## 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.



# GUIDELINES TO ESTABLISH IFD PROJECT AREA

• #6: Maximize State contributions.

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

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

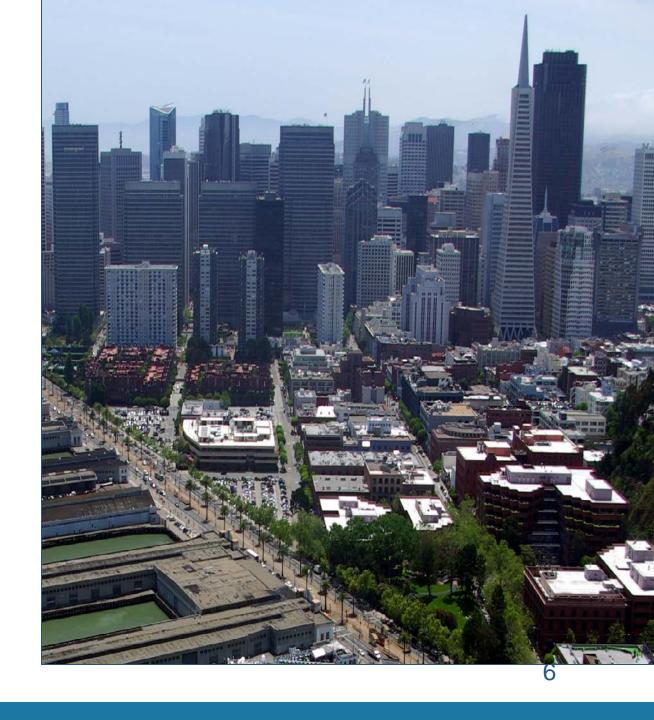
#9: Port's Capital Budget will include TI, if used for Revenue Bond coverage.

#10: IFP must describe upfront & ongoing funding for projects receiving TI.



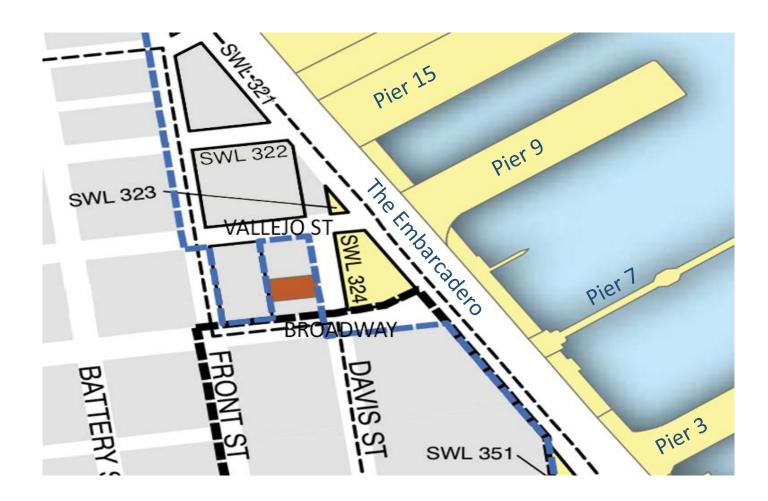
## Proposed Hotel & Dinner – Theater + a Public Park

- Seawall Lots 323 & 324
- Broadway & the Embarcadero





## **Site Location**







Item	Current Proposal-2019
Site Area	59,750 sf
Building	One 4-story building
	147,880 gsf
Number of Floors	4 above-grade Floors
	no below-grade or basement floor
Hotel Rooms	118,000 sf – 192 Rooms
Theater	29,570 sf
Public Park	14,000 sf
<b>Estimated Total</b>	\$142 million
Cost	



