Teatro Zinzanni
Infrastructure Financing District Project
Area Formation

Informational Presentation
September 9, 2019

Presented By: Rebecca Benassini,
Waterfront Development Manager
Presentation Overview

- Port’s IFD
- New Project Area Formation
- Teatro Zinzanni Project Overview
- Use of Tax Increment
- Next Steps
PORT IFD – BRIEF HISTORY

- **Policy direction.** April 2013: Mayor signed resolution #130264, adopting guidelines for establishment & use of IFD on Port property

- **Portwide IFD.** September 2018: Mayor signed ordinance #120614 forming IFD #2 on Port property

  - **Pier 70 Historic Core.** 2016: Pier 70 Historic Core IFD Project Area G-1 activated (#151119)

  - **Pier 70 Waterfront Site.** 2018: Pier 70 Waterfront Site IFD Project Area G-2, G-3, G-4 Activated (#170878 & 170879)

  - **Mission Rock.** 2018: Mission Rock IFD Project Area I activated (#171117 & 171118)
GUIDELINES TO ESTABLISH IFD PROJECT AREA

- **#1-2: Port property**, annex Port property on case-by-case basis.

- **#3: CEQA & CPC** positive recommendation re: Project Area’s IFP.

- **#4: TI** to be used consistent with laws.

- **#5: Fiscal impact & economic** impact analysis must be part of IFP.
#6: Maximize State contributions.

#7: Share of TI allocated, to be determined by City.

#8: Excess tax increment to be re-allocated to City.

#9: Port’s Capital Budget will include TI, if used for Revenue Bond coverage.

#10: IFP must describe upfront & ongoing funding for projects receiving TI.
Proposed Hotel & Dinner – Theater + a Public Park

- Seawall Lots 323 & 324
- Broadway & the Embarcadero
Site Location
<table>
<thead>
<tr>
<th>Item</th>
<th>Current Proposal-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Area</td>
<td>59,750 sf</td>
</tr>
<tr>
<td>Building</td>
<td>One 4-story building 147,880 gsf</td>
</tr>
<tr>
<td>Number of Floors</td>
<td>4 above-grade Floors no below-grade or basement floor</td>
</tr>
<tr>
<td>Hotel Rooms</td>
<td>118,000 sf – 192 Rooms</td>
</tr>
<tr>
<td>Theater</td>
<td>29,570 sf</td>
</tr>
<tr>
<td>Public Park</td>
<td>14,000 sf</td>
</tr>
<tr>
<td>Estimated Total Cost</td>
<td>$142 million</td>
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</tbody>
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Project Terms
Overview

• **Port Leases Land to Developer**
  • Developer constructs and operates hotel, theater, and park
  • 50 yr + 16 yr extension lease term
  • Port receives ongoing, market rate rent
• **Lease conforms with all City requirements**
### Key Public Benefits

- **Home for Teatro ZinZanni, a cultural asset that draws people to the Waterfront**
- **New 14,000 sq. ft. public open space**
- **New jobs along the Waterfront**
- **Increased rent revenues to the Harbor Fund projected to exceed existing parking operations on the Site**
- **Port will pursue formation of IFD subarea to direct property tax increment to Seawall, other shoreline, and historic preservation capital needs**
The Port of San Francisco’s Waterfront Resilience Program will create a safe, equitable, sustainable, and inspiring waterfront.
UNDERSTANDING THE EMBARCADEO SEAWALL

- Built 1878 to 1915
- 3 miles long
- 500 acres of filled land
- Approx. $5 billion over 30+ years
- Seismic and flood protection
EMBARCADERO SEAWALL PROGRAM OVERVIEW

- $425 million General Obligation Bond Passing
- Robust community and stakeholder engagement at every stage of Program
- Over 100 geotechnical borings along 3-mile Seawall
- Survey work of Bay floor
- Multi Hazard Risk Assessment
- Flood modeling
- Program development
EMBARCADERO SEAWALL PROGRAM FUNDING STRATEGIES

**DESIRED PROGRAM FUNDING**

- Full infrastructure improvements are anticipated to cost up to $5 billion
- Local (City, GO Bond Program)
- Federal (Water Resources, Transportation)
- State (Cap and Trade, State Share of Tax Increments)
- Private (Waterfront Development Project and Businesses)

**PHASE I DESIRED SOURCES**

- Potential sources for Phase I ($500 million) to address life safety:
  - $425 million City GO Bond Program
  - $55 million State (Goal, $5M Grant)
  - $10 million Federal (New Start)
  - $8 million Port of SF
  - $2 million SFMTA

Only 1/10 of the Program is currently funded
Controller’s review underway of draft:

- Draft Resolution of Intent to Form IFD Project Area J
- Draft Resolution of Intent to Issue Bonds from Project Area J

- Fiscal impact
- Economic impact
- Tax increment projections
# IFD FORMATION PROCESS

<table>
<thead>
<tr>
<th><strong>September 9th</strong></th>
<th><strong>September 17th</strong></th>
<th><strong>September 30th</strong></th>
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</thead>
<tbody>
<tr>
<td>CPC informational discussion</td>
<td>Introduction of: IFD Resolutions of Intention (ROIs) at Board and Lease</td>
<td>CPC recommendation</td>
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<tr>
<th><strong>Week of September 30th</strong></th>
<th><strong>Mid October</strong></th>
<th><strong>November – January</strong></th>
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<tbody>
<tr>
<td>GAO Hearing on ROIs</td>
<td>ROIs approvals and Lease</td>
<td>Complete formation proceedings</td>
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A View of Project Drawings
A View of Project Drawings

Building Elevations

Broadway

The Embarcadero
A View of the Development
Thank you