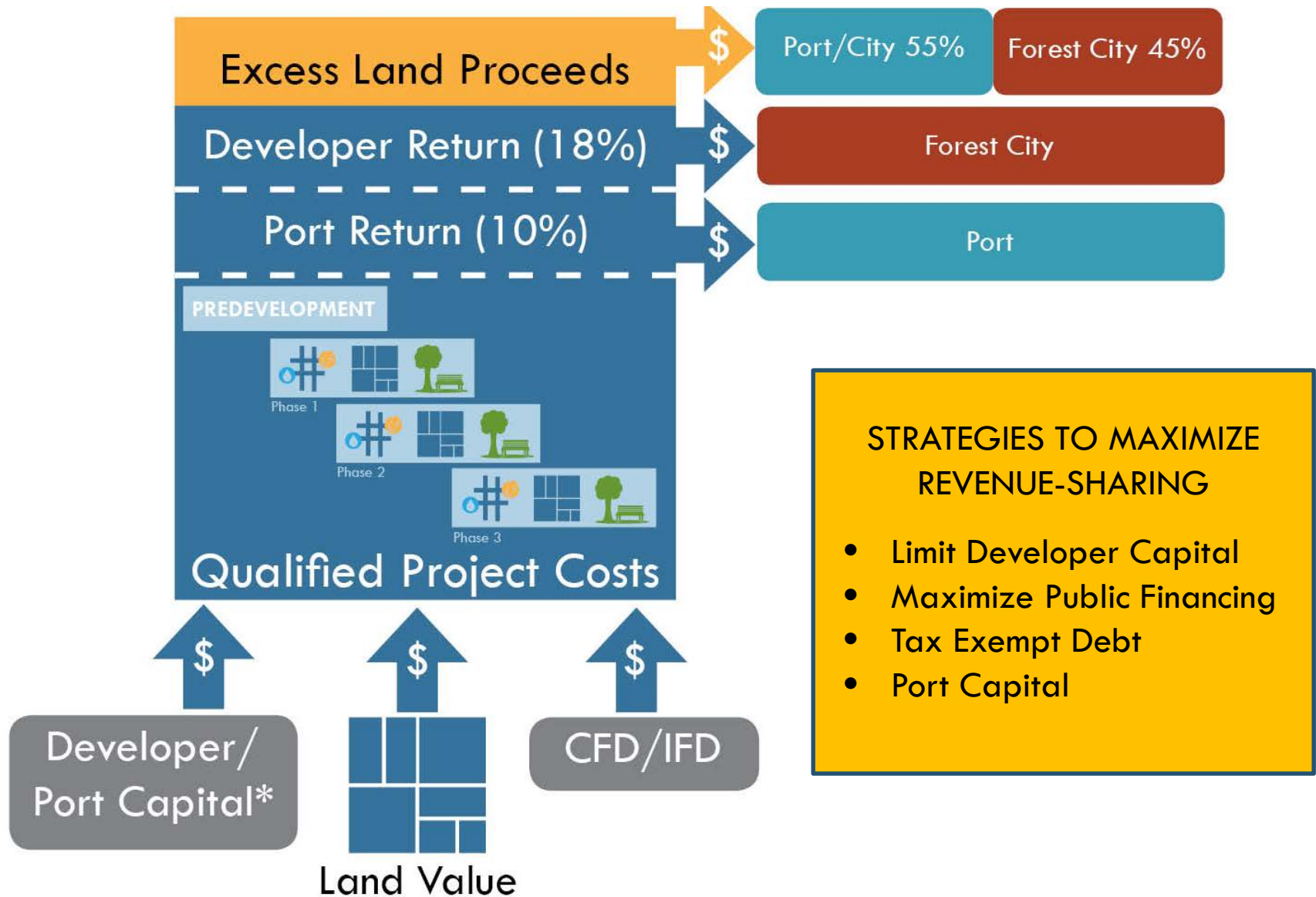
- **Two** districts
- **Early** public finance strategy
- CFD bonds have **lower cost**
- **Amend the local financing law** to permit specified uses