# 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



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



### PORT OF SAN FRANCISCO'S WATERFRONT RESILIENCE PROGRAM



## **UNDERSTANDING THE EMBARCADERO SEAWALL**







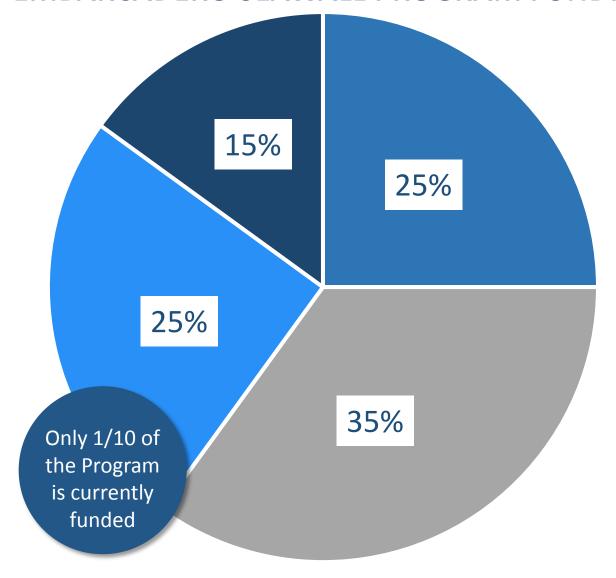
#### **EMBARCADERO SEAWALL PROGRAM OVERVIEW**



#### 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

## PROGRESS ON IFD PROJECT AREA FORMATION

Fiscal impact

Controller's review underway of draft:

**Economic impact** 

Draft Resolution of Intent to Form IFD Project Area J

Tax increment projections

Draft Resolution of Intent to Issue Bonds from Project Area J

## IFD FORMATION PROCESS

September 9<sup>th</sup>

CPC informational discussion

September 17th

Introduction of: IFD Resolutions of Intention (ROIs) at Board and Lease September 30<sup>th</sup>

**CPC** recommendation

Week of September 30<sup>th</sup> GAO Hearing on ROIs

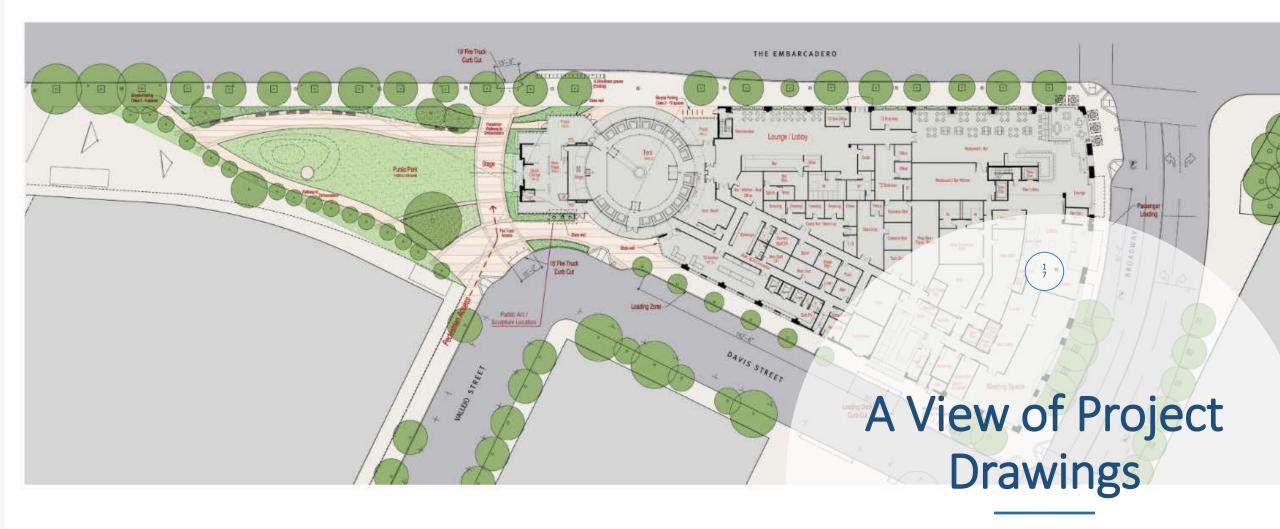
**Mid October** 

ROIs approvals and Lease

November – January

Complete formation proceedings





Site Plan / Park and Public Realm



Hornberger + Worstell Architects

Worstell Architects

Worstell Architects

Worst



The Embarcadero







Aerial View



# Thank you