Future Annexation Parcels



# Use Public Financing to Maximize Revenue Sharing

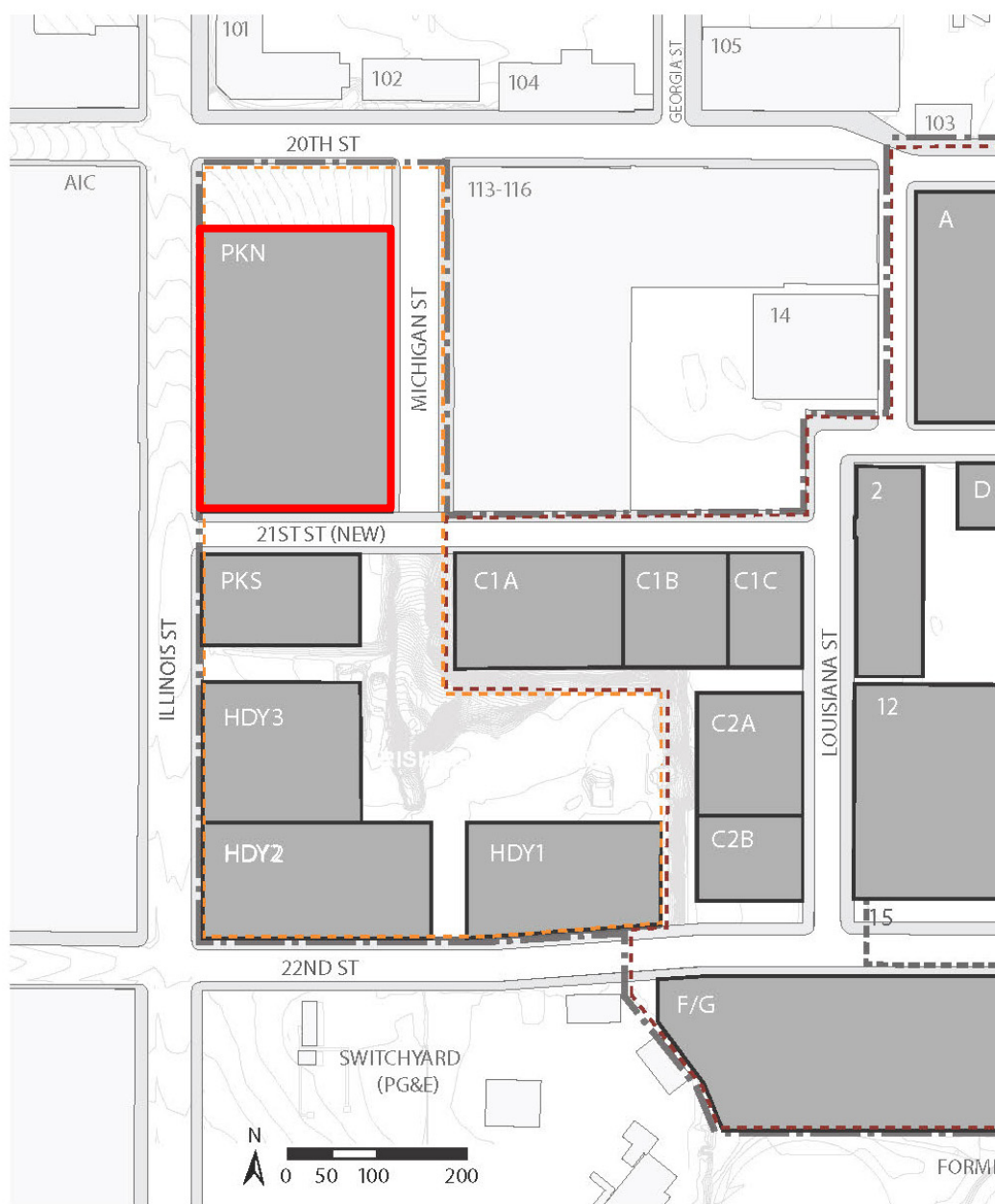


\*Port capital at discretion of Port Commission

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# Sale of PKN to Pay Portion of Entitlement Costs





